



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Hon. Nick Duigan MLC

Tuesday 24 September 2024

MEMBERS

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

IN ATTENDANCE

HON. NICK DUIGAN

Minister for Energy and Renewables, Minister for Parks and Environment

Craig Limkin

Secretary, Department of State Growth

Mark Bowles

Acting Chief Executive Officer, ReCFIT and Resources

Sarah Russell

Director Climate Change

Robert Manning

Recorder of Titles, Land Titles Office

Michael Giudici

Surveyor-General

Jason Jacobi

Secretary, NRE

Yann Gagnon

Director, Royal Tasmanian Botanical Gardens

Wes Ford

Chief Executive, Environment Protection Authority

Danielle Poirier

Director Major Projects and Infrastructure

Sophie Muller

Deputy Secretary Tasmania Parks and Wildlife Service

Sean Terry

Executive Director Energy

Guy Naish

Valuer-General

The committee met at 9 a.m.

Output Group 7 - Renewables, Climate and Future Industries Tasmania

7.1 Energy and Renewables

CHAIR (Ms Forrest) - Thank you, minister, for your very first appearance at the Estimates committee. In the morning, we'll be looking into your portfolio of Energy and Renewables, and later today we'll have Parks and Environment. I invite you to introduce the members of your team at the table, particularly those who will be speaking, and then I invite you to make an opening statement, should you wish. Then we'll go to questions.

Mr DUIGAN - Thank you very much, Chair. It's a pleasure to be here today to speak through our government's ambitious energy and renewables agenda, and, of course, covering off on climate change as well. With me at the table today is the Secretary of the Department of State Growth, Craig Limkin, the acting CEO of ReCFIT, Mark Bowles, and my Chief of Staff, Ilise Bourke.

CHAIR - She used to work with us before. We know her better than you.

Mr DUIGAN - She is doing a great job. There are a number of supporting officials in the room today too to delve into the detail. I will make a short opening statement.

ReCFIT is the government's key agency supporting Tasmania to reach its vision for reliable, sustainable and renewable energy development and climate change action. First, I acknowledge the Tasmanian Aboriginal people as the original owners and continuing custodians of the land upon which we meet today and pay my respects to Elders past and present.

As you will see from the budget papers, we have two clear outputs under my energy portfolio: 7.1 Energy and Renewables and 7.2 Climate Change. These two outputs go hand in hand as we go about delivering some very ambitious policy agendas. As a state, Tasmania has much to be proud of. Our greenhouse gas emissions profile is the envy of the nation and the world, and we have already achieved our legislated target of net zero emissions by 2030 for the past nine years.

The most recent data shows that Tasmania's emissions were -4.34 megatonnes of carbon dioxide equivalent, meaning our emissions have reduced by 122.2 per cent since 1990. We have a strong renewable energy heritage, with 100 years of hydroelectric development providing the foundation of our industrial development and putting us at the forefront of renewable energy generation both nationally and globally.

Tasmania is one of the few places in the world that is 100 per cent self-sufficient in renewable electricity, which was achieved in 2020. This is despite our economy having doubled in size between 1990 and 2020, with more than 50,000 jobs created. These globally significant achievements are due to a combination of our long-term renewable energy investments and our managed forest estate, along with ongoing emissions reductions in our waste sector.

The Tasmanian government remains committed to seizing the opportunities offered by our world-class renewable energy resources for our climate and for our economy, and we're committed to delivering the lowest possible energy prices for Tasmanians. But increasing

demand means we must continue to invest in new renewable electricity generation, storage and transmission. Even here in Tasmania, we face challenges to develop the energy resources we need to respond to demand growth from electrification of homes and businesses, the expansion of our existing major industrials wanting to grow their operations, and new industries wishing to invest here. Millions of dollars are being invested in the upgrade and expansion of Hydro to grow our solar and wind farm capacity and to build the transmission networks we need for the future.

Over the next 12 months, ReCFIT will be progressing work on major energy projects such as stage 1 of Marinus Link, implementing the renewable energies approval pathway to assist private sector proponents, progressing the Bell Bay Hydrogen Hub, and negotiating a renewable energy transformation agreement with the federal government. ReCFIT will also be implementing projects from Tasmania's Climate Change Action Plan, delivering sector-based emissions reduction and resilience plans, and finalising the first statewide climate change risk assessment.

The government is not resting on its strong performance. We are continuing to invest in the portfolio. In this Budget, we provide more than \$21 million to maintain our nation-leading net zero status and build Tasmania's circular economy. The Budget has committed a further \$600,000 toward our \$4 million low emissions livestock grant program. This will reduce carbon dioxide levels equivalent to taking 7,000 cars off the road. Marinus Link remains a priority for the government, and is expected to deliver savings of at least 140 million tonnes of CO₂ by 2050. We continue to implement the Tasmanian Renewable Energy Action Plan and the Tasmanian Renewable Hydrogen Action Plan, and the Budget provides \$14.4 million over four years for the Renewable Energy Approvals Pathway.

Our vision for a green hydrogen industry underpins the future energy system but also has the potential to be an alternate fuel for hard-to-abate sectors. The Budget is taking this forward with \$11 million allocated to delivering the green hydrogen hub at Bell Bay, which is supported by \$70 million from the Australian Government. We are investing \$5 million for a Renewable Energy Services Hub at Bell Bay and, through the skills portfolio, \$4 million for a state-of-the-art Renewable Energy Training Facility in Burnie.

We have more than \$82 million committed over four years in this Budget for the delivery of this portfolio, and I look forward to working through the agenda with the committee and officials at the table today.

CHAIR - Thank you, minister. To start off with, I wonder if you might be able to update the committee on the current role of ReCFIT. I think there's been a few changes: it was with Treasury and is now with State Growth. If you could outline what their remit is and what their role is with various aspects of the energy portfolio.

Mr DUIGAN - As I mentioned in my opening remarks, ReCFIT is the department charged with delivering our renewables agenda, and that covers climate change as well. As you would have heard through that statement, there is a substantial amount of work to be done and a number of plans which we are working to deliver. There have been some changes in the structure of the department of recent times, and I think it is probably appropriate for the secretary to detail the structural nature of those changes, if you're happy with that?

CHAIR - Yes, start there, then I'll go to the funding.

Mr LIMKIN - Earlier this year, my executive and I undertook a review of functional alignment of the Department of State Growth. We worked collaboratively and openly with our staff to work through this, and based on that, there was a lot of feedback from our staff.

Through this process, we did a staff consultation and on 31 July, I announced my decision on the alignment of the department. In relation to ReCFIT, there was a determination made by me to move the resources and forestry portfolios under the same deputy secretary. That was principally because we were of the view that there was significant alignment between ReCFIT and the energy and renewables agenda, plus also the climate change agenda. The deputy secretary now oversees the teams that focus on renewables and energy, climate change and resources, including forestry.

CHAIR - And mining, or just forestry?

Mr LIMKIN - It includes mining as well.

CHAIR - Why do we have two different ministers? That's probably a question that the Premier needs to answer. It seems odd that we have it now all under the one deputy secretary and we have two ministers.

Mr DUIGAN - That wasn't one that I had a hand in playing; I think it probably is a question that I can't give you an answer to. I'm one minister. I'm happy to be in the portfolio and focusing on energy, renewables and climate change. I don't have much to say about -

CHAIR - There's a bit of a silo there with energy, renewables and climate change, but over here there's another little silo with forestry that's not siloed because it's under the same person now.

Mr DUIGAN - In terms of silos, I think that's something we would be seeking to avoid in the department. As the secretary has said, forestry has a substantial and significant role to play, particularly as it intersects with climate change and climate policy in the state. I think having those two things there are reasonable.

CHAIR - Yes, I don't disagree that it's reasonable. I just think it's odd that we have two separate ministers looking at a very connected area of government responsibility.

Mr DUIGAN - I think, again, probably for the secretary to detail how he might see that working and strategies that are in place to avoid that siloing -

CHAIR - Can I just clarify the date was 1 July this year, that decision was made?

Mr LIMKIN - 31 July this year, I made the determination to realign the department. The structure went live on 12 August. There is still stuff changing as we go on. I want to be clear that secretaries under the *State Service Act* actually have a responsibility to use government resources in the best way they believe, consistent with government policy. We are accountable for structuring agencies. Obviously, we consult with government, but ultimately the *State Service Act* requires secretaries to make those determinations.

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In relation to how the Department of State Growth works, we work in a collaborative role. The team in ReCFIT work with my transport team as well, they work with my strategy, housing and infrastructure and planning team. They're all part of the executive. There are significant synergies between our forestry areas, particularly in resilience and adaptation in forestry management practices, and also the role of critical minerals in the transition to net zero.

The deputy secretary is able to brief both ministers, and I honestly would say I have not seen any silos in the way Mark and the rest of the DSG teams work, and I genuinely believe this will support our community and Tasmanian businesses more effectively to deliver on the policies that the government sets of the day.

CHAIR - Would it be reasonable to ask minister Abetz tomorrow about how his portfolio interacts with your portfolio in terms of climate change and that, those areas?

Mr DUIGAN - I think that's entirely reasonable, yeah.

CHAIR - I kind of hope he doesn't say we should have asked the Minister for Renewables and Energy, but, anyway, here we are. So, thanks for that update of where it's at.

If I could just look at specifically the resourcing that goes to ReCFIT, because it's really one-line item that covers just about everything, it's impossible to know what's what. So, what I'm asking for is a breakdown of the Budget to tell us where the funds go for what purpose under the Energy and Renewables portfolio.

Mr DUIGAN - Thank you, Chair. So, certainly at high level the government's continuing to deliver for Tasmanians with more than \$82 million invested for energy and renewable initiatives over the next four years. As I've mentioned, some of that is \$14.4 million over the four years for renewable energy approvals pathway, standing that team up and things like that. But, for the detail around how the Budget breaks down, I will pass to the secretary to give you the detail that you seek there.

CHAIR - Is it possible to provide this in writing to the committee - like a table that shows the breakdown? Otherwise, I'm going to write down large numbers very fast and I'm sure to get them wrong.

Mr BOWLES - As a department we've administratively done some work already to break down what's in the Budget. However, these are preliminary breakdowns, so they could change over time and they're subject to some interpretation. If you like, I can read in the highlights to start with?

Mr DUIGAN - I think that's reasonable, if you're happy with that, Chair.

CHAIR - We'll see how we go.

Mr BOWLES - I guess there's a number of different components. Key component is the base funding, this is our continuing existing funding -

CHAIR - For ReCFIT?

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Mr BOWLES - For ReCFIT, this is just for renewables. It's \$5.2 million for the current budget year. There's also an indexation amount in there, that's \$121,000. Then there's the election commitments. The three key election commitments are: the renewable energy assessment pathway, additional resourcing is \$3.98 million this year, then it's \$2 million for the Renewable Energy Services Hub in Bell Bay and \$450,000 for the small businesses energy audit; and there's the \$11 million for the Tasmanian Green Hydrogen Hub.

CHAIR - So, there's 11 million for the Renewable Energy Hub in addition to the \$2 million you just mentioned. You just mentioned \$2 million.

Mr BOWLES - They're two different projects. The Green Hydrogen Hub was announced two or three years ago, so, that's the work that we're doing to bring in common use infrastructure, predominantly power and water, to support the establishment of an export scale hydrogen hub. The Renewable Energy Services Hub is the new election commitment, which seeks to build Bell Bay's capacity to support offshore wind farms. So, two different initiatives and then there's some other funding which is continued funding for previous budget initiatives.

CHAIR - What does that add up to?

Mr BOWLES - The total for the current budget year is \$29.67 million.

CHAIR - It adds up to the line item, right? So far so good?

Mr BOWLES - On climate change, base funding for climate change is \$2.5 million. There's an amount of \$232,000 for indexation. The new budget initiative is the Low Emission Livestock Grant Program's \$600,000, and then the balance is pre-existing budget initiatives such as \$5.3 million for the Climate Change Action Plan. That adds up to \$9.9 million.

CHAIR - When we look to the forward Estimates, there's only \$16.5 million total for energy renewables and \$5.4 million in climate change. So, I assume some of those things are one off things. If you could look at an explanation as to what the drop-off relates to in funding?

Mr BOWLES - The largest drop-off for energy is the \$11 million for the Green Hydrogen Hub - is a one off, so that doesn't carry through to the forward Estimates, and then a number of the previous election commitments start to tail out as well, but it's primarily -

CHAIR - Maybe it would be helpful to have this in a table with the forward Estimates, minister. We had the same discussion with disability yesterday. We got one line item with a lot of money in it and no vision of what it split out to. So, if your people could produce a table with the necessary caveats on it to provide to the community, that would be helpful, I think. Like soon, while we're here sitting at this table.

Mr DUIGAN - Noting, as Mark has said that these are -

CHAIR - They are a point in time.

Mr DUIGAN - They are a point in time and, so, I think there is probably some challenge around that. I think we're probably okay to provide them on that basis, that is a point in time.

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CHAIR - What I'm asking for is a breakdown, as Mr Bowles has outlined, over the forward Estimates, acknowledging that the \$11 million for the Renewable Energy Service Hub is a one off.

Mr DUIGAN - And, in terms of climate responsibilities, you know, the Climate Change Action Plan is funded 2023 to 2025, so, you'll see a dropping off in 2025, noting that the next Climate Change Action Plan would need to be funded.

CHAIR - That is what I want to say. As soon as possible, minister, would be helpful.

Mr DUIGAN - Happy to provide something through the course of the day.

CHAIR - Last week, if you remember, in the House, I asked for the estimated outcomes, which I've been informed are the primary outcomes at the most recent figure other than the actuals, which would be with the Auditor-General at the moment, unaltered perhaps, but there you go. So, it is an estimate, but it seems that, according to this document that was provided by Treasury at a question I asked last week, there's only \$16 million for the primary outcome for the energy and renewables line when there was just under \$30 million budgeted. I'm wondering why the apparent underspend - that number will change with the actuals to a degree, but I wouldn't expect it to change up to \$29 million when it's only \$15 million or \$16 million.

Mr DUIGAN - This has just been put in front of me: 7.1: Energy and renewables. The estimated outcome was lower than budget due to a saving of \$5 million for the Government Boiler Replacement Program. The Government Boiler Replacement Program was initially a \$10 million project and it has been repurposed. We have had a had a look at that and -

CHAIR - We're a long way from -

Mr DUIGAN - There has been \$5 million returned.

CHAIR - It is effectively a \$5 million saving.

Mr DUIGAN - Along with the reprofiling of the hydrogen industry fund of \$5.1 million. Combined, that's \$10 million.

CHAIR - We are still a long way short.

Ms LOVELL - It's about \$13 million.

CHAIR - You're doing the maths, are you?

Mr LIMKIN - They're the major movements. My understanding is there are a lot of smaller reprofiling on timing of payments, but they are the major movements that make up the -

CHAIR - There must be quite a lot because it's quite a big gap from \$29 million to \$16 million, and you've only outlined \$10 million.

Ms THOMAS - There's another \$3 million somewhere.

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CHAIR - Is it to do with the timing?

Mr LIMKIN - I am advised that it is in relation to payments of grants on timing movements. Those funds have been profiled into the forward Estimates or into this financial year, 2024-25, based on when we've signed grant deeds and expected payments. What we've provided for you is the major movements to help explain the difference.

Mr BOWLES - For a little bit more detail, a number of the previous budget commitments, as has been mentioned, have been reprofiled. That includes the delivering of renewable energy agenda funding, which is now being supported also by our renewable energy assessment pathway. That was reprofiled. In particular, there were hydrogen industry projects and subsidies that were reprofiled. Predominantly, that was due to grant deeds with third parties that hadn't met their conditions precedent.

CHAIR - They would flow through to this year's budget figure, effectively rolled over?

Mr BOWLES - They're rolled over, yes.

CHAIR - Going back to ReCFIT, minister, can tell me the number of consultants that have been engaged to support the work of ReCFIT and how many are in the team - tender employed in ReCFIT?

Mr DUIGAN - I'm sure I can do that via the secretary. We can get that detail for you, unless you happened to have it at the table, Mark?

Mr BOWLES - As at the end of June, the number of paid FTEs in the energy and renewables area was 26.4 and paid FTE for climate change was 12.6.

Ms LOVELL - Sorry, was that 20.4 for the first one?

Mr BOWLES - 26.4.

CHAIR - What is the number of consultants that have been used across the past 12 months, and the cost of those?

Mr DUIGAN - We should have that detail. The finance team is having a look, as is the acting CEO. We should be able to provide that, noting I think I have seen it in recent times.

CHAIR - I'll also ask for a bit more detail about what the consultants were used for.

Mr DUIGAN - Happy to take it on notice. We're going to provide an answer at a later time today. I think it's just going to take a little bit of time to pull that together.

CHAIR - What I am asking for is the number of consultants, the total cost and what areas the consultants were engaged in - what was the role they undertook?

Mr LIMKIN - We will provide that information, we just have covered them on the department basis, not a portfolio basis. The team will very quickly just provide that information.

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CHAIR - I'll come back to that.

Mr DUIGAN - Great, thank you.

CHAIR - In terms of the other costs, and I hope we can get this as well, what's been spent on wages for the ReCFIT staff, without taking out consultant cost or wages costs?

Mr BOWLES - The wages are predominantly funded through our base funding. The figures I mentioned before, in the case of energy that's \$5.1 million and climate change it's \$2.4 million. In some cases, wages are funded through projects, but they are predominantly through the base funding.

CHAIR - Where were the consultant costs then? So, you said \$5.2 million was the total funding of ReCFIT and you said \$5.1 million was wages. I'm just wondering where the consultant costs come out or show, if you like.

Mr BOWLES - The base funding is \$5.1 million and then there's a variety of other funding sources. To be specific, the base funding is \$5.168 million.

CHAIR - Oh, right. That's why I wrote \$5.2 million.

Mr BOWLES - That's our base funding.

CHAIR - But that doesn't include the consultant costs.

Mr BOWLES - No, consultants would normally be funded through other specific project allocations.

CHAIR - So, they'll be included in -

Mr BOWLES - Well, for example, there may be consultant costs in the Hydrogen Hub funding allocation.

CHAIR - That's why I'd like that information, minister, as I'm sure you can understand. I just wanted to look at the work being done on Marinus. I assume that ReCFIT still has an important role to play here, even though the structure has changed.

Mr DUIGAN - Correct, absolutely.

CHAIR - I noticed that one of the equity amounts this year in the Budget was \$103.5 million into TasNetworks following the transfer of the Marinus Link assets to the new entity jointly owned by the Victorian and federal governments, and where the general government now holds the shares. That \$103.5 million was to make TasNetworks whole in respect of borrowings made to TasNetworks to fund its share - that's on page 374.

I have a few questions on this, minister. Hasn't most of TasNetworks' Marinus Link expenditure to date been funded by federal grants, not TasNetworks borrowings?

Mr DUIGAN - Well, TasNetworks, given that Marinus Link has been, for a long period of time, a wholly owned subsidiary of TasNetworks, and TasNetworks has contributed all of

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the inputs to Marinus Link up until March this year, I think that number is a reflection of the expenditure incurred by TasNetworks over the period of time. Tasmania's financial contribution up to the time of the new ownership arrangements are being treated as equity in Marinus Link and that \$103 million is, as I understand it, a reflection of what TasNetworks has spent and its equity in getting the project to that point.

CHAIR - My question was, minister, there's the money that TasNetworks have spent, what I hear you say, and correct me if I'm wrong, is that \$103.5 million is what TasNetworks paid to get Marinus Link work to where it is. I understand, and I'm happy to be corrected, that the federal government provides some grant funding to assist that.

Mr DUIGAN - I'm aware of federal grant funding that has been contributed toward Marinus. I think, unless, Mark, you have more detail on that, it's getting close to being an issue for TasNetworks.

CHAIR - I'd like breakdown of what funding has been provided by the federal government and what was TasNetworks' own borrowings, because it would have been borrowings, to undertake the work to date on Marinus Link.

Mr BOWLES - The federation funding agreement totals \$140 million. Some of that has been paid down and some of that is yet to be drawn down. That's allocated across the Marinus and Battery of the Nation projects, particularly Tarraleah. There have been allocations to TasNetworks, Marinus Link itself and Hydro Tasmania. They are in addition to the \$103 million that TasNetworks has funded off its own balance sheet.

CHAIR - So, TasNetworks has borrowed, over the course of doing this work, \$103.5 million to fund the work. How much has been spent to date, or up until the point of the transfer of the company's arrangements, on the project?

Mr DUIGAN - As I understand it, the \$103.5 million expended by TasNetworks is there, and that is being repaid by the government to make TasNetworks whole.

CHAIR - Yeah, I understand that.

Mr DUIGAN - In terms of total expenditure on the project, I'll pass to Mark to see whether he has anything to say about that.

CHAIR - I'm wanting a total figure. That \$103.5 million is TasNetworks' borrowings.

Mr BOWLES - Well, borrowing and/or cash, so, it's off their balance sheet, but -

CHAIR - Haven't got a lot of room to not borrow, let's face it.

Mr BOWLES - The total by the Tasmanian government is \$103.4 million, plus the \$140 million, or the components of \$140 million that have been allocated already. And then -

CHAIR - From the federal government?

Mr BOWLES - From the federal government.

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CHAIR - Do we know how much of the \$140 million from the feds has been spent on it?

Mr BOWLES - I can try and get that number, but the majority of it has been drawn down. In addition to that, there have been equity calls. Since the new shareholders' agreement was established earlier this year, new equity calls have fallen on the Australian and Victorian governments. Our expenses to date, or TasNetworks' expenses to date, are contributing to new equity calls. To date, we haven't had to provide cash injections. There's been total equity recognised to date in Marinus Link Pty Ltd (MLPL) of \$228.9 million.

CHAIR - That is spread according to the ratio of ownership across the three entities?

Mr BOWLES - Yes.

CHAIR - I can't do maths in my head to that degree. How much has our \$103.5 million been allocated against those equity calls?

Mr BOWLES - \$40.5 million has been recognised as Tasmanian equity, and the remaining \$188.4 million is Australian and Victorian government equity.

CHAIR - Okay. We did ask the Treasurer about this yesterday. I don't know if you were watching at the time. Maybe not. But it's an interesting beast and it seems a bit hard to understand how it's going to work in the long term. Minister, are you the shareholder minister of Marinus Link on behalf of the people of Tasmania?

Mr DUIGAN - Yes.

CHAIR - There's three shareholder ministers?

Mr DUIGAN - Yep.

CHAIR - I'd like to understand, then, when the equity calls keep coming, which they no doubt will if it proceeds particularly, there'll still be some even before if it starts being built, no doubt. How does that work from Tasmania's perspective once we've exhausted our \$103.5 million equity that sits there now?

Mr DUIGAN - The important thing to consider as we look at this, and I would expect our \$103.5 million investment to carry us well and truly to a final investment decision, so May 2025, knowing that the company will continue to progress its project, but that's the critical gateway for Tasmania, I think. Treasury is preparing a whole-of-state business case that will look to weigh up -

CHAIR - That funded separate to this, obviously, that's funded out of Treasury?

Mr DUIGAN - Yep. That is the critical point. My expectation is not to receive any equity calls prior to Tasmania getting its final investment decision.

CHAIR - The capital cost of Marinus, particularly the losses that crystallise if Marinus Link's regulated asset base is less than its cost - this is looking into the future a bit, obviously. Is it a case that by the time that occurs, it'll be a sunk cost and so it doesn't have any impact?

Mr DUIGAN - Sorry?

CHAIR -I'll say that again. The capital cost of Marinus Link, particularly the losses that crystallise, there could be losses depending on what the regulator determines. It's a shame we don't have the decision on Basslink yet to give some sort of indication what the regulator might be thinking about these things, But there could be losses that crystallise at that point. Are they considered a sunk cost at that point?

Mr DUIGAN - I'm happy for Mark to take that one at that level of detail.

Mr BOWLES - We don't expect there to be losses in terms of capital costs. The MLPL will be providing its submission to the regulator on the revenue determination in November. That outlines the recovery to both debt holders, the primary debt holder being the Clean Energy Finance Corporation, and equity holders. The model that's been agreed to is there will be a return to equity holders for their investments.

CHAIR - Are you feeling confident of that?

Mr BOWLES - That's the business model.

CHAIR - It will be interesting to see.

Mr DUIGAN - Noting that equity holders are governments and they can take below-market returns in the instance of this piece of infrastructure, which isn't the case for potentially other [inaudible].

CHAIR - Mr Bowles said the application for the consideration of the regulated asset base through the AER for Marinus Link is progressing in November this year. Do we have a full understanding of the cost of construction at this point, because surely that's a matter the regulator would need to take into account?

Mr DUIGAN - I'm advised that the latest cost estimates for stage 1 of Marinus, \$3.1-\$3.3 billion. If you want to include stage 2, that is a \$5.5 billion build. As you mentioned, this would be a regulated asset with its cost recovered from Victorian and Tasmanian customers over the life of the assets. Those are our latest cost estimates, \$3.1-\$3.3 billion.

CHAIR - The costs are recovered from the customers under that arrangement. Again, we don't have the outcome of the AR from APA's Basslink to see what apportionment. What will you be pushing for in terms of an apportionment of the costs?

Mr DUIGAN - We have said many times that this will only proceed if it stacks up in the best interests of Tasmania. The cost allocation is obviously one of those key considerations and we will be progressing the best deal possible for the state of Tasmania and our energy consumers here.

CHAIR - In terms of timing, minister, we have an application to the AER for a related price for Marinus Link before it's built without the cost fully known. From watching the APA process, that takes some time. Would your whole-of-government business case consider these factors?

Mr DUIGAN - That would be my expectation, yes.

CHAIR - If we don't have an outcome on the likely decision by the AER, how can the whole-of-government business case inform us as to whether it stacks up on behalf of the people of Tasmania?

Mr DUIGAN - One of the pleasing things about MLPL's recent request for an extension to its final investment decision date to May next year rather than December this year is that it will allow us more time to feed higher reliability numbers into our model. Those are things which I think will be very material in Tasmania making its decision. I'm happy for Mark to give you some further detail around things that will feed into the whole-of-state business case.

CHAIR - When do you expect to complete the whole-of-state business case?

Mr DUIGAN - It will be 30 days before FID.

CHAIR - When's FID?

Mr DUIGAN - We will release it publicly 30 days before FID and FID at this stage is May 2025.

CHAIR - The AER won't be finished its work by that stage, or will they? Are you expecting them to be done that quickly with the APA one dragging on somewhat?

Mr BOWLES - We should have a draft determination on Marinus Link revenue. The API Basslink determination is being treated completely differently and they're not linked.

CHAIR - Why is it being treated completely differently, because they both link Victoria and Tasmania?

Mr BOWLES - One's an existing asset privately owned and the other's a new asset owned by governments, according to the tripartite agreement.

CHAIR - I understand the ownership arrangements. I understand that one's built and one's not, but there was a price paid for Basslink and one would expect APA, being fairly sophisticated in this game, wouldn't have paid a price they didn't think they could get a return on. It would be unusual to do that, so there's a price there and, from memory, the price has been set at around \$660-odd million. Marinus Link has a cost that is in the ball park -

Mr DUIGAN - Some way north of that.

CHAIR - Yes, definitely north of that, but why are they so different? You're saying that the AER will consider these completely separately. I don't understand that.

Mr DUIGAN - I believe they're currently considering the regulation of Basslink. That's a piece of work that is under way.

CHAIR - Yes, it's very public.

Mr DUIGAN - Yes, so I guess that is happening independently of the work they would do when it comes to Marinus.

CHAIR - I understand it's independent, but the point is that APA made certain statements about what they see the cost apportionment to the customer should be. My question to you, minister, is what is your expectation around the apportionment to the customers for Tasmania?

Mr DUIGAN - My response has been that we will be working very hard to get the best possible apportionment.

CHAIR - What do you think is the best possible apportionment? That's my question, minister.

Mr DUIGAN - And it's a reasonable question.

CHAIR - Is it 1 per cent, is it 20 per cent or is it 60 per cent? I assume that 60 per cent would not be the case.

Mr DUIGAN - No. I would say that is a reasonable assessment, but while I think the APA Basslink regulation conversation and piece of work is interesting in the context of Marinus, I would make the point that they are separate pieces of work.

CHAIR - They are separate pieces of work, so let's ignore Basslink, then.

Mr DUIGAN - Yes.

CHAIR - When you, as shareholder minister of this unusual company, on behalf of Tasmania make a case that we pay our fair share, what would be your expectation about the percentage of those costs that we pass on to Tasmanian customers?

Mr DUIGAN - As I've said, the process is being worked through. The cost allocation will be part of the information considered in the whole-of-state business case inputs and that will be publicly released once that process is finalised, so that's where I would seek to leave that.

CHAIR - What would the Marinus capital cost - what figure was put into the AER for the work to date? The AER are already involved in this and you gave a figure of \$3.1 billion to \$3.3 billion.

Mr DUIGAN - In terms of what the number was -

CHAIR - Yes, what was the number provided to the AER for the capital costs of Marinus Link?

Mr DUIGAN - I would need to ask the department to furnish that detail.

Mr BOWLES - The process hasn't started yet. That'll be part of the November submission.

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CHAIR - I understood there had been some work done. Minister, as shareholder minister, have you got a copy of Marinus Link's annual reports and a set of their financials yet?

Mr DUIGAN - No.

CHAIR - When do you expect to get those?

Mr DUIGAN - In two months' time.

CHAIR - All right, so fairly late in the financial year.

Mr DUIGAN - Yes, noting there has been a fairly substantial change in the ownership structure of Marinus Link Proprietary Limited and so on and so forth.

CHAIR - Can you provide the committee with a copy of the agreement between the Victorian government, Australian Government and Tasmanian government?

Mr DUIGAN - The aspects of that agreement which will be taken into consideration as part of our whole-of-state business case will be made public at the same time as the whole-of-state business case. I think the material aspects of that agreement will be on public view at that time.

CHAIR - Why won't you provide the committee with a copy of the agreement now, as it's signed, sealed and delivered?

Mr DUIGAN - The Tasmanian government as a shareholder is legally required to consult with the other shareholders on any public comment or sharing of any information related to the shareholder agreement. As I've mentioned, the material contained in the shareholder agreement will be considered as part of the whole-of-state business case which will be publicly released ahead of any final investment decision on Marinus Link, and as far as I am aware, no other jurisdiction or shareholders have made the shareholder agreement public.

CHAIR - In terms of the agreement, the point of agreement, what was actually transferred across to the new entity?

Mr DUIGAN - I will let the secretary or Mr Bowles answer that.

Mr LIMKIN - At the time of the sale, there were shares that were provided to both Victoria and the Commonwealth in relation to the equity split -

CHAIR - There was 1000 shares for Tasmania?

Mr LIMKIN - Yes. The advice I have is we have 40,523,698 shares, which is our 17.7 per cent.

CHAIR - That wasn't at the outset, though, was it? That's now.

Mr LIMKIN - That is as of now. Originally, you are right -

CHAIR - Yes, I'm asking about what originally was transferred.

Mr LIMKIN - Originally it was 100 shares, as you indicated. Initially, it was 177 shares at a dollar price to complete the legal agreement for that. The shares that the state holds now total 40,523,698.

CHAIR - What was the book value of what was transferred? What was the actual current value?

Mr BOWLES - Through the minister, 103.5 is the TasNetworks estimate of the value transferred. There's a process being undertaken at the moment to assess all of those costs independently and the result of that assessment will confirm the amounts that Tasmanians can in future claim as its equity contribution so that work is still being done.

CHAIR - When I talk about what was transferred, it's not a physical asset because nothing's built as I understand or there may be some bits built.

Mr BOWLES - Through the minister, there were easements, all of the intellectual property, there was some property rights transferred.

CHAIR - I just want to understand the process here about how the decision was made to make TasNetworks whole, circling back to that.

For Henty, we were removing an asset from TasNetworks' books that had a value of \$103.5 million, is that right?

Mr BOWLES - The expenses had that value.

CHAIR - That's the expenses that incurred?

Mr DUIGAN - And noting, as mentioned previously that there may have been some Commonwealth funding into the net value of the asset as well.

CHAIR - When it was transferred?

Mr BOWLES - There were FFA contributions, but in terms of what the value of those assets are, that's work that's underway.

CHAIR - Wasn't that TasNetworks lost an asset off its balance sheet, it was repaid for - what, an expense?

Mr DUIGAN - Well, a wholly owned subsidiary of TasNetworks, a company with its IP and its easements and its production slots and things of that nature, I would guess.

CHAIR - Was there work in progress that was transferred across in that as well?

Mr BOWLES - Through the minister - absolutely.

CHAIR - What's the value of the work in progress that was transferred across?

Mr BOWLES - All of the assets are yet to be valued. There are two processes. The current process will recognise the expenses or affirm the expenses that TasNetworks has incurred to date. In terms of a market valuation for those assets, that would occur in future first of all, if Tasmania was to decide to take a positive FID and then execute its options agreement to sell its shares. At that point in time, there would need to be a market-based valuation of the assets. There's a distinction between the value of the expenses versus the market value of the assets.

CHAIR - Anyone else want to go?

Mr VINCENT - The \$103 million was collateral that we've really started off the new agreement. Are there other benefits that are going to flow from that and for the link? Obviously, we've still got probably \$60 or \$70 million to use between now and when we've got to make a decision by the sounds, rough numbers on what you've said there, Mr Bowles, but is there going to be other benefits that you see with this ownership other than just?

I'm interested in that because of the cost that comes back when we work it out back to our residents of Tasmania.

Mr DUIGAN - What I would say is that this has been a Tasmanian project. The government is committed to Marinus Link and its delivery is a central feature of our renewable energy vision underpinning the development of new on island renewables. The money that we have expended and have invested in the project I think we would certainly hope to see very positive returns on that investment.

Stage 1 of Marinus Link is expected to unlock over \$1.3 billion in economic activity and potentially 1400 jobs here in Tasmania. Economic modelling has been very clear that wholesale energy prices in Tasmania will be lower with Marinus than without. I think that's a very important consideration when we are considering why would we be doing this and benefits for everyday Tasmanians and power consumers here -

Mr VINCENT - Can I just jump in there? After visiting the hydro trading floor the other day, I was quite fascinated by it. The work they put into generating that income, that gives you a good cost of what present cost of power is. Do you still see this link as being an advantage in trading either way?

Mr DUIGAN - I was driving down the road yesterday and looked at my phone to see on the AMO website for what the cost of energy flowing around the country was. The cost of energy in Victoria was minus \$30. That is where we would be getting paid to take that energy. Obviously, we can take a bit by Basslink and we can take a whole lot more via Marinus Link when it's built and that keeps water in our storages. When the reverse of that equation is true and there is good money to be made by exporting that water, we have saved the energy through the day. Then we will have a pretty profound market opportunity for Tasmania in terms of also helping unlock the development of new on-island generation. We give those prospective wind farms the opportunity to participate in that market, noting that there will be 20 gigawatts of coal-fired generation shut down on the east coast of Australia in the coming decade or thereabouts.

Having access to that large market for our new on-island generation is particularly important. Tasmania has a once-in-a-generation opportunity to take advantage of the Australian

energy transition. The strength of our hydroelectric system is that it is reliable, dispatchable, and deep storage. If you look at what's missing in other jurisdictions it is that deep storage batteries are good for a few hours here and there, but to have deep days and weeks-long storage is very unusual. I think that is the Tasmanian opportunity and I think that is what Marinus Link would seek to deliver for Tasmanians.

Mr VINCENT - Again, just for my own background knowledge, the averages that are being experienced with the trading in the present situation would form a big base towards working out the cost advantages going into the future. You said that over the life of the asset, there's probably the opportunity to make very good money out of such an asset if we get that trading right. Am I correct in my assumption there?

Mr DUIGAN - Well, certainly, I think that would be absolutely part of the business case that underpins Marinus, the trading opportunity that exists over the life of the asset.

Mr VINCENT - You should have some pretty good data there by now over the last few years.

Mr DUIGAN - Yep, no doubt happy for - Mark you would have examined this in some detail.

Mr BOWLES - Through the minister, yes, the data shows that there are substantial intraday trading opportunities, selling high, buying back in cheap or even negative, which allows, in net terms, the hydro dams to maintain their net value to also support local Tasmanian energy demand at the same time. In terms of future returns for Hydro Tasmania, past trends are just one factor, the other key factor is the withdrawal of coal-fired power -

Mr VINCENT - Increased demand on the mainland.

Mr BOWLES - from the NEM. The withdrawal of those sources of baseline energy will be a key value driver for our hydro assets. That's the work that will be done as part of the whole-of-government business case, whole estate business case to assess those likely returns, which may well be in far in excess of what we're experiencing at the moment.

Mr VINCENT - That's what we'll be getting more figures on in May next year.

Mr DUIGAN - We would hope to be releasing the whole of state business case 30 days before the fit decision. Everybody has all the information in front of them and will be able to see and make their own assessment about why Marinus stacks up for Tasmania.

Mr BOWLES - I can answer one of the earlier questions about the Federation Funding Agreements. This was the \$140 million committed by the Commonwealth government, broken into \$75 million for Project Marinus and \$65 million for Hydro Tasmania's Tarraleah redevelopment. The majority of that has been paid out, with \$27.5 million still to be drawn down for Project Marinus.

CHAIR - I understand that the Marinus Link company has put their cost estimates using their RIT-T update to the AER. That was done in April 2024 and has higher costs for Marinus. It says the total project costs are estimated to be \$6.575 billion, which comprises costs of roughly \$4 billion for the first stage, including facilitation for stage 2, and \$2.5 billion for the

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completion of the second stage. Those figures are different from the figures that you gave me, minister. This has been what was put to the AER under the RIT-T.

Mr DUIGAN - I imagine that those numbers potentially include North West Transmission Developments as well, but I'm not sure. I would seek some advice on that.

CHAIR - On the websites, it's Project Marinus.

Mr DUIGAN - Yes, okay. Mark?

Mr BOWLES - We would have to consult with Marinus Link to understand what the base of their numbers were, noting that that includes Marinus stage 2, which aren't included in our numbers.

CHAIR - It allocates \$2.5 billion for stage 2, but it says a total of \$6.5 billion. That's still more than the roughly \$3 billion you were talking about, minister, which then potentially puts the regulated asset based at a higher point also. I'd like you to come back to the committee with some explanation of that, because your figures appear to be superseded by this, and I don't believe they include the North West Transmission Developments. The reality is, minister, this could be very costly for the state, and they are more recent figures from the AER website.

Mr DUIGAN - When are those figures from?

CHAIR - That was from Marinus Link's -

Mr DUIGAN: - From earlier this year?

CHAIR - From April 2024 - the RIT-T process for Marinus Link.

Mr DUIGAN - Okay. Interesting. I'm not sure that we have the capacity to interrogate -

CHAIR - You're the shareholder minister of this company.

Mr LIMKIN - We'll have to talk to Marinus. I will note that, because I've just brought the document up as well, it does say, 'which comprises costs of \$4.4 billion for the first stage which includes the facilitation for stage 2. My reading of that is that that \$4.04 billion includes costs associated with stage 2 that they are incurring now. What Marinus is still doing at this point in time is investigating whether stage 2 - the second cable and the additional works that are associated with the second cable - is required. Hydro, for example, is still looking at Cethana as well, which we would need for a second cable. Tarraleah is required for a first cable. We will confirm it, minister, but my view, reading the statement online, it that it is incurring costs associated with stage 2 in that first part.

CHAIR - I would appreciate coming back with some clarity around that, because I would argue some of those points, minister. Your secretary just said that Tarraleah is required for the first cable. As I understand, the work at Tarraleah is required to actually maximise Tarraleah regardless.

Mr DUIGAN - Yes.

CHAIR - Is that true? What's the situation? I mean, Tarraleah is a really important body of work. You would have seen the phase of the canals up there - the efficiencies this will create and the capacity to make it much more responsive. My understanding is whilst this funding is part of the Battery of the Nation project, it's necessary anyway.

Mr DUIGAN - Yes, and that's true. There will be a substantial body of work undertaken at Tarraleah to bring that 80-year-old asset - the power station - up to stage.

CHAIR - It's not just the station. It's the power.

Mr DUIGAN - Yes, and understanding that the work to deliver water to the power station is currently a non-pressurised circumstance. It takes four hours from the time that you give the go-ahead to increase the output of that station -

CHAIR - Or turn it off.

Mr DUIGAN - or decrease it. In a market where dispatchable renewable energy is king, it would appear that that is an important piece of work to do. The government continues to support development in relation to a number of significant pieces of work. Let me see what we have. I know a number of members have visited Tarraleah. As you would have seen, it's a big job, but in order to proceed with these projects - I'm speaking about Tarraleah and Cethana as well - they need to be sound investments.

There's the redevelopment of Tarraleah that is on the table, and that's the new power station and the tunnelling works and all of that. There is potentially the option just to put new machines in the existing power station and not do the whole job. We need to understand that they stack up, because they're big investments and they need to deliver an acceptable financial return on investment. Obviously, we need to demonstrate that they are in the best interests of Tasmania.

As I say, there will be a substantial investment in Tarraleah, Marinus or no Marinus, but certainly the case for spending more on Tarraleah stands up much more strongly with greater access to the market.

Mr BOWLES - I can answer one of the earlier questions about the RIT-T (Regulatory Investment Test for Transmission) submission. That refers to Project Marinus. Project Marinus includes both the Marinus Link subsea cable and Northwest Transmission Developments, so that's broken down into \$3.1 billion for the Marinus Link component and \$950 million for Northwest Transmission Developments.

CHAIR - What are those numbers again?

Mr BOWLES - \$3.1 billion for Marinus Link and \$950 million for Northwest Transmission.

CHAIR - Which is still less than the figure I gave. It was \$6 billion.

Mr DUIGAN - That's for stage two, so that's the \$5.5 billion plus \$1.4 billion -

CHAIR - It would be really good to have this clearly outlined.

Mr DUIGAN - I think, in fairness, the most current and up-to-date numbers are \$3.1 to \$3.3 billion for stage one of Marinus -

CHAIR - Just the link?

Mr DUIGAN - Just the link; \$950 million for stage one of the Northwest Transmission Developments; \$2.2 billion or \$2.3 billion for stage two of Marinus; and another \$524 million of the second component of the Northwest Transmission Developments. So \$1.5 billion total build-out for Northwest plus \$5.5 billion for a total build-out of Marinus gives you a big number.

Mr VINCENT - The cost and the pricing of Cethana's pump power - when is that expected? That will link up with what we're expecting to come through early next year for the whole lot?

Mr DUIGAN - Yes. I don't know whether we've been able to have a look at Cethana. I think it's been said to me that it is considered to be one of the most important prospective pumped hydro projects anywhere in the Southern Hemisphere, not just in Tasmania or Australia. It is an exciting project with 750 megawatts of pumped hydro and 300 jobs in construction, and it's currently going through a business case development including community consultation because there would need to be a new storage built for the upper lake. Hydro has recently provided the preliminary business case to government.

The project estimate was \$900 million in 2019. However, as project scope becomes clearer, estimates also become clearer, and this is all part of the good process followed by any private or public business considering this type of investment. Importantly, these are cost estimates that are still under review as the project progresses to FID. There has been no decision presented to me as minister. However, I remain regularly briefed by Hydro. I would fully expect numbers to have gone north of \$900 million in 2019.

CHAIR - But they won't go up for a stadium. Anyway.

Mr DUIGAN - Well, I'm not, I think we've got 2024 numbers for stadiums.

Mr VINCENT - It's fairly important, though, to-

Mr DUIGAN - Yes, and as it's considered at the moment, Cethana is linked to Marinus stage 2. There is a school of thought that Cethana might stand up on its own without Marinus 2, given the amount of renewables that potentially get built in Tasmania and the firming job that's required for those renewables. But that's a question to be answered in the future. At this stage, it is a project that I think leans fairly heavily on the second stage of Marinus.

Mr VINCENT - We haven't got a date when that's going to be costed, though, or the business plan?

Mr DUIGAN - The business plan is due next year. So, because of the time lines attached to a project like that, it's a long lead time and, again, talking about Marinus 2, so, 2025.

CHAIR - Can I just come back to the Marinus Link company? I understand we've still got quite a bit of equity, and you expect to have that equity for Tasmania not drawn down entirely or not used up, if whatever word it is that we use here, before FID is achieved. Regardless of whether that happens before or after that point and there are further calls on equity, and our \$103.5 million has been exhausted, what's the process then for asking Tasmania for more money?

Mr DUIGAN - Post FID?

CHAIR - Well, if it happened before. You're expecting it not to happen before.

Mr DUIGAN - I'm not expecting any equity calls -

CHAIR - Whether it's before or after?

Mr DUIGAN - Yes, so the company requires, noting that, you know, as it's 80 per cent debt funded through the CEFC and Tasmania's relatively small shareholding in MLPL, our exposure to further equity calls is relatively contained.

CHAIR - What's the process?

Mr DUIGAN - The process, once our equity is fully recognised, the \$103.5 million, Tasmania will need to contribute additional equity in its ownership proportion when there is a funding call. So, I guess that is the process that shareholders would need to agree to the equity calls and as has been discussed, that's not expected.

CHAIR - We're the baby partner here. So, tell me the process that would, as representing the people of Tasmania. This is a very expensive project, we know that. What's the rules around engagement here for the people of Tasmania when there are further calls for capital?

Mr DUIGAN - So, in terms of that, I would ask Mark to provide some detail around the exact process, noting that -

CHAIR - This is probably in the agreement, but anyway, yes.

Mr DUIGAN - I'm sure it is.

Mr BOWLES - So, every time there's an equity call, up until the point that the equity call equals our contribution, we won't have to make cash payments.

CHAIR - I understand that.

Mr BOWLES - We don't expect our requirements to provide additional cash until the post fit period, so post-May. There is a formalised process of equity calls. They are made well in advance of the cash being required. There's an equity call period. All of the equity holders must contribute their equity according to the proportions. As part of the whole estate business case, one of the factors that will need to be considered will be the likelihood and the range of the timing of future equity calls. That gets factored into the whole estate business case. If the government takes a positive fit, it would need to make an allowance for future equity calls prior

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to commencement of MLPL, so the link. Once the link is commenced, we then have the option to sell our shares if we don't want to -

CHAIR - I'm worried about the period before it's actually operational.

Mr BOWLES - That's what the whole estate business case will outline, likely -

CHAIR - We'll see in the whole estate business case, then, what the likely additional calls on capital will be, and when.

Mr DUIGAN - Once we have the total cost of the project at a higher reliability level, we will know what the likely equity contribution will be, noting that 80 per cent of the project will be funded via the CEFC.

CHAIR - I understand that.

Mr DUIGAN - We're talking about 20 per cent -

CHAIR - Tasmania is a small state with a lot of budget pressure at the minute, you would know that.

Mr DUIGAN - I do.

CHAIR - You would know the amount of borrowings this state is facing down the tube. This is something that is not included, not factored in, because the forward Estimates don't go out that far. The Treasurer hasn't given me a clear path to sustainability of our Budget at all. This is a real question and a real live issue. What's the process? There's a further call for capital once our \$103.5 million is used up or accounted for. It gets the go-ahead and then we have no say. We just have to cough up the money that's required, whatever that is, to complete the process.

Mr DUIGAN - Yes. I think there are a couple of things I would say to that. Marinus Link would be a regulated asset with a regulated rate of return to cover the costs associated with providing return.

CHAIR - That doesn't happen until it's finished.

Mr DUIGAN - No - the other point I would make is that at the point the link is operational, Tasmania does have an option to sell its shares in MLPL, and releases -

CHAIR - It could do that, but if the regulator asset bases determined a price that doesn't mean our share has a lot of value, then we've got nothing much to sell. That's a risk too, surely?

Mr DUIGAN - I would say we would be seeking to mitigate the risks to the state of Tasmania in regard to this project, noting it is a large project.

Mr VINCENT - Can I just ask that in a different way? Part of it would be, seeing that there's three governments here that have got to budget 12 to 18 months or two years in advance, then that total figure would be split over two or three or four years, so that it's going to be there to look at each year as part of the budget process. That costing will have to be split. It won't be

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asked for willy-nilly like a private business, because it has to be built into the Victorian budget and the federal budget as well.

Mr DUIGAN - That would be my expectation as to how this would roll out. We would have some understanding ahead of time what the likelihood of equity calls is going to be.

Mr VINCENT - That spread of capital over a number of years should be part of that program a month before May next year.

Mr DUIGAN - Yes. I am as keen as anybody to see good numbers in our whole-of-state business case so we can make a good decision.

CHAIR - If they're bad numbers and you make a bad decision, that's the other flipside of that.

Mr DUIGAN - No, I don't think that's -

Mr VINCENT - \$600 million for the first stage.

Ms THOMAS - Back to the numbers, in table 10.12, still on line item 7.1, the budget notes explain that the decrease from \$29,672,000 in 2024-25 to \$16.5 million in 2025-26 primarily reflects the profile of funding for the green hydrogen hub. What about the decrease to \$11.3 million in 2027-28? How is this explained?

Mr DUIGAN - Thank you. I'll pass to the secretary to talk about the numbers that you have referenced in that case.

Mr LIMKIN - There are a number of budgeting issues from previous budgets that were time limited. The hydrogen industry fund, for example, goes to 2026-27 and, so, the government made time-limited commitments for those funds and the budget papers reflect those type of profiles that were set by the government at the time.

Ms THOMAS - What else other than the hydrogen initiative? It's still a \$5.4 million drop from 2026-27 to 2027-28.

Mr LIMKIN - One of the things that we'll do when we provide a table that's just being checked at the moment is we will give it over the forward Estimates so you'll be able to see the predominantly large movements. I have asked just for the large movements for the committee, not the hundreds of thousands of dollars, to be able to table today.

CHAIR - Shouldn't there be another line?

Mr LIMKIN - There'll be another line. That'll be the reconciling number, but we'll give the major material movements across the forward Estimates.

Mr DUIGAN - Mark, you're right to provide the detail required?

Mr BOWLES - The other larger item that has a tight tailing-off effect is the Renewable Energy Services Hub. That has a profile of \$2 million this year, \$2 million next and \$1 million the following. That tails off completely.

Ms THOMAS - Thank you.

I have some questions about electric vehicles and the rebate scheme.

CHAIR - That's in climate change. That's alright.

Ms THOMAS - Oh, sorry.

Ms LOVELL - Minister, can you tell us what the budget efficiency dividends that have been allocated to your department are please?

Mr DUIGAN - Yes, I will pass to the secretary for that one.

Mr LIMKIN - Thank you. The 2023-24 Budget indicates the government would seek operational efficiencies. The efficiency dividends for the Department of State Growth are \$2.6 million in 2024-25, \$5.1 million in 2025-26, increasing through a structural reduction of \$7.7 million in 2026-27.

The department will achieve these efficiencies through a combination of [inaudible] managers and ceasing or scaling back on non-core and non-priority activities that are either not the highest strategic priority or have been replaced with new commitments.

Efficiency measures must be achievable in both the short and long term. One of the things I want to make clear for the committee is the department has undertaken a realignment, which I talked about earlier about our internal structures. This is separate to our efficiency dividends.

However, by its very nature, we are finding ways to be more efficient in these processes. Our approach is to deliver a simple and more efficient operating model which delivers on the government's priorities and the core services for the Tasmanian community.

The executive and I have identified several strategies that we will use to meet the budget efficiency dividend, which include things such as:

- Combining functions and service delivery areas to implement a leaner operational model;
- Reviewing how we administer grants to ensure that they deliver value for the Tasmanian community and consider processing improvements and systemisations of processes that are less efficient;
- Reducing operational expenditures and supplies and consumables, including marketing consultants, accommodation, ICT costs, travel, postages, which is quite significant in some areas in our department; and
- Managing our workforce to ensure that resources are targeted to our highest area of priority.

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I want to be clear, the department does not have a vacancy control process and I do not intend to implement one. One of the things I have asked our department to do is think about being innovative in supporting us to deliver these efficiencies.

Ms LOVELL - That's for the entire Department of State Growth. So, how is that? Which ministers are responsible for which parts of that because obviously there are different ministers that sit with State Growth, is that the-

CHAIR - There's probably half a dozen.

Mr DUIGAN - There are, yes.

Ms LOVELL - Is that efficiency dividend just for environment or which parts are you responsible for in that? How much of that?

Mr DUIGAN - Certainly through my department which is ReCFIT and I think, Craig, you would be happy to talk about -

Ms LOVELL - My next question will be, are you willing to table your savings strategies for the committee as other ministers have done in their hearings? I don't know that you can make that decision for all of the State Growth saving strategies because you're not the only minister.

Mr DUIGAN - I can't do that.

Ms LOVELL - So, well the follow-on question is, are you willing to table saving strategies that you've identified for ReCFIT?

Mr DUIGAN - I would be interested to know whether -

Mr LIMKIN - ReCFIT is a group in the Department of State Growth and we are managing the efficiency dividends across the entire Department of State Growth.

Ms LOVELL - Then who would be the minister that can make the decision to table the savings strategies for state growth?

Mr LIMKIN - I would suggest we take that on notice because there are seven ministers in the Department of State Growth and we will need to work through all of those other ministers in DSG.

Mr DUIGAN - Okay, if you're happy with that, noting that as the Secretary has outlined, the saving strategies extend holistically across what is a very large department and pinning it down to exactly where it is in ReCFIT is probably a challenge. So if you are content with that answer -

Ms LOVELL - I'm content if there is a way for there to be an agreement reached between those ministers for those savings strategies for State Growth to be tabled, if that's the intention of taking it on notice.

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Mr LIMKIN - Ultimately, minister, we will take it on notice and we'll consult with the various ministers including you.

Ms LOVELL - Just a follow-on, you mentioned or the Secretary mentioned there was a sort of a reprioritisation or a shift away from non-core priorities and non-priority projects. Are any of those priorities or projects that sit within ReCFIT and if so, what are they that will be impacted by these strategies?

Mr DUIGAN - That might be one for ReCFIT CEO.

Mr BOWLES - The one project that was identified as a savings for ReCFIT, it was the boiler replacement program.

Ms LOVELL - Is that delayed or paused or perhaps scrapped?

Mr DUIGAN - I would not use the word, 'scrapped'. It has certainly been paused with the funding allocated to it, reprofiled some in savings and some used elsewhere in the department.

Ms LOVELL - Would you perhaps say paused indefinitely rather than scrapped?

Mr DUIGAN - I would say deprioritised.

Mr LIMKIN - I've just got an answer to Ms Forrest's consulting question from Elliot. For the financial year 1 July 2023 to 30 June 2024, in the energy and renewable portfolio, the Department of State Growth had awarded \$2.5 million to consultants. That is broken down to

- a renewable energy zone market design - Marinus Interconnector awarded to KPMG Australia for \$93 000 and for this, they provided expert advice on technical and market design options for the Northwest Renewable Energy zone.
- Tasmanian government whole of state business case assessment for major energy projects awarded to Deloitte for \$2.2 million and this was some work originally engaged by ReCFIT, which has been designed to actually help Treasury's whole of state business case assessment, particularly in the areas of focusing on major energy related projects, assessing opportunities and risk sequencing and looking at future scenarios.
- Tasmania's Green Hydrogen Hub project adviser, which went to BMT Defence and Security Australia for \$75,000 and this was advising scoping and specifications for the design of the hydrogen-powered vessel.
- The Renewable Energy Zone commercial advice consultancy, which is about the Renewable Energy Zone framework in Tasmania, and that was KPMG for \$50,000.

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In relation to contracts below, sorry - they were the ones for higher than \$50,000 and the ones below \$50,000 because they're two different reporting under the financial standards - for ones under \$50,000 between 1 July 2024 and August 2024, it's \$290,000.

CHAIR - That's in one month.

Mr LIMKIN - That is correct. The biggest one of that was a Bassline emission inventory, which was designed to take a competitive assessment of greenhouse gases emissions attributed to Tasmanian government operations.

CHAIR - The consultant ones you read over \$50,000 - what was that time period?

Mr LIMKIN - 1 July 23 to 30 June 24.

CHAIR - Right. Okay.

Mr VINCENT - Minister, hydrogen energy, I'm not sure whether it fascinates me or scares me. I don't know a real lot about it, but -

Mr DUIGAN - It's the future, Kerry.

Mr VINCENT - So is electric. I guess I'd like to know - I understand there's a lot of water needed and we're talking about Bell Bay specifically, whether the work's been done on the water volumes and how to get it? Also, is that \$11 million that was mentioned earlier and the other amount of money allocated for setting something up or just research because with the vehicles and ships and everything, I'd just be fascinated to see where we're going with it and what the time line is for contracts with shipping companies or freight companies or just where it's at and where that \$11 million will take us with hydrogen energy? I'm just talking from a fair bit of ignorance on this, but like I said, I don't know whether it fascinates me or worries me.

Mr DUIGAN - It is a fascinating opportunity and probably at the outset, I would note that while Tasmania has some real and material advantages in this area, rolling out hydrogen, particularly its scale, has been a challenge in pretty much every jurisdiction that's having a crack at it.

As regard to Bell Bay, in January this year, the government signed a deed agreement with the Australian Government to secure \$70 million in funding from the Regional Hydrogen Hubs program and our recent Budget, as you mentioned, includes \$11.9 million as a co-contribution to that Bell Bay hub.

Mr VINCENT - Yes, in addition.

Mr DUIGAN - In addition to, so the federal funding is contingent on some state funding as well.

I guess, the goal of the hub, and I think this is important to recognise, is to create a precinct of industry and businesses producing and using hydrogen, including for energy, transport and industry. This creates economies of scale and supports the development of the

hydrogen industry. Noting, as I say, it's not a greenfields development, it's a greenfields industry in lots of ways particularly at the sort of scale we're aiming for there.

ReCFIT is leading the project working with the partners in delivering the hub and they will be TasPorts, TasNetworks, TasWater, Tasmanian Irrigation and the Bell Bay Advanced Manufacturing Zone to deliver over the next four years. As I say, Bell Bay is perfectly placed to be a world-class green hydrogen hub with its established port infrastructure, which is a hugely important and highly experienced workforce and the project is expected to inject \$1.2 billion into the local economy and generate 740 jobs.

The project will deliver enabling infrastructure upgrades across port, which we've mentioned. Water, which your question touched particularly on and, of course, electricity transmission because hydrogen production does require substantial inputs of electricity.

In terms of water, we want to see the most cost-effective and appropriate solution for Bell Bay at the same time as helping the prospects of the proposed Tamar irrigation scheme. This approach allows the infrastructure operating cost to be spread across a larger user base, both agricultural and industrial water. The volumes for water demand for irrigation and for industrial are expected to be collectively around 2 per cent of what flows through the Trevallyn Power Station each year out of the Trevallyn Dam and that usage will be offset by Tasmania Irrigation and the industrial users actually pay for that water, so Hydro will be made whole and it won't be an increase in allocation of water; the 2 per cent will be offset against current Hydro operations.

The government has made legislative changes to enable Tasmania Irrigation to supply industrial water. That's one of a number of things we've done to help progress this. Given initial low uptake on the water sales by irrigators, water supply for hydrogen in the scheme design is expected to improve the scheme's prospects of proceeding. ReCFIT and Tasmania Irrigation continue to work together to progress this important project for agriculture, hydrogen and the Bell Bay area. I note Tasmania Irrigation undertook water sales for the Tamar irrigation scheme earlier in the year with applications closing in around February, so spreading the load across industrial and irrigators gives that scheme a much higher prospect of getting off the ground.

Mr VINCENT - I hope there's a pipe big enough to allow for expansion of the system, which they haven't catered for.

Mr DUIGAN - Well, it's been one of those interesting ones where water sales have been somewhat lower than expected.

Mr VINCENT - They always are and then they double back.

Mr DUIGAN - That is part of the challenge.

Mr VINCENT - Does a business case have to come back on hydrogen as well?

Mr DUIGAN - Yes. As I say, the hydrogen hub has a number of gateways through which it must progress around key milestones that need to be met in terms of having an anchor proponent and things of that nature, so there are a number of steps through which we must progress to see subsequent steps.

PUBLIC

Mr VINCENT - I guess if we're putting up \$11.9 million where that business case sits in amongst that, that's at risk if this doesn't go ahead because you haven't got the customers coming in. We are starting from a greenfield or green industry, whatever you like to call it. Once again it's a bit like the power links I was talking about; there's a point there where the business plan kicks in or doesn't kick in.

Mr DUIGAN - I think one of the early milestones for the hydrogen hub will be engaging a proponent to be the anchor tenant for that site, and that work is continuing as we speak. From the government's perspective, it is about creating an environment which is conducive to hydrogen producers and users, wherever they might be, and it's that shared common use infrastructure around water, port, and electricity transmission. That's where our skin is in the game, noting that this potentially is not just an \$11 million commitment from the government, but a \$70 million commitment from the federal government and then there is the expectation that our project partners, TasNetworks and Tasmania Irrigation, will invest further on commercial terms to bring the project to life.

Mr VINCENT - As I said, fascinating, but it's a big project.

Mr DUIGAN - Yes, it is.

CHAIR - I would like to go back my electorate, if we might, up my way. There's a couple of things, minister. The Burnie to Hampshire transmission line - the missing link, some would call it - still doesn't appear to be prioritised. We know that there are proponents who really need that link to make their projects work. Can you update the committee on what the plan is there?

Mr DUIGAN - Yes, and I would state for the committee our interest in understanding the missing link. I won't call it the missing link in any future discussion but it is an important part of what we seek to do in the north-west. In fact that transmission line forms a very key component of our north-west REZ consultation. The government has made a commitment through the course of the most recent election to an underwriting capacity for government for that piece of the Burnie-Hampshire Hills Line, a commitment of \$50 million should our proponents in that part of the world sign up to to get that piece of transmission built.

CHAIR - So you're suggesting the proponents need to pay, not TasNetworks?

Mr DUIGAN - As part of our REZ discussions and legislation, it is about finding the right way to get that built, noting that if it is primarily being built for industrial proponents and wind farms and generators and load, then it's probably reasonable that those proponents help pay for the cost of the asset rather than the regular Tasmanian consumers. REZ legislation would give us the opportunity to derogate away from the national electricity laws, which would give us some options as to how we best profile the cost of building that piece of transmission. It is an important piece of transmission infrastructure, particularly for those wind farms and HIF Global in that part of the world.

CHAIR - HIF Global is the real challenge at the moment, but only along the coast, I suppose, depending on which way they come in. If the link is paid for, it's a bit like the proposed link Robbins Island is required to build or ACEN is required to build and fund. After it's built, doesn't it become part of the regulated asset base anyway?

Mr DUIGAN - In time, potentially, yes.

CHAIR - And thus the cost falls back to the customer?

Mr DUIGAN - Potentially, not immediately. My understanding is that it needs to pass its [inaudible] in order for it to be a regulated part of the network. Derogating away from national electricity rules allows us to, you know, if there is a customer base that's serviced by that line, you could have a portion of its cost attributable to the customer base.

CHAIR - To pay the networking cost?

Mr DUIGAN - To support its development.

CHAIR - I'm talking about after it's built. I understand asking to pay for the build and they may well contract TasNetworks to do it. In any event, they cough up the money so TasNetworks doesn't have to borrow more to build it. After it's built and becomes part of the network, assuming that it happens - and it doesn't matter which one we're talking about because none of them is built yet - doesn't it form part of the whole of TasNetworks' regulated asset base?

Mr DUIGAN - I think there is a process that needs to be applied to it. I will pass to Mark to give you some detail around that, but I don't think it is an automatic thing, I think there is a process that has to be undertaken.

Mr BOWLES - It would have to meet the net market benefits test like any piece of new transmission infrastructure, but one of the intents of the draft REZ legislation is to provide more flexibility in terms of how those costs are allocated but it would only be part of the regulated base if there's a net benefit.

CHAIR - The north-west REZ caused a high level of concern, not in my electorate, it's actually the Leader's electorate, but that doesn't stop them contacting me, minister. When I first heard about it was about the same time these people first heard about it who lived in the area. It came as a bolt from the blue for many.

Mr DUIGAN - For many, for some.

CHAIR - There has been a whole heap of publicity about around the offshore REZ that's the Commonwealth's. You don't disagree? Okay. People who, perhaps, are not well engaged on this very complex area see the Renewable Energy Zone being considered, a big map off the north of the north-west coast in the water. That's where their mind goes. Then suddenly there's one being considered over their backyards and their farms. It's not a place where you would contemplate wind farms generally because I'm sure you've been up there and visited these areas. Whilst it's a large area, there is a lot of prime agricultural farmland up there in that area. So, it was a surprise to people. It became apparent to me pretty quickly that this is about transmission corridors; it's not about necessarily building wind farms. Is that correct?

Mr DUIGAN - No, I would say not. I note that the Burnie-to-Hampshire Hills line is within the footprint of the proposed north-west REZ. There are also two wind farms in early stages of approvals in the north-west REZ.

CHAIR - Where are they?

Mr DUIGAN - Hellyer and I think Guildford is the second one. They're out the back. Another important thing is that REZ was chosen for a number of reasons. One of the reasons is the fact that, in terms of land use, it provides good opportunity in terms of not being particularly contested as I believe it's more than 70 per cent plantation forestry.

CHAIR - [inaudible] and a fair whack of it.

Mr DUIGAN - That is one of the things you would consider when you are looking at where you might propose a REZ because a wind farm in plantation forestry is less contentious than a wind farm in prime agricultural land. Likewise for transmission assets.

I would like to put on the record the work that has been done and continues to be done around consultation for that REZ. I am interested to hear your reaction to it because it is something I would seek to congratulate ReCFIT on, the amount of work they have done. As we propose these things, we need to know what the community thinks. In terms of consultation, it has been an extensive program commencing back in 2022, as I understand it, so going on for coming up to two years.

We've established two stakeholder reference groups, the stakeholder reference groups consisting of representatives from local government, interest groups and community, which have a role in providing the north-west community with an opportunity to have a voice in the REZ establishment process. It's estimated that more than 350 people have attended eight public forums, along with public submissions through the ReCFIT website and an online tool for the community to provide input and contribute to the mapping. This is important mapping of more than 860 important places contained within the REZ. In addition to the hosting of public forums, ReCFIT has completed more than 80 meetings with industry groups, councils and representative bodies. There have been more than 11,000 website visits, more than 860 important places mapped.

CHAIR - A few repeat offenders going back to the website.

Mr DUIGAN - Yeah, quite possibly. It has been a really sincere and well-run public consultation process. I'll ask Mark to add some detail, if you would like.

CHAIR - I don't disagree with that, and I'm happy for Mr Bowles to add some comments. The reality is there were so many landowners who had their head down, bum up, trying to make a living on their farms, who were suddenly made aware, often by phone calls to neighbours. Rural communities aren't engaged in the energy space. You can't expect them to be, in fairness to them, except when they get their power bill and they think, 'oh my god'. Yes, some work's been going, but it came as a surprise to me that this was actually as progressed as it was. It's not my electorate. Well, hardly any of it. No-one lives in the part that's my electorate.

Mr DUIGAN - Yes, and on that, as I understand it, there are about 2000 people who live in the Renewable Energy Zone (REZ). Certainly, landholders and anybody who was within a bull's roar of transmission upgrades, or anything, had been having consultation for a long period of time.

CHAIR - I don't know how these people are missing it, which is interesting.

PUBLIC

Mr BOWLES - There was really two phases of consultation. For the two years leading up to the announcement of the Burnie REZ, there was consultation on the REZ zone for the north-west region. The purpose of that consultation was to identify, assist us in identifying the optimum locations for placing a REZ. There is a multi-criteria analysis, spatial analysis done that took into account a variety of factors, including conflicting land uses, cultural heritage sites, the mapping important places process. That all contributed towards the identification of this particular zone. Yes, once that zone was identified earlier this year, and maps and lines drawn on a map, there was a much greater degree of interest from the local community, at which point we started consulting with the landowners and the community itself.

CHAIR - Where did you start that? With the landowners who are in the identified area?

Mr BOWLES - After the commitment to the Burnie REZ, which was an election commitment.

CHAIR - So, it was after the election?

Mr BOWLES - After the election.

CHAIR - That's why they're surprised, minister. I can't believe you're not surprised by that. I was surprised the number of times my phone rang.

Mr BOWLES - There was consultation on REZs, but we hadn't determined a zone at that stage.

CHAIR - In fairness to the people I represent, most people thought it would be out round Whaleback Ridge and those areas out there, which is mostly button-grass plain and other areas. To find it taking in a significant portion of prime agricultural land was a deep concern, acknowledging there's a lot of forestry land in there too, plantation timber. There's an expectation when people are aware. A number of the comments I got were from the people directly impacted by this proposal. They said, 'Why the hell didn't it go out over the other way?'

Mr DUIGAN - It is important to recognise that the declaration of a REZ places no rights over land - none, zero. I encourage anyone, when they're speaking to their constituents, to reassure them of that fact. You can still build a wind farm in a REZ, outside a REZ, do all of those things it confers -

CHAIR - They are worried about land values, property values when you have a transmission line going down in a fierce wind. You might have a centre pivot irrigator there -

Mr DUIGAN - Noting there's already a transmission line in there.

CHAIR - In some areas, yes. Not the whole lot. It's the uncertainty and the fear that their property is going to lose value when they're struggling at best.

Mr DUIGAN - The other thing I would point to that REZ legislation seeks to do is -

CHAIR - By compensation.

PUBLIC

Mr DUIGAN - a defined community benefit, so the communities that host renewable energy assets derive a greater share of the benefits from them.

CHAIR - Including the transmission corridor.

Mr DUIGAN - Yes. That's what it seeks to do. I concede there has been a great deal of interest in the north-west REZ. Consultation remains open and we will continue to talk to those people who want to talk to us about it. If we can pass to the secretary, who has a table to table.

Mr LIMKIN - I have two tables to table. One is the reconciliation at 7.1, which is Energy and Renewables over the Budget and forward Estimates, and the other one is the reconciliation of 7.2, which is Climate Change.

Two things to draw to the committee's attention. In the base funding, we have not broken out all the corporate costs that are funded in that. That includes things such as insurances, rents, the charge we have for our finance and IT people. It's all too much to do and too granular, so we've just bundled all that into the base funding. Then, for the committee's ease, what my amazing finance team have done is also highlighted each of the cash-flow changes that have been processed for the item, so the committee can see where the cash flows have moved over the Budget and forward Estimates and also in the 2023-24 area, which is a question you asked me earlier on.

CHAIR - Thanks, minister. Maybe in May next year, if you're still the minister, you could have that ready to go.

Mr LIMKIN - Thank you, Chair, and while I have the chance, I do want to acknowledge DSG's finance team. They do a large amount of work during Estimates, up to it and then today and over the week when they support us. They don't get a call-out normally.

CHAIR - Yes. I appreciate they do.

Mr LIMKIN - So, I do just want to put on record my thanks to them.

CHAIR - I know. They're watching in the back - thinking, what have we got to do now?

Mr DUIGAN - I would add my thanks.

CHAIR - Minister, we might take a 15-minute break. It's nearly 11. There's a cup of tea at the antechamber, bathrooms out there. We'll come back, if there are any other pressing ones on this area. Otherwise we'll move on to 7.2.

Committee suspended from 10.58 a.m. to 11.15 a.m

CHAIR - Thanks for returning. We are still on output 7.1. I'll go to Kerry for a couple of follow-ups and I'll go to one or two I want to finish off.

Mr VINCENT - Minister, back on hydrogen - my own confusion of it - listening so intently and learning, I forgot to mention community consultation, or 'domestic activation', I think they call it. You did mention in the break there were some funds for that. Where is that progressing and how's it progressing?

Mr DUIGAN - Thank you. I appreciate there's a fair bit in the hydrogen space, and one of the key aspects will be local market activation. The Tasmanian Renewable Hydrogen Action Plan released in March 2020 sets out our strategy for the development of a renewable hydrogen industry in Tasmania. That included a \$50 million fund to kickstart the industry, and \$11.3 million was allocated from the fund to demonstrate three hydrogen buses as part of the zero-emission bus trial.

As recommended by a hydrogen industry activation study, the buses will be operated by Metro Tasmania for a period of at least three years. The hydrogen will be supplied by our partners, the Blue Economy CRC, which is currently commissioning a 700-kilowatt electrolyser, expected to produce green hydrogen in Tasmania by the end of the year. The zero-emission bus trial will provide real-world operational comparison between diesel, hydrogen electric, and battery electric buses.

Importantly, the green hydrogen price reduction scheme announced on 25 October 2023 allocates a further \$8 million from the Hydrogen Industry Development Fund to stimulate green hydrogen supply and demand. Countrywide Hydrogen was announced as the successful applicant on 13 May 2024.

The first phase of the project is to construct a hydrogen production and refuelling facility in Brighton, which will produce up to 800 tonnes per annum of green hydrogen. Once the Brighton facility is established, Countrywide wants to expand production and refuelling facilities to the north and north-west of the state. This will see major road freight routes in Tasmania being serviced by reliable hydrogen supply.

The funding agreement between the state and Countrywide has been executed, and Countrywide is well advanced with site planning for two of their locations. Countrywide is also in discussion with various end users. Under the agreement, Countrywide will receive funding based on the volume of green hydrogen transferred to end users, making hydrogen competitive with other fuel sources. This agreement will initially see more than \$60 million invested in our state. This, of course, is a crucial step towards realising our vision in Tasmania becoming a leader in green hydrogen production.

Essentially, that program for the end user covers the gap between the cost of diesel fuel and hydrogen, which in its early stages will be more expensive, but it removes that barrier. I'm very excited to see the fact that Tasmania will have a network of hydrogen refuelling stations in the south, in the north and the north-west, to enable people who want to be early adopters into hydrogen vehicles out on the road.

Mr VINCENT - I would assume that program of those three buses would give an evaluation that can be reported back as part of the education program to the general public? To us, too, as a parliament making decisions on future funding for that as well, regardless of the price? You've still got other comparisons within there of common sense.

Mr DUIGAN - Indeed, and to know and understand what it actually looks like in operation, I think Metro is a great place for that to happen. There are currently battery electric buses running in Launceston, the hydrogen electric buses will run in Hobart, and that project is fast coming to fruition.

PUBLIC

The buses are here in the state, the electrolyser is here in the state, the refueller is either here in the state or is imminently arriving.

Mr VINCENT - So that program is not that far off?

Mr DUIGAN - No.

Mr VINCENT - Excellent.

Ms LOVELL - I had some questions on this but I had it under Climate Change, so I might have been in the wrong area.

So, there were three hydrogen buses purchased?

Mr DUIGAN - Yes.

Ms LOVELL - What were the cost of those three?

Mr DUIGAN - I need to seek the detail around that. I might just throw this to Mark, if you're okay with that, for some detail around cost of the vehicles.

Mr BOWLES - The capital cost for the project, which does include the buses and the refueller, is \$11 million.

Ms LOVELL - Eleven?

Mr BOWLES - That includes the initial fuel supply agreement as well.

Ms LOVELL - Do you have a breakdown of those three - the buses, the refueller and the fuel supply agreement? Have you got a breakdown of those separately?

Mr BOWLES - Yes, we can get a breakdown.

Ms LOVELL - Thank you. When were the buses purchased?

Mr BOWLES - Approximately two years ago.

Ms LOVELL - Minister, you just said that the Blue Economy CRC was providing the electrolyser. Were they responsible for purchasing the electrolyser?

I'm seeing a nod behind you.

Mr BOWLES - Yes. That project's entirely their project.

Ms LOVELL - As far as you're aware, the electrolyser is in the state?

Mr DUIGAN - Yes.

Ms LOVELL - Do you know how much the cost of that was or is it separate? Yes? Okay, thank you.

I'm assuming the buses haven't been able to be used so far, or won't be able to be used until that refuelling station is up and running, is that right?

Mr DUIGAN - They can be used in electric-only mode. They can be used in that mode. They can be used if we import hydrogen from elsewhere, but to use them as green hydrogen buses with the Tasmanian supply, we are not quite there yet.

Ms LOVELL - Have they been used at all?

Mr BOWLES - There have been preliminary trials and work done, but they're not part of the regular fleet.

Ms LOVELL -Not for passengers.

I understand that the trial was supposed to be mid-2024, as it says on the Metro website. We're not really mid-2024 anymore and there's still a bit of work to be done, by the sounds of things. What's the new time line for that trial to commence?

Mr DUIGAN - My understanding is that there is not a great deal of work left to happen for it to come on line and that if it's not 2024, it would be the first quarter of 2025 or something like that.

Mr BOWLES - That's correct.

Ms LOVELL - Do you have a date for delivery of the project or for the trial to commence?

Mr BOWLES - Ultimately, the next key milestone is the delivery of the actual hydrogen production. They need to complete the installation of the equipment and any other equipment and finalise terms and conditions for the supply agreement, which is a commercial supply agreement that we're not directly party to. At this stage we would expect it to be Q1 2025 at the latest.

Mr VINCENT - Where are the buses located at the moment?

Mr DUIGAN - I assume at the Metro depot. I don't actually know, but I can find out. I won't guess. Anyone know where the buses are?

CHAIR - Inside a shed somewhere. In the same place as the new *Spirit*, I reckon. Looking for a home.

Mr DUIGAN - They would be being well looked after. No, they're good to go.

Ms LOVELL - They will have been not able to be used for, potentially, three years since you purchased them.

Mr TERRY - We had to wait until they were constructed.

CHAIR - We can't hear you.

Mr DUIGAN - Will, would you like to come to the table?

CHAIR - Do you want to introduce him?

Mr DUIGAN - Sean Terry.

CHAIR - Sean Terry. What's his title?

Mr DUIGAN - Executive Director, ReCFIT.

Mr TERRY - They were ordered approximately 18 months to two years ago, but they had to be constructed and then tested and serviced, and then obviously transported. They'll actually probably be entered into those contracts approximately that time. There has been a kind of period where we had to wait for them to arrive. They did arrive earlier this year. Then they were all tested for DDA requirements and made sure they were all up to specs before they arrived.

Ms LOVELL - I had some questions about the electric buses too, but if anyone else has any on the hydrogen buses?

CHAIR - Were electric buses under the climate change thing or here?

Ms LOVELL - I can wait until climate change.

CHAIR - A couple other things from me: this output group is to look at future industries and that sort of thing. Do you and your team have a view on your federal colleagues' position on nuclear power?

Mr DUIGAN - Certainly. For Tasmania, nuclear power isn't anything that we're considering, or that the federal opposition is considering. Tasmania is a renewable state. It has been for a long, long time. My feeling and expectation is that it will continue to leverage its great advantage in the renewable energy space. I note that the opposition leader has put on the record his comments around the delivery of and commitment to the continued delivery of Marinus and Battery of the Nation projects, noting that they were coalition-originated projects. He has said publicly that he continues to support Marinus and Battery of the Nation. Tasmania is a renewable energy powerhouse and will continue to be so.

CHAIR - If your colleagues' policy was implemented, you wouldn't need the same level - that would provide a base load power source. You could replace some of the coal and gas some time in the future maybe, after they've already shut down. In your view, that policy position has no impact on Marinus's viability in the long term?

Mr DUIGAN - I would say no. I would say it hasn't. It has very, very limited - you're asking me to speculate to some extent there. I would say the business case for Marinus looks pretty -

CHAIR - It doesn't contemplate nuclear on the other side?

Mr DUIGAN - Well, I think there are a whole lot of things that we don't know in that space.

CHAIR - We're also seeing increased use of batteries, particularly on the mainland, to store energy to provide some of that stability in the system when there's no wind and/or no solar at the time. Is that going to have an impact, do you think?

Mr DUIGAN - I think batteries are clearly going to be part of the system - are part of the system and will continue to be so. What they are is short-term storage.

CHAIR - At this stage.

Mr DUIGAN - At this stage. When we talk about the term of storage, four hours is a long battery storage. When you consider what the nature of variable renewables looks like - and I think here in Tasmania we've had a good experience in recent times. The last financial year was the lowest hydro inflows in 90 years, I believe. But then concurrently, we had a wind drought, which you wouldn't be thinking about now.

CHAIR - Not yesterday, anyway.

Mr DUIGAN - Periods of hours of storage are helpful to smooth out the grid and provide some relief when the sun doesn't shine and the wind doesn't blow. What I think is missing in every other NEM jurisdiction particularly is deep storages like those that we have here in Tasmania. That is our profound opportunity, that we do have those day and week-long storages. If we have substantial new renewables in the state, where we can conserve our water resources for highest and best use, we have the opportunity to leverage them heavily.

CHAIR - Highest cost, highest return.

Mr DUIGAN - Highest and best use, I would say. As we build out more renewables in Tasmania, that opportunity presents.

CHAIR - There's also at the moment, as I understand it, a 10-kilowatt limit on rooftop solar at in a residential application though many roofs could take more than that. I did hear a rumour, and I'm not sure if it's true or not, and whether you even know the answer to this, but it was going to be dropped back to 5 kilowatts. When we look at all the underutilised space that's already occupying land with rooftop solar, what's your view on expanding rooftop solar and the flow-on effect of that, unless there are fully integrated batteries in the system, the requirement to invest more in the network?

Mr DUIGAN - The first thing I would say is we have our Energy Saver Loan Scheme, which has been a very successful scheme, with \$50 million of no-interest loans made available. Predominantly, that scheme has been used for the installation of rooftop solar and we have seen a massive increase in rooftop solar systems in Tasmania.

CHAIR - There is the 10-kilowatt limit on your roof though?

Mr DUIGAN - No, that's not detailed. I will take it on notice. It's not something that I have heard of; I believe you can quite legitimately go and buy a 10-kilowatt rooftop solar array. I don't think that's a problem.

CHAIR - Can you put 20 on your roof?

Mr DUIGAN - I am going to seek to take that on notice about what the regulations are. I know there are potentially network limitations. If you were to live down the end of a road particular rural or remote area, there might be some constraints to the amount of energy you are able to pump back into the grid. I don't know the detail around that, but we're happy to take it on notice.

To your question, rooftop solar I think is about 3.3 per cent of Tasmanians generation each year. It allows us to keep water in storage, we're not running our Hydro as hard when the sun is shining in Tasmania, so we see a great future for both rooftop solar and also solar on a larger scale. I note that there are a number of highly prospective solar energy proposals currently either through planning approvals or in that process.

Tasmania is a better place to host solar than lots of people might think.

CHAIR - The first question is, is there a limit? Is it being reviewed in terms of up or down, and what are the barriers to enabling more? I've clearly been told that you can't put more than 10 kilowatts on our roof.

Mr DUIGAN - Again, as I might say, that may be in terms of what your local area network looks like. I think there is some consideration given to that, but we'll seek some more advice.

CHAIR - Just one final one from me, can I go back to the North West Renewable Energy Zone for a minute? As you said, there's been considerable consultation, a number of public meetings; are you planning to amend or adjust what's been put forward as a result of that feedback?

Mr DUIGAN - We are continuing; the public consultation is still ongoing.

CHAIR - What's the time line for the completion of that?

Mr DUIGAN - Currently, I think it closes at the end of this month, but my understanding is that we would be seeking to continue - I might just throw quickly to Mr Bowles to see whether he has anything.

Mr BOWLES - Consultation on the bill has closed and we extended consultation on the actual renewable energy zone, which was -

CHAIR - On the location of it?

Mr BOWLES - Yes. That was due to close several weeks ago, but that's now been extended to the end of this month. Based on the feedback that we've received on both the bill and the zone, we'll provide an analysis of that feedback to the minister for the next steps.

CHAIR - Okay. When can the public expect to get some feedback on this process?

Mr BOWLES - We'll provide our feedback to the minister in the first instance.

CHAIR - Hopefully, the minister will provide something not long after that.

Mr BOWLES - A number of weeks away we'd be ready to provide that advice and have the summary of the feedback available on the website.

Mr DUIGAN - To add to that, and I have said this a number of times, certainly, in the House of Assembly, we want to make sure that everyone who wants to contribute and offer their feedback has the chance to do so. If there is a feeling that the period of consultation needs to be further extended, I'm not sure of the level of interaction we're having or engagement with people, or to what degree people are engaging with us, but if we think we need to do more, we'll do more.

CHAIR - I note the two proposed wind farms are not huge ones up there and they are in, basically, unpopulated areas, which is less likely to create the angst that some have. There is another proposal on the books at the minute for near Port Latta that requires an upgrade to the network, as I understand it, to get ahead. They're running out of time for their development application (DA). What's your view on that, minister? I would have thought you might like to step in and assist there because it's got 100 per cent community support, as I understand it.

Mr DUIGAN - Certainly doing plenty to assist in the space of the Port Latta wind farm and continue to do so. My expectation would be that their planning approval, which expires in February next year, that we would see substantial commencement prior to that date. That would satisfy the council's needs and that project would be able to continue. If you spoke to those people progressing the Port Latta wind farm, they would tell you about the very positive interactions that they're having with Hydro Tasmania and potentially other -

CHAIR - Do I need to have a chat with TasNetworks? Isn't this the barrier here, the feed-in required? That line's pretty, I won't say dodgy, but lacks much room for additional capacity, as I understand it. I'm not the expert in these matters. That's been the case for some time. Even with the Western Plains proposal, which has now gone by the wayside, there was always going to be a challenge there. If Woolnorth decided to upgrade the size of theirs, subject to other approvals, that would create some limitations in that transmission line and Robbins Island would have to build their own.

Mr DUIGAN - Yes, they would.

CHAIR - Yes, clearly, there's a bit of a problem with that line there.

Mr DUIGAN - Yes. Port Latta, as you would understand, is a fairly small wind farm in the context of things.

CHAIR - Yes, but I understand there are some challenges and barriers here in terms of the transmission capability.

Mr DUIGAN - As I understand it, if they were to build to the full extent of their DA, if they were to stand up in excess of 30 megawatts, there might be some transmission augmentation required. I believe they are currently looking at somewhere south of that which doesn't require that support.

CHAIR - All right. Anyone else on that one?

Ms THOMAS - Just one question. In terms of the recent industrial action around wages for TasNetworks employees, has the government considered or done any modelling on the impact pay parity for TasNetworks employees might have on power prices?

Mr DUIGAN - The interesting aspect of that question to me is the notion that TasNetworks employees don't enjoy pay parity. I think that is contested. The company would say that, aside from Queensland, which recently negotiated a new pay agreement and some of its line workers are paid well above the national average, the TasNetwork staff are paid in line with their interstate like businesses. The advice that comes to me puts Tasmania and TasNetworks in the middle of the pack and I think that's an appropriate spot for Tasmania to be. I don't think we're accepting, necessarily, that TasNetworks workers aren't being paid in line with their interstate counterparts.

Ms LOVELL - You said you'd received advice to say that they're sort of middle of the pack. Have you seen a comparison between what TasNetworks employees are paid, the dollar figures so that you can -

Mr DUIGAN - I've seen a graph.

Ms LOVELL - Okay. Would you be willing to table that?

Mr DUIGAN - Yes.

Ms LOVELL - Okay, and you're comfortable with the advice that's been given to you on that graph?

Mr DUIGAN - Yes.

Ms LOVELL - Okay. Have you seen actual wage figures, like dollar amounts and hourly rates and allowances and all those things?

Mr DUIGAN - As I said, I've seen a graph and I have had conversations with TasNetworks management, who would reinforce what is presented in the graph.

Output Group 7 - Renewables, Climate and Future Industries Tasmania

7.2 Climate Change

CHAIR - Do you need to change people at the table, minister?

Mr DUIGAN - We will kick off and if we need to bring in the reinforcements, we will.

Mr BOWLES - I have an answer to the earlier question on the 10 kW limit. There is there is a technical limit at 10 kW, so households can install up to 10 kW of solar capacity. If they want to install more, they need a specific agreement with TasNetworks and that will depend on the network specifications in their local area.

CHAIR - That being the case, if we're wanting to encourage people to contribute, is there a case for upgrading some of these networks? Part of it is the distribution network, it's not the

high-voltage stuff we're talking about. It's the distribution network to people's houses and businesses. Is there an argument here that we should invest in those distribution networks to enable that?

Mr DUIGAN - My understanding is that around transmission and distribution, you can only build what is required, in terms of gold-plating and future-proofing, and those sorts of things are difficult to do.

CHAIR - As part of the energy transmission, minister, we are trying to get more energy into the system.

Mr DUIGAN - I understand all of that, but there are rules in place which stop transmission companies from over-building and, thus, adding to the costs.

CHAIR - Rules can be changed, minister. I'm not sure this rule is prohibitive as such. Personally, I haven't tried, but I do hear from others. The rumour I heard about being dropped to 5 kW, is that true or is it going to stay at 10 kW? Do we know the answer to that?

Mr BOWLES - We're not aware of any change.

Mr DUIGAN - Not aware of any change. Are we saying TasNetworks is saying that?

CHAIR - Allegedly. TasNetworks imposed that limit, as I understand it, of the 10-kilowatt limit.

Mr DUIGAN - On account of local area network design.

CHAIR - And maybe someone else's local area could only take 5 kW. But it's cumulative, I assume. It could be the last straw that breaks the camel's back. This is probably a matter for TasNetworks more than you as to whether they would be seeking a rule change to enable that to occur. But it's really an AER determination. I would think it's where it fits into

Mr DUIGAN - Yes, I would think so. But, as I say, there are rules around over-building transmission and distribution networks to protect consumers from cost burden.

CHAIR - If we are to be part of the renewables transition, we have a lot of utilised land with buildings on it that sit there all day with the sun shining on the roof. When the sun is shining, that could be utilised without building massive solar farms, notionally, that require their own network to take their power off somewhere. Is this something that you think should be in the mix for this sort of thing?

Mr DUIGAN - The government has had policy settings, the Energy Saver Loans Scheme, which has really -

CHAIR - But it only helps if you can put it on.

Mr DUIGAN - massively increased the amount of rooftop solar in Tasmania. That's happened and is happening. That is our policy response to a need. We agree rooftop solar is a good input. Like I say, 3.3 per cent of our generation comes from the roofs of peoples' homes.

PUBLIC

CHAIR - If you look to what's happening in South Australia, there was a day recently where the whole of Adelaide was powered by rooftop. There's obviously greater penetration there to enable that, but it would require change in Tasmania to facilitate it, by the sounds of it, not just making it easy for people to borrow money to do it. They might be able to borrow enough to put 20 kW on their roof, but they can't do it.

Mr DUIGAN - I think what you're talking about is the network and its ability to take that level of build out.

CHAIR - As Minister for Energy and Renewables, is that something you would discuss with other energy ministers where they're engaging with the energy regulator?

Mr DUIGAN - I don't think it's one that's come up necessarily at the ECMC. The live topics are consumer energy resources, like how do you plug your car into the grid and things of that nature.

CHAIR - They feed right into this. Pardon the pun.

Mr DUIGAN - Yes, and it is a big job of work that's happening and an interesting place.

CHAIR - A car battery has more in it than your 10 kW rooftop solar.

Mr DUIGAN - Or your house battery. Five times bigger.

CHAIR - Yes. Depending on the variety of house battery.

Mr DUIGAN - Typically. Anyway, it is an area that people are looking at, and we, as the Tasmanian government are party to that and are looking at how we do it. Building out the network and adding resilience is not something we're necessarily contemplating -

CHAIR - You might be forced to do it with electric vehicles charging at home, if you want to maximise the use of those - or the owners do. We will come back to electric vehicles in the next line item. We'll go to 7.2.

Ms LOVELL - I wanted to go back to the electric buses that we were talking about earlier. I understand the trial commenced in Launceston at the beginning of the year, but then there were some teething issues that meant that the trial had to be paused. Were those issues resolved?

Mr DUIGAN - In 2021-22, Metro was allocated \$6 million to deliver an electric bus trial. I'm very much in the hydrogen electric bus place, but Mr Bowles may have a bit more detail around pure electric bus trials.

Mr BOWLES - We understand that they have been resolved, and we would expect the trials, including passenger services, to commence in Hobart in late 2024.

Ms LOVELL - So the Launceston one has been operating?

Mr DUIGAN - The Launceston trial for electric buses is under the Minister for Transport. It probably has some cut across climate.

Ms LOVELL - He might have referred those question to you as minister. Maybe they were the hydrogen ones only.

Mr DUIGAN - Certainly the hydrogen bus trial sits very squarely with us. Electric bus trials - I haven't seen a lot of that.

Ms LOVELL - That's okay, we can take that up with him.

Mr DUIGAN - Climate change is responsible for electric buses.

I beg your pardon, through Metro. I introduce Dr Sarah Russell, director of the climate change office within ReCFIT. Could you provide some specific detail in answer to the question around the electric bus trial in Launceston and the delays and recommencement of that?

Dr RUSSELL - The 2021-22 Budget provided a \$6 million equity investment to Metro to do a two-year electric bus trial. Since that point in time, the procurement phase has been completed, four buses have been purchased and they have finally been accepted. The trial will start in the not-too-distant future, so it's on track now.

Ms LOVELL - In Launceston?

Dr RUSSELL - In Launceston, yes.

Ms LOVELL - They did start early in the year, didn't they?

Dr RUSSELL - They did, and it was put on hold. As is the case with a trial, there are a lot of things to work through. All the buses have now been accepted and we'll be commencing the trial shortly.

Ms LOVELL - So that would be both Hobart and Launceston in late 2024?

Dr RUSSELL - Battery electric buses are only in Launceston, and the hydrogen buses are in Hobart.

Ms LOVELL - Okay, thank you. The targets around converting the government fleet to electric vehicles - that sits with you as well, doesn't it?

Mr DUIGAN - Yes, it does.

Ms LOVELL - Can you update us on the current target and timeline for achieving that?

Mr DUIGAN - Yes, I can. As of 30 June 2024, there were 62 electric vehicles in the government fleet. That is 2.1 per cent of government fleet vehicles. It should be noted that the definition used in the counting of electric vehicles includes battery electric and plug-in hybrids. We have 33 battery electric and 29 plug-in hybrids. There are eight electric vehicles on order - three battery and five plug-in hybrids - and the fleet comprises 2914 vehicles. In the remainder of those vehicles, there are 700 hybrids. That's the Toyota-style, non-plug-in hybrid. Another 964 are unleaded vehicles and 1188 are diesel vehicles.

Ms LOVELL - Did you say 30 June 2024?

Mr DUIGAN - Yes.

Ms LOVELL - How is that in terms of the targets that you'd set? I'm assuming you had some targets around that. I don't have them in front of me, but -

Mr DUIGAN - I think we stopped reporting it in the Budget.

CHAIR - What's that?

Mr DUIGAN - I think the transition of the fleet was previously reported in the budget papers, but is now to be reported in the climate activity statement. That is the reason that it's not there. In terms of some key messages, the government is committed to supporting the uptake of electric vehicles and we continue our strategy to increase electric vehicle use with a focus on charging, financial incentives, education and awareness, coordination and support for fleets. A total of \$4.55 million has been allocated to support the transition of the government electric fleet, this includes pool cars, et cetera. ReCFIT and the Department of Treasury and Finance are working collaboratively on a range of measures to support the transition, including installing charging infrastructure in public buildings.

Interestingly, as of July 2024, there are 3883 electric vehicles registered in Tasmania. In terms of delay in transition, progress against the target, noting that the target is 100 per cent by 2030, delay in transition against the target has been slow due to difficulty in sourcing vehicles and the higher purchase and leasing costs of electric vehicles. Progress has also been hampered by global factors such as supply chain disruption. That is around the change of reporting.

Ms LOVELL - Bearing in mind that some of those supply chain issues and things are outside the government's control, what measures are you taking to encourage that transition? Is it an automatic pool cars and things managed by fleet manager? They're not necessarily selected by somebody? What measures are in place to ensure that those vehicles are being transitioned?

Mr DUIGAN - A range of policies and initiatives that address barriers to the fleet transition are being implemented, including:

- A new whole of government vehicle contract for purchasing passenger and light commercial vehicles
- Temporary exemption for agencies to purchase EVs outside of the previous vehicle contract
- Education resources, including fact sheets and short instructional videos to support agency to transition vehicles to electric
- Assessing 110 government parking sites across the state for EV charging infrastructure
- Providing advice to agencies about installing charging infrastructure to their sites
- Updates to operational fleet management policies
- A procurement process for a panel of charging infrastructure supplies

- Financial support for agencies to purchase EV and charging infrastructure

Those are the key initiatives that are happening in order to drive greater uptake of electric vehicles.

Ms LOVELL - Are you confident that we have the infrastructure and the power in the network to support the uptake of electric vehicles that we're seeing, but also encouraging?

Mr DUIGAN - In the Tasmanian context, the government has done quite a bit of work in terms of installing, charging infrastructure and supporting the installation of charging infrastructure around the state. My understanding is that Tasmania compares comparatively well to some other jurisdictions. That piece of work is ongoing and it is an area that we have seen, in our latest transport emission and resilience plan, further support for charging infrastructure around the state. It is one of the areas that I would be keen to lean into as minister. It's one of the key considerations that you can support people. Making it easier for them to transition into an electric vehicle is to take away some of the anxiety that exists around how they get from A to B and not find themselves having the range anxiety and getting stranded.

Ms LOVELL - Will this remain a priority project when we talk about efficiency dividends and projects that will be impacting and reprioritising? I'm sure this is one that will continue to be a priority.

Mr DUIGAN - Certainly. I would point to the fact that there is funding in the transporter for more support for vehicle charging, which makes the owning of an electric vehicle easier in Tasmania. Again, the work that's happening around providing support for government agencies to install charging facilities in government buildings and things of that nature will continue.

Ms LOVELL - The funding in line item 7.2 drops off significantly. The footnote says that's due to the funding profile of the Climate Change Action Plan. Can you elaborate on that and talk through that funding profile, and particularly what you're expecting to happen in 2026-27. I think it's pretty widely accepted that climate change isn't going away. It's concerning to see such a drop in funding there.

Mr DUIGAN - The first thing I would say, and I did mention this earlier, is that there is a substantial drop off in the funding, noting that our Climate Change Action Plan is 2023-25. Those aspects of that plan are funded to 2025. I would expect, as we develop our new plan going from 2025 onward, that we need to assess what the funding priorities are at that stage. Obviously there's budget process that we would be laying into. I'm happy for either Mark or Sarah to add some further detail in that space, and perhaps talk to the specifics around things that are included in the plan, and some detail there.

Dr RUSSELL - The Climate Change Action Plan has been funded not only from within the climate change output, but also from initiatives across government as well. The plan, as the minister indicated, ceases in mid-2025. Following the development of our legislation and a series of commitments under that, we've got a number of strategic priorities underway which will feed into the next action plan. They include the first state-wide climate change risk assessment, and also the development of six sectoral emissions reduction resilience plans.

There's a range of programs already underway and which will continue to be funded under the action plan from the climate change portfolios perspective. They include things like updating Tasmania's towns' climate change projections, working with local government to build climate change capability across sectors, working with Private Forests Tasmania to plant more trees in the ground, and also some of the transport initiatives which we've talked about already today. There is a whole range of programs and strategic priorities that are funded out of that, which will feed into the development of the next action plan.

Ms LOVELL - We're not that far away from the end of the 2024-25 financial year, which is when the funding starts to drop away, and when the action plan is crucial. Is that to the financial year 2025, or calendar year?

Mr DUIGAN - Financial.

Ms LOVELL - When we see the next action plan, what will be the process for budget requests - you would assume that you would be requesting more money in next year's budget.

Mr DUIGAN - Yes. We will.

Ms LOVELL - Which is, again, not that far away. We're already into September. What's the process there and what's happening with that?

Mr DUIGAN - We'll work on the next action plan. It's underway. We will be working at what the funding priorities look like, what they need to be.

Ms LOVELL - By when?

Mr DUIGAN - There is, of course, a budget process. I'd be happy for Sarah to talk to the detail around when. Funding does extend into the 2025-26 year.

Ms LOVELL - But it drops off significantly. It's nearly half what you have this year.

Mr DUIGAN - I understand that. Like I say, it is a rolling piece of work. There will be funding priorities that do come along. If Sarah's happy to speak to that?

Dr RUSSELL - Some of the planning work we're doing under the emissions reduction and resilience sectoral plans will feed into the next action plan in the budget bid. We're going through a process where we're funding some sectoral initiatives, but there'll be a number of future funding priorities that have been identified through that process, which will form part of the action plan. Similarly, with the climate change risk assessment, there will be a number of priorities there and it will go through a normal budget cycle.

Mr DUIGAN - As you say, we are well aware that climate change isn't going to go anywhere and it will continue to be an area of interest and investment for the state, and you know -

CHAIR - You'll find the budget dividend - efficiency dividend - in one hand and you'll take it back with the other.

PUBLIC

Ms LOVELL - Yes, that's it and I'm sure others have questions on this as well. My concern will be that this is something that we know. We know we're going to need more funding for this. We know that now, so it would be good to see that kind of forward planning. I would hate to get to next year's budget and see that these numbers are still the same or lower if we're looking at the efficiency dividends.

CHAIR - That's when the fight might start.

Ms LOVELL - Yes. Did you have questions on this too?

CHAIR - Kerry had one along those lines and I'll come back to you.

Ms LOVELL - Yes, that's fine.

Mr VINCENT - As we were discussing earlier, minister, could you just give us an update on the transport resilience and emission plan?

Mr DUIGAN - Yes, I can. I am very pleased to have out and table.

Ms LOVELL - Fancy that.

Mr DUIGAN - How about that?

Ms LOVELL - Just had it there.

CHAIR - Just like magic.

Mr DUIGAN - I am pleased to announce that the Transport Emission Reduction and Resilience plan has now been released. The transport plan is the first legislative plan for the transport sector under the *Climate Change (State Action) Act 2008*. The plan builds on work undertaken to date to improve the Tasmanian transport system and to support the transition to low and zero emissions technology.

Tasmania's transport sector accounts for around 21 per cent of the state's total emissions, excluding the land use change in forestry sector. Tasmania's transport emissions have increased by around 12.4 per cent since 1990 due to an increase in the number of vehicles and they switched to larger vehicles, offsetting the use of all fuel-efficient vehicles. We have an opportunity to meaningfully reduce our emissions through the transition to low and zero emissions vehicles as well as increasing public and active transport.

To transition our transport sector to net zero, we need to ensure that we have the enabling infrastructure and systems to support this and the plan will guide additional strategic investments over the next five years. The Tasmanian government has committed \$1.4 million to implement this plan and deliver eight new initiatives. Included is:

- financial support for Tasmanians to purchase electric bikes through the Energy Saver Loan Scheme;
- support small business to purchase cargo e-bikes for last-mile deliveries;

- work with partners on a Greater Hobart Bicycle Parking Master Plan and fund pilot sites for secure bike parking to support a sustainable and accessible transport network;
- grants to support the expansion of the state's EV charging network, for example, fast charging at key destinations;
- support small businesses to purchase electric delivery vans;
- support the Australian Electric Vehicle Association National Conference and the Energy Efficiency Electric Expo, which will be held in Hobart in 2024;
- partner with peak bodies and other industry organisations to develop public education resources about driving electric vehicles in Tasmanian conditions; EV tourism materials and resources for small businesses;
- provide funding to the automotive industry to develop a skills transition plan to support the switch to electric vehicles.

These actions will deliver outcomes for small Tasmanian businesses, the community and the tourism sector. The actions will support these groups to reduce their transport emissions and have the potential for a range of other co-benefits including reduced traffic congestion by supporting the uptake of public and active transport and reduce costs associated with the maintaining and fuelling of EVs in comparison with internal combustion engine vehicles.

This funding is in addition to \$177 million for Tasmanian government projects committed or already underway to ensure we have a reliable, affordable, efficient and modern transport system. We will work with the industry, the community and the Australian Government to leverage any funding that may become available at the national level to support this transition. This plan also considers relevant actions already underway in the transport portfolio, including those that support increased use of active transport and improve public transport services.

Extensive consultation with industry, business and the community has been undertaken to establish the actions within the plan. Some new actions have been funded through the Climate Change Action Plan and other actions identified for consideration in future state budget processes.

Reflecting the whole-of-economy nature of climate change, many issues and potential solutions are relevant to all sectors. This funding is in addition to the \$2.2 billion already committed by the Tasmanian government in the 2023-24 Budget to ensure we have a reliable, affordable, efficient, modern transport system, together with the plans for our transport, energy, industrial processes and product use, agriculture and land use, and land use change and forestry sectors. This plan sets out our pathway to achieve our target of net zero emissions or lower from 2030. I thank the member for the question.

CHAIR - The other energy-based sector reduction and resilience plans - can you tell us where those are at? That's a nice shiny little thing we've just got.

Mr DUIGAN - We did commit to. I am pleased to share that all our sectoral plans are well underway with draft plans for energy, industrial processes and product use plans, agriculture and land use, and land use change and forestry plans are all currently open for public consultation, and the expectation is that they will be released in November of this year.

CHAIR - They will be published, and you'll make a great display of the publishing for us and letting us know they're there.

Mr DUIGAN - It is important, out for public consultation as we speak, and that is in line with I think -

CHAIR - I have not really had the chance to read through this one yet, but what is the expectation that these plans will deliver? Like the transport one and the various other ones, what is the expectation that will be delivered through those plans?

Mr DUIGAN - What's really important to recognise is that the plan gives us some options and some things to consider in terms of ways to reduce our emissions and increase our resilience. They should also be considered in concert with the range of other things that government is doing in the space because, whether it's increasing the number of ferry terminals or half-price bus fares or building better roads and bridges and things of that nature, which all go into helping -

CHAIR - I am talking about what the expectation is for your emissions reduction. What's the expectation? What's the outcome you're looking for, minister?

Mr DUIGAN - The outcome we are looking for is to reduce our emissions in the transport sector by increasing people's opportunities to use public transport or active transport or driving electric vehicles.

CHAIR - No, you are missing the point, minister. You are getting there, are you?

Mr DUIGAN - I'm saying that our plan supports our aspiration of increased emissions reductions in the transport sector. That's the outcome we're seeking.

CHAIR - Is there an expectation plan? If there is, can you point me to the page that tells you what this plan, what its aspiration, if you like, goal is, in terms of reduction of emissions. I would like the same aspiration or target, or whatever we are going to call it, in relation to the other plans that are in progress. What is the expectation here?

Mr DUIGAN - The expectation is combined together, the plans give us a set of actions across all of those areas in the Tasmanian economy which take us to our ultimate goal of being net zero or lower by 2030.

CHAIR - I understand that.

Mr DUIGAN - That's a very clear pathway.

CHAIR - I'll say it again: what is the megatonnes for each of the plans? And you've done this one - you must have something for the transport emission reduction and resilience plan. What is the expectation of the actual reduction in emissions? Should this be able to be implemented, what would that result in? This plan?

Mr DUIGAN - So, as I say, it is part of a plan to reduce our emissions and, Sarah, if there's anything that you would like to add in terms of the specificity of the question, we'll be happy for you to engage.

Dr RUSSELL - Certainly. We, during the debate and the legislation, have settled on an economy-wide target and acknowledge that action needs to be taken across all of our sectors to enable emissions reduction to occur. Some sectors have much greater capacity to reduce emissions than others, as you would be aware. These sectoral plans are based on a piece of foundational work that we did quite some time ago, which fed into the legislative review, which was the Tasmanian Emissions Pathway Review.

We do have some numbers in the plan early on in there, which identify what the key opportunities are for emissions reduction in each sector, on page 5.

As you can see, those opportunities are at high level outcomes of what we want to achieve in the plan and the policies that are identified in the programs and initiatives in the plan meet those outcomes. We've got outcome statements, priority areas and actions to meet those. In addition, noting that these are five-year plans, so there's also future funding priorities in here as well, which we've mentioned.

CHAIR - Future what sorry?

Dr RUSSELL - Future funding priorities - so things to consider.

CHAIR - Future funding, you are on my deaf side too.

Dr RUSSELL - I'm a low talker. Sorry.

Ms THOMAS - Yes, I know. Use your outside voice.

CHAIR - Use your mother's voice or something like that, or teacher voice.

Dr RUSSELL - As we've worked through these sectoral plans, we've realised that there's a whole range of linkages between these plans from an industry perspective. We'll also be doing a whole-of-economy piece that sits over the top of these plans to try to link them together a little bit and show how these plans feed into the whole-of-economy target.

CHAIR - Do we have a target of the number of megatonnes of CO₂ to be reduced? We've got an emissions reduction target. What is that?

Dr RUSSELL - That's the legislative target. So, that's net zero emissions or lower by 2030 out to 2050.

CHAIR - Yes, so what do we need to do to get there? I find it difficult, there's a number I'm looking for here that will tell us how big the task is, and it's being spread across all areas to achieve what we need to as a state to achieve a target. So, how much? What's the task?

Ms THOMAS - What's the baseline?

CHAIR - How much have we got? How much carbon emission do we have to get rid of?

Mr DUIGAN - We are currently net zero or below.

CHAIR - So, why are we doing this then? You can see my point, surely?

Mr DUIGAN - Well, of course, and we are net zero because of -

CHAIR - Our hydro.

Mr DUIGAN - Our hydro, but also because of our forest estate and that has a carbon accounting benefit to the state, so, that gets us to a position of net zero. That doesn't speak to the fact that we have industry sectors and transport sectors which are taken in isolation.

CHAIR - Emitters.

Mr DUIGAN - Emitters. So, the plans are ways where we can look at those sectors and introduce initiatives to help reduce the emissions from those sectors.

CHAIR - Can I take it then, minister, that the 1.29 megatonnes of CO₂ on page 5 is what you would hope to achieve in this plan that will be fed into the overall outcome.

Mr DUIGAN - If you read the fine print in the big blue circle on page 5, total estimated annual abatement in 2050 is 1.29 megatonnes and, I think if we go back into some of the shorter- to medium-term aspects, there are numbers.

CHAIR - What's the medium term? What year are we looking at there?

Mr DUIGAN - I don't think it's indicated. I don't believe it's indicated.

CHAIR - So, where does 2030 fit in this then, on the line?

Mr DUIGAN - I'm not sure that it's on a scale.

Dr RUSSELL - In the emissions pathway review, you're looking at a time frame; you're looking at technologies which will be developed into the future, potentially. We've identified the opportunities that we think will give us the greatest level of abatement across sectors and put our policy incentives and initiatives towards those. If you think about something like, as an example, electric vehicles and increasing the uptake of electric vehicles and it's going to give you this level of abatement, the things we're doing are charging infrastructure, financial incentives, education and awareness. Estimating the specific emissions abatement from enabling policy isn't a straightforward exercise. We've done the initial baseline modelling around this out to 2030. We've worked out what the potential emissions reduction opportunities are and then the policies sit around that.

CHAIR - So, each of the other plans will have - the chart, the pictorial thing on page 4 makes it clear that the biggest change can be made by dealing with cars, but it doesn't mean you should ignore the trucks.

Mr DUIGAN - In transport?

CHAIR - Yes, in this plan that we are looking at now. So, it makes sense to start to really focus on that. If we look perhaps at the agriculture one, do we have any vision yet as to what the biggest emitter down the bottom here will be?

PUBLIC

Dr RUSSELL - Yes, the biggest emitter for the agriculture sector is enteric fermentation -

CHAIR - What, sorry?

Dr RUSSELL - Methane emissions from cows burping and farting, basically. I was trying to be polite for one second.

CHAIR - They burp more than they fart.

Ms LOVELL - Really?

CHAIR - Oh yes, when they chew their cud, they burp all the time.

Mr DUIGAN - What are you basing that on?

CHAIR - As a good farm girl, I would know these things.

Dr RUSSELL - We do have a very significant policy investment in the agriculture sector, which is commercialisation of *Asparagopsis*. That was a key piece in the Climate Change Action Plan.

CHAIR - How close to commercialisation is that?

Dr RUSSELL - The commercialisation trial is just starting at the moment.

Mr DUIGAN - If you'd like me to add some detail.

CHAIR - Oh, of course. I think it's a fantastic Tasmanian initiative which we should be very proud of.

Mr DUIGAN - Correct, I think we need to be cognisant of where we are doing those things very well, knowing that we are one of the very few jurisdictions around the world that are currently net zero and all of those things and continuing to do good work. We have a great story to tell. As we've just heard from Sarah, livestock is a significant contributor to Tasmania's greenhouse gas emissions, even greater than the emissions from our entire transport sector.

Back in May this year, we provided an investment of \$4 million toward the low emissions livestock grant program. TasFarmers was the successful applicant of the grant program, together with Tasmanian business Sea Forest. The proposal will use Sea Forest's *Asparagopsis* sea feed as a feed additive to some 24,000 head of livestock across both dairy and beef. *Asparagopsis* is a common seaweed native to the waters of Tasmania and the bioactives in the seaweed, when included in very low quantities as a feed additive, greatly reduce the production of methane from livestock. The three-year trial will demonstrate commercial-scale viability of *Asparagopsis* feed supplements that have already demonstrated success in reducing emissions from livestock. The commercial-scale trial aims to reduce emissions from livestock by more than 16,000 tonnes, equivalent -

CHAIR - These are the sorts of figures I'm after, minister. Thank you.

Mr DUIGAN - That's 16,000 tonnes, equivalent to taking 7000 cars off the road. This is a trial. Tasmania's pasture-based farming system makes it an ideal location to undertake this trial. TasFarmers has also partnered with some of Tasmania's largest dairy and beef producers as well as the Tasmanian Institute of Agriculture, which will lead the project evaluation. This government support will now allow the industry to learn faster and enable all partners to go to scale with confidence.

Importantly, this investment required a financial co-contribution from the successful applicant, TasFarmers, demonstrating that both parties are making a genuine input into it. From here, Sea Forest has gained worldwide attention, most recently partnering with a major UK supermarket chain, Morrisons, to help fast-track the introduction of lower-carbon beef products such as mince, burgers and steaks. This is a true success story of Tasmanian ingenuity, partnering with government to reduce emissions and better the future of our planet.

Confirming our strong commitment to climate change, the government has invested a further \$600,000 in this year's Budget to continue the important work. This is just one more way we can reduce our emissions to ensure we continue to meet our target of net zero emissions or lower from 2030, and a globally significant trial.

CHAIR - Minister, this may be out of your bailiwick, but do you know how the *Asparagopsis* is being delivered to the beef cattle in the trial?

Mr DUIGAN - I've seen them doing it for dairy cattle where they feed them in the stalls.

CHAIR - Yes, you don't milk beef cattle though.

Mr DUIGAN - No, so I think I asked the question. I've been up to the farm in the north west - the name of which escapes me - the Institute of Agriculture farm and looked at it. Sarah, do you know how they get it to beef cattle? I think they feed them.

CHAIR - A pellet or something. You have to make sure they eat it.

Mr DUIGAN - Obviously, you have to make sure they eat it and that one doesn't eat it all and all that sort of stuff. So it's more challenging in the beef setting, in the pasture setting.

CHAIR - They might get a taste for it.

On the other resilience plans, one of those is the project that has forestry in it with the agriculture.

Mr DUIGAN - Land use change is essentially the forestry one, so that has that contained energy, which also includes MIs, that sort of thing.

CHAIR - Major industries?

Mr DUIGAN - Yes, industrial processes and product use plans, agricultural land use, land use change and forestry plans. We've also committed to do one for government operations.

CHAIR - Will they all be done by November?

Mr DUIGAN - Yes, but government no.

CHAIR - The others all will?

Mr DUIGAN - Yes, the government as an adjunct is a new one that we committed to do.

Ms THOMAS - Thank you for this document, the Transport Emissions Reduction and Resilience Plans, minister, because I had some questions about when it was going to be released and it appeared, so here we are. Some of these questions I guess may be captured here, but not having read it in detail, in relation to the current Electric Vehicle Rebate scheme, I understood that provided 375 grants of \$2000 towards the cost of an electric vehicle.

I'm assuming the scheme is exhausted in 2023-24. I just wondered if that could be confirmed, whether the full 375 rebates were provided, and also whether there's any commitment in this Budget 2024-25 to provide further funding for electric vehicle rebates.

Mr DUIGAN - As of mid-August 2024, 19 of the 375 electric vehicle rebates are still available. I do have more detail that I've seen somewhere, but that's basically where that is. There are still 19 remaining so if you're in the market, get them while they're hot. In terms of ongoing rebates for electric vehicles in the Budget, no, I don't believe there are.

Ms THOMAS - That's not something that's included in this plan either?

Mr DUIGAN - No, it's not one of the actions in the Transport. Support for charging and other things, yes; but rebates for purchase of vehicles, no.

Ms THOMAS - So, you had to get in quick or-

Mr DUIGAN - There are still some available. There are 19 left. There are rebates for the purchase of a number of other e-mobility devices and delivery vans and things of that nature, but support for electric vehicles, no.

Ms THOMAS - E-bikes weren't eligible under that scheme? I did notice on a quick click through here, on page 19 of the new transport Emissions Reduction and Resilience Plans, it does say, 'provide financial support for the purchase of electric bikes through the Energy Saver Loan Scheme as a new initiative through ReCFIT' (Renewables, Climate and Future Industries Tasmania), so that is something that is funded in the 2024-25 Budget, is it?

Mr DUIGAN - Essentially it's an addition to the eligibility criteria under the Energy Saver Loan Scheme. The Energy Saver Loan Scheme is being used for people to put solar panels on their house or potentially do insulation upgrades or things that would reduce their energy bill. We have, over time, increased the scope of the loan scheme, so it now includes electric vehicle charging infrastructure, which can be purchased under the Energy Saver Loan Scheme and now, as of this time, electric bikes are also eligible. That's an interest-free loan scheme.

Ms THOMAS - So, interest-free loans rather than grants, as such?

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Mr DUIGAN - Yes. With regards to the Transport itself, there's \$1.4 million in funding to support the range of initiatives that are included in that, noting that there are grants to assist small business to transition to EVs and things like that under the ERRP.

Ms THOMAS - Under what, did you say, sorry?

Mr DUIGAN - Under the Transport Emissions Reduction and Resilience Plans. The plan, the 'ERRP' - it's a nickname.

Ms THOMAS - The ERRP. Or TERRP?

Mr DUIGAN - That one's the TERRP.

Ms THOMAS - Oh, there's another one that's the ERRP

Mr DUIGAN - They're all ERRPs. There are going to be six ERRPs.

Ms THOMAS - Clear as mud.

CHAIR - At least it's not as bad as Health with their acronyms.

Ms THOMAS - And plans and frameworks.

CHAIR - Abbreviations and everything else.

Ms THOMAS - Have to chop down some trees to print them all.

Okay, thank you. You mentioned EV chargers as well, and charging stations. My understanding is there's been no grant program for electric vehicle charging facilities since 2021, and there's only 204 electric vehicle charging locations around Tasmania. Sorry if you did already touch on this, but is there something in here in terms of funding for charging?

Mr DUIGAN - There will be \$500,000 -

CHAIR - New grants?

Mr DUIGAN - Support for charging infrastructure. As to how that money will roll out, I will be happy for Sarah to provide some detail there.

Ms RUSSELL - There's \$500,000 allocated to that particular initiative within the new funding. The feedback we've received in our consultation period has largely been around increasing capability around existing charging stations. There's likely to be a little bit more work done as we roll out that grants program to build capability in existing locations and make sure the fast-charging network for Tasmania is, well, a network, comprehensively.

Ms THOMAS - Who will be eligible for those grants?

Ms RUSSELL - There'll be guidelines and eligibility criteria developed. We've run three or two fast charging rounds and two destination charging rounds previously, so they'll be pretty similar eligibility criteria. Those are usually organisations, sometimes it's a partnership with

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local government, sometimes it might be a business owner. Sometimes it might be an organisation that has a stake and is able to access that grant, so the grant is specifically for the charger and the recipient needs to be able to do the sort of location identification planning and any upgrades or site preparedness as part of that grant program.

Ms THOMAS - Obviously the ongoing maintenance.

Ms RUSSELL - Yes.

Ms THOMAS - Thank you. I do have some other questions on a different topic if that's alright. Do you want me to keep going?

In terms of the government's plan to keep Tasmania's forestry industry strong. I'm just wondering whether the government has initiated any modelling of any kind on the environmental impacts or emissions likely to result from the increase in logging of native forests and saw log committed to during the state election.

Mr DUIGAN - In terms of modelling I don't imagine any of that work has commenced at this stage.

Ms RUSSELL - Not at a level of specificity like that.

Mr DUIGAN - No, in terms of commitments that were made around the opening of the 40,000 hectares of the wood bank, the Department of State Growth is working through the preliminary steps which would be required to undertake a conversion of future potential production of forest land, and the forestry act of 2014 under the assessment of conservation values needs to be undertaken for the relevant parcels of land and this has not yet been undertaken. The reduction in the land use, land change and forestry emissions from 2012 to 2022 is attributable to multiple factors - cessation of broad scale clearance and conversion of public land as to 2022.

In terms of what it might mean to Tasmania's emissions profile, it's important to note that all native forest that is harvested in Tasmania due to forestry operations must be regenerated as native forest, both on public and private land, and this regeneration is partly responsible for the large rates of carbon sequestration seen over the 10-year period from 2012-2022 and so sustainable forest management will continue to play a key role in keeping Tasmanian carbon negative.

Ms THOMAS - Thank you. I know the minister for Resources Eric Abetz has mentioned that the Tasmanian Liberal government continues to be guided by scientific best practice when it comes to the contribution of Tasmania's native forest state to climate change. If we don't have that sort of modelling, where does the government source information to be assured that it is guided by scientific best practice?

Mr DUIGAN - Our emissions profiles are recorded and evaluated under nationally agreed or internationally agreed positions. I would be happy for Sarah to provide you with some further detail as to how those determinations are arrived at.

Ms RUSSELL - The emissions monitoring and reporting is done through an international reporting framework; 199 countries are signed up to this framework and it's applied by the

Australian Government in the national context and it's managed through the Department of Environment, Energy, Climate Change and Water. The acronym is DEECCW, just to keep on the acronym theme. There are five key sectors monitored and there's sub-sectors within that. There's lots of sort of assumptions, data and modelling that goes into this. Every year we're provided with this information and data and we can see what's happening in each of our sectors.

If you think about transport, you've got some kind of very hard, firm data that comes out of that in terms of number of cars, for example, and fuel types. Whereas, if you look at one of the biological sectors like agricultural land use, land use change and forestry, you've got a lot more assumptions and things associated with that. The land use, land use change and forestry sector, the monitoring occurs in a modelling system called FullCAM (Full Carbon Accounting Model). That's developed by CSIRO. In our greenhouse gas emissions report we have a large appendix detailing how that data is inputted, what those assumptions are and how we track our progress in that sector. It's really long, but if you're into it, it's a great read. I'd like someone to read it.

Ms THOMAS - Thank you.

Mr DUIGAN - I'm happy to point out that, at this stage, those parcels of land that would potentially make up the 40,000 hectares haven't been identified. Noting that Tasmanian forests aren't homogeneous in one type, that there's probably different makeups to those various different parcels, I believe the modelling would commence once the parcels have been identified.

Ms THOMAS - I think you alluded to this earlier, Chair. In terms of no longer having a climate change minister, Tasmania is the only state or territory, apart from Queensland, as far as I'm aware, that does not have a climate change minister. As we've discussed, the forward Estimates reflect a significant drop-off in the funding allocated to climate change. You've explained that there will be requests for further funding once the new Climate Change Action Plan is developed. However, as Ms Lovell pointed out, we can be pretty confident that more than what is allocated in the forward Estimates will be needed.

In the face of no minister for climate change and significant funding drops over the forward Estimates, how can Tasmanians be assured that the government is taking climate change seriously?

Mr DUIGAN - I am the minister with the responsibility for climate change and it is a responsibility I am very pleased and proud to have. The government is committed to addressing the challenges and opportunities around climate change and building Tasmania's resilience by virtue of our Emissions Reduction and Resilience Plan, and by leaning into our circular economy. A great deal of good work is happening there. As I say, we have a department that is responsible, I am the responsible minister, so I don't accept the substance of the question.

Tasmania has a great story to tell when it comes to our emissions profile and our carbon-negative status. I think we will continue to build on that. The government continues to invest and we'll continue to continue to invest.

Ms THOMAS - Okay. I understand the *Climate Change Act* is due for its four-yearly review this year. Has this review commenced?

Mr DUIGAN - Yes, I'm aware that it is part of the actions of the act that we have a four-yearly review. That review also includes the governance of the act, as was agreed on the floor of this House. The government will commence an independent review of the *Climate Change Act* this year. The most recent one was four years ago, done by consulting firm Jacobs.

I've mentioned governance review. Sarah may have some further detail on exactly where we are at with our review of the act.

Ms RUSSELL - We have a requirement to commence, as you indicated, the independent review this year. We have commenced drafting the terms of reference associated with that review and they're pretty consistent and in line with the act. We're currently working that through and we'll start it this year, as was required. There's a number of considerations that need to be considered in the review and that includes a significant consultation piece, which is a legislative requirement under the act.

Ms THOMAS - Okay, so you think it will start this year, there'll be a significant consultation period. When do you expect it to be concluded? Do you have a project timeline?

Ms RUSSELL - Yes. It's pretty flexible at this stage, depending on when it kicks off, but six to 12 months is usually the timeframe that would take.

Ms THOMAS - So, you don't have a fixed expected start date for public consultation or anything like that yet?

Ms RUSSELL - Not at this stage. There's an indicative timeframe, but nothing's confirmed at this stage.

Mr DUIGAN - We might do some work to confirm.

CHAIR - Well, we are three-quarters of the way through the year.

Mr DUIGAN - Yes, I think -

Ms RUSSELL - It'll definitely kick off, but -

CHAIR - Is there an expectation it would be completed by the end of next year, the review?

Mr DUIGAN - Yes.

CHAIR - When are the reports from the department reporting greenhouse gas emissions and activity published? Is that already published for this year?

Mr DUIGAN - The greenhouse gas emissions report?

CHAIR - Yes.

Mr DUIGAN - Yes, that is out and shows a reduction in Tasmania's greenhouse gas emissions by 0.68 megatonnes, is my recollection. The latest greenhouse gas emission report was released in August this year. As mentioned, Tasmania has remained at a net negative level

of emissions for the ninth year in a row, based on the latest data. We were the first jurisdiction in Australia to achieve net zero, in 2014, and maintained this.

Tasmania's total emissions decreased by 0.68 megatonnes of carbon dioxide equivalent from 2021 to 2022, noting that 2022 is the reporting year, according to the most recent data, despite our population growth and Gross State Product having increased over the same period. If we want to go back a little bit, the most recent data shows that Tasmania's emissions were down 4.34 megatonnes of carbon dioxide equivalent, meaning our emissions reductions are 122 per cent since 1990.

CHAIR - How was that predominantly achieved?

Mr DUIGAN - That's a good question and a bit of detail that I'm sure Sarah can wade into.

CHAIR - I'm sure there's many factors but I'm just wondering what were the major contributors to that.

Ms RUSSELL - The key driver in emissions reduction is both the proportion of renewable energy generation in the energy sector, but also the increasing carbon sink in our managed forest estate over time.

CHAIR - Over time, like what period of time?

Ms RUSSELL - I think the data is from 1993 to 2022. There's a number of factors that have resulted in that decline over time. That's all detailed in the Tasmanian Greenhouse Gas Emissions Report. Every year the methodology is reviewed and we document that in the appendix. There's significant detail about what's been updated, where the improvements have been made to that modelling.

CHAIR - There's a couple of different components in your description of this output which I want to follow up on a bit further. One of them is: 'Contribute to national climate change policy development'. What work are you doing on that front, assuming that you're interacting with your ministerial equivalents -

Mr DUIGAN - The CMC.

CHAIR - in terms of what policy development is being worked on at the moment?

Mr DUIGAN - One of the things I think often gets missed - and I will take this opportunity to talk about it, is one of the great opportunities for Tasmania to contribute to decarbonisation here and elsewhere is our renewables agenda. For every clean megawatt of energy we produce here in Tasmania and have the opportunity to export to other NEM jurisdictions, it allows coal to be taken out of the equation - we probably don't get too much; I'm not sure whether that gets accounted for or not. It is one of our substantial opportunities. I think our renewable energy target of 200 per cent by 2040 is a really important thing that Tasmania is doing.

CHAIR - It is more about national climate policy, though. What is nationally being worked on that you're having an input into? Renewable energy is one aspect. It's a massive body of work at the moment.

Mr DUIGAN - There are a number of other things that are happening, and it's probably best for you, Ms Russell, to provide some understanding of the programs that we're working on nationally.

Ms RUSSELL - Obviously, the energy and renewables team play a significant role in the transition and penetration of renewable energy to a level of 82 per cent to meet national targets. Some of the work that we've been doing is through the Decarbonisation Working Group, but also the Adaptation Working Group. There's also national climate change projections work and national electric vehicle work.

We have a range of policies and information that we provide. Funnily enough, the Australian Government are also developing sectoral decarbonisation plans, and we've had really significant input into that because we've been doing that work at a state level, and we've been able to provide Tasmania's views and contacts into those sectoral decarbonisation plans.

CHAIR - In terms of that one - the federal government looking at the sectoral plans - what are they looking at that's different to what we're looking at, or would it just be that ours would feed into it as part of the transport picture, say?

Ms RUSSELL - We're certainly aligning that, as I said, in a local context, and what we can do in Tasmania on island. The Australian government is obviously looking at a more holistic nationwide approach.

CHAIR - Are they including aircraft in this?

Ms RUSSELL - I think so, yes, under their transport component. They're just looking at decarbonisation, unlike Tasmania who is also looking at transition and resilience as well. We're looking at things on a shorter time scale - a five-year time scale - whereas the Commonwealth is looking at just a decarbonisation with a 30-year time scale in relation to their plans. There are lots of linkages and lots of areas for input, and lots of meetings.

CHAIR - Is there any other particular policy? Energy is obviously a massive one, as in the whole energy transition arrangement at the moment. It's not just about mitigation, it's about adaption, as you've said. Some of the adaption things are, for example, our coastline. How do we adapt? Australia has a big coastline; Tasmania has its own bit of that - quite a bit of it, although not on the scale of Australia.

In terms of those mechanisms, we know you're reviewing the coastal policy now. That probably sits more in the environment portfolio, does it?

Mr DUIGAN - Premier, policy, state policies. Not that I'm running away.

CHAIR - Yes, you are running away very fast. How can we look at that without looking at this aspect? This is the problem here. It just seems that everyone says, 'Look over there'. Tell us, minister, your view on the reality of the change that might be needed to our coastal policy to deal with the climate change challenge, which is obviously seen at our coastlines writ large.

Mr DUIGAN - As Sarah has mentioned, there are - and I hesitate to say - so many things happening at a state and a Commonwealth level, and there are intergovernmental working groups on coastal hazards and any other kind of thing that you can think of. Everybody is by and large dealing with the same suite of issues and understanding how they can better address them, and what the change in climate might mean for your relevant jurisdiction. Those conversations and that work happens in concert with other governments around the country.

In terms of what we're doing, climate change is one of those interesting issues which is very large in its concept, but actually very fine and granular in its detail. You'll see impacts in the local place where you go for a walk, and you see the coastal erosion on your walking track and things of that nature. We are, as a government, leaning into climate risk assessment work. We're doing that piece of work, and partnering with UTAS, who are doing a climate risk atlas.

There is a lot of work happening to provide finer-scale understanding of the climate change impacts that we might see here in Tasmania and how we can respond to those things. It's not work that is likely to come across your desk unless you go looking for it, but it is happening in the background.

CHAIR - What do you see your role, as the minister responsible for climate change - not entirely causing it, but responsible for dealing with it - in terms of interactions with the review of the coastal policy?

Mr DUIGAN - Having an understanding and having, as I say, good science and good inputs to feed into any changes we make that might interact with our coasts is where I need to be. We've got an overarching net-zero by 2030 target. That's an ambitious target and we will have to continue. The important thing to remember is that it is not set in stone. We don't just coast along and maintain that. We will need to do things to reduce our emissions as we go forward in our large industries and in the transport sector. We will need to do things to maintain that.

CHAIR - Let me just take you back to what the role is - maybe not your specific role, but your department's role, because we shouldn't be acting in isolation here.

Mr DUIGAN - No, and the point I would make is that we're not.

CHAIR - What is the role of you or your department in engaging with the Premier's department in reviewing the coastal policy?

Mr DUIGAN - We have to be, as the department responsible for climate change, the holder of the information that feeds into that policy.

CHAIR - Have you got the relevant information to feed into that?

Mr DUIGAN - There is work ongoing and yes, to look at coastal policy, I think we do.

CHAIR - What are the key risks then in terms of coastal hazards that are climate related?

Mr DUIGAN - There is work, as I say, happening as we speak around -

CHAIR - What do we know already?

Mr DUIGAN - We know lots of things. I can't give you a succinct answer to a question like that. It is a changing space.

CHAIR - The review of the coastal policy is about to kick off, according to information you provided in this place in another forum. I'm interested in what information your department holds that will feed into it that gives due regard to climate change and the impacts of climate change on our coastline.

Mr DUIGAN - What I would say in response to that is we're doing a climate risk assessment for the first time in Tasmania so that we have a better understanding of those exact things that you're talking about.

CHAIR - We don't know what they are yet?

Mr DUIGAN - We have to formalise our knowledge. I think people have a reasonable understanding, but to have a piece of work that you can lean on as a point in time -

CHAIR - That work's being done right now, is that what you're saying? Who is leading that work?

Ms RUSSELL - The climate change office always takes a whole-of-government approach to these issues. We've been involved in two significant pieces of work in collaboration with DPAC over time. Generally, we provide the climate change lens and input into this. There are two key pieces that have come out in recent years. The first one is the development of sea-level rise planning allowances based on climate change projections and developed for each municipality, which has been embedded into the planning scheme.

The second piece of work where we've had policy input has been around coastal erosion and inundation maps -

CHAIR - Which fed into the LIST -

Ms RUSSELL - Yes, they're available on the LIST. That's our foundational piece at the moment. The risk assessment will be looking further at what those risks will be into the future and how to focus our adaptation actions. It's around what the projected climate change impacts will be, and that's our role in feeding into a whole range of areas across government in relation to this.

CHAIR - At a later time, when the Premier's department has done work on a renewed coastal policy, I'll be able to ask him what input he got from your department to inform the decisions. Is that a fair expectation?

Mr DUIGAN - That is fine. It is a lens that is applied across all sorts of policy positions.

CHAIR - You'll be able to point me to the information that was provided to the Premier's department, or the team in his department who are undertaking the work?

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Mr DUIGAN - As Sarah has mentioned, a great deal of that work is currently available and viewable on the LIST, but yes, of course.

CHAIR - Are there any other questions, members? We might finish 10 minutes early. We're back at 2.15 p.m. for Parks and the Environment. Is there anything you wish had told us that you haven't?

Mr DUIGAN - No, all good.

CHAIR - I'm not sure how many questions there were taken on notice. We've got a couple that we'll send through to you. We will appreciate you getting back to us with a number of responses during the session. Thank you very much, minister, and your team. We'll see you after lunch.

Mr DUIGAN - Terrific. Thank you.

The Committee suspended from 1.07 p.m. to 2.16 p.m.

Output Group 1 - Land Tasmania

1.1 Land Titles, Survey and Mapping Services

CHAIR - Minister, we are moving into your portfolio of Environment and Parks. If you can introduce the new person at the table and I invite you to make an opening statement, should you wish.

Mr DUIGAN - Thank you. I will clarify that we would be able to treat Parks and Environment separately, so beginning with Parks, and they're called Lands. At the table with me is the secretary of Natural Resources and Environment (NRE), Jason Jacobi, and I will invite to the table Michael Giudici, the Surveyor-General.

I acknowledge the Tasmanian Aboriginal people as the original and continuing custodians of the land upon which we meet today.

Chair, Tasmania's reserve estate continues to be the cornerstone of our visitor economy. In recognising that visitation to our parks and reserves continues to increase, it is vital we continue to protect our natural and cultural values while investing in our parks and reserves.

As part of our 2030 Strong Plan for Tasmania's Future, this year's Budget has confirmed more than \$145 million of new and ongoing infrastructure funding, as well as \$395 million in operating funding over the next four years. This includes key projects that will provide outstanding and unique visitor experiences, such as upgrades at Maria Island, Cockle Creek, Flinders Island and Ben Lomond. We are continuing to invest in our \$40 million multi-day hut-based Next Iconic Walk in the Tyndall Range, which is on track and progressing well. We will deliver additional key projects, including enhancing Mount Field as a year-round destination, developing unique experiences in the Dial Range, improving amenities at The Nut reserve and investment to make our parks more accessible.

Our government recognises the importance of managing the globally significant landscape that is the Tasmanian Wilderness World Heritage Area (TWWHA). This year saw the establishment of the Caring for Country unit within the Parks and Wildlife Service (PWS)

dedicated to supporting the management and preservation of Aboriginal cultural values across the PWS estate. We also completed the second phase of the project to eradicate deer from the Walls of Jerusalem National Park, recognising the importance of protecting the TWWHA's outstanding universal value. We continue to have highly capable remote firefighters ready for deployment right across the reserve estate, and are continuing to invest in rapid response winch accreditation and aerial incendiary training for our fire crews.

Another important function under my portfolio is Land Tasmania, which is supported with more than \$95 million over the forward Estimates. Many members will be familiar with the LIST services, and this investment will continue to support this critical technology to remain contemporary and assist government manage emergency events.

It was also fantastic to visit the Royal Tasmanian Botanic Gardens recently with the Chair and the Director to see construction commence on significant enhancements to visitor amenities, including accessibility improvements.

This government remains steadfast in our commitment to protecting Tasmania's natural environment while enhancing the visitor experience in our parks and reserves for both visitors and locals alike.

CHAIR - Thanks for that. We'll start with our first output group, which is 1.1: Land Titles, Survey and Mapping Services.

Mr HARRISS - Minister, in the current Budget, between forward Estimates in 2023 and 2024, there's some \$1.9 million decrease in Land Titles survey and mapping. Can you give me some understanding of where that comes from, because it would have been the budget last year, the forward Estimates would have been taken into account?

Mr DUIGAN - The variation across the forward Estimates primarily relate to cash flows for technology projects, inclusive of the All Hazards Spatial Infrastructure Project, with funding being administered by the Department of Premier and Cabinet (DPAC). The decrease in 2025-26 reflects the completion of the Land Titles Office, additional resources of \$300,000 and the national electronic conveyancing initiatives, with another \$300,000 there. Happy for the secretary to add any further detail if that doesn't marry up entirely with the decrease in the funding amounts you're seeing there.

Mr HARRISS - No, that's okay. It's a decrease but it's gone somehow, it's gone to DPAC.

Mr DUIGAN - Yes and recognising the end of various projects.

Mr HARRISS - You mentioned just then the electronic conveyancing. We've done some legislation on that last year. How is that - ?

Mr DUIGAN - Electronic conveyancing has been a pretty big project for Land Tasmania. Our first electronic conveyancing land dealings have been lodged in Tasmania, with the national electronic conveyancing system going live last month, in August. This is a significant milestone for the Land Titles Office (LTO) after comprehensive industry consultation and transformation of processes within the LTO to support Tasmania stand alongside the nation. I think I'm right in saying that every other Australian jurisdiction, along with Tassie now, is involved with e-conveyancing. The system not only makes it easier for

property transactions to occur, but also helps us cut red tape. Our government committed \$2 million to see this project introduced and implemented, leading to improvements in government processes and benefits to industry in the wider community.

The national electronic conveyancing system allows parties to electronically prepare and lodge dealings and exchange funds, and will remove the need for paper documents, including paper cheques. Property Exchange Australia, known as PEXA, was approved to provide and operate the electronic network. I'm advised there are now 68 subscribers in Tasmania, being financial institutions, with conveyancing firms set to be invited to join the system after further transactions go live early next year.

This national platform makes it easier for property transactions to occur within Tasmania but also right across the country. Tasmanian banks were the first financial institutions to lodge land dealings with the Land Titles Office using PEXA - great to see our financial institutions getting on board. Many of the banking institutions in Tasmania are already using the same systems in other states. This is a seamless integration for those businesses and creates consistency for processes which will result in efficiencies for customers. I'm advised that the Commonwealth Bank of Australia completed its first refinance transaction within the last fortnight, with Westpac and the National Australia Bank intending to also undertake transactions in October. Mortgages and discharges of mortgages are the first processes for the system in Tasmania before all land transfer transactions come online next year.

This reform is underpinned by the regulatory framework for national electronic conveyancing, which has been developed by and maintained by all Australian jurisdictions through their participation in the Australian Registrar's National Electronic Conveyancing Council. I acknowledge the hard work of the Lands Tasmania team and congratulate them on the successful implementation. It has been a job of work but very pleased to see the progression of e-conveyancing here in Tasmania.

Mr HARRISS - In 2021, the review of the Australia titles act, there was a paper on that. Has that been done?

Mr DUIGAN - Yes. I will get some advice on it because I am aware of the review.

Mr HARRISS - So am I.

Mr DUIGAN - A review of the act has identified opportunities to improve the regulatory framework and to accommodate current and future strata title developments of different sizes and using different configurations. A strata titles amendment bill is being prepared in response to the review of the act. It's anticipated that the bill will be tabled next year. Michael or Jason may have some further detail around that.

Mr GIUDICI - The bill is anticipated to be presented in several tranches. The first tranche is anticipated to deal with standards, transparency, accountability with information records, et cetera, requirements dealing with bodies corporate and so forth, modernisation of meeting procedures, those sorts of administrative processes. Contemporaneously, considerations being given to the more meaty aspects of the *Strata Titles Act* as well, some of the more challenging regulatory elements. For example, bodies corporate: role clarity around the management of bodies corporate and not owners and occupiers, and those types of things. Is there anything else the minister would like to?

Mr DUIGAN - No, if the member is content with that answer. I guess the substantive response is the review has occurred and legislation is following.

Mr HARRISS - I note from this that it mentions three tranches, so that first bit, that's tranche 1 we're suggesting we will start from.

Mr GIUDICI - Tranche 1. The need for several tranches is because some of the subsequent work will need to have some specific consultation. There's been a lot of consultation already with all the relevant industries, conveyancers, lawyers and so forth. But there's some contemplated reforms that are quite meaty and will require specific consultation around particular elements of those. We anticipate that those would be longer term and, rather than wait for everything to be completed, we will progressively introduce reforms.

CHAIR - Minister, what led to the review? It wasn't a statute review because, in my understanding, the act didn't have a review clause in it. Was there a particular matter brought to your attention, or the department's attention?

Mr DUIGAN - Noting that the review, to some extent, pre-dates me, I will pass that to Michael.

Mr GIUDICI - It's an old act, 1998. It's been known for some time that there are deficiencies within the act. An initial review was conducted quite some time ago before the current Recorder Of Titles took his role up. It was then picked up in more recent years and broken apart a lot more and put out to quite a high level of consultation with industry to try and unpack what industry considered to be the deficiencies in the act, things that were known about, but also things that were considered in the light of what's happening interstate as well and what current best practice might be.

CHAIR - Some big horror stories from interstate. When you talk about consulting with industry, can you define further what industry is?

Mr GIUDICI - There's the conveyancing industry, there's the development industry, the real estate industry and the legal fraternity generally, surveyors as well. They're all parties. Bodies corporate and strata title managers. There's a raft of allied entities involved in the management of the strata system generally.

CHAIR - The bodies corporate can be professional managers of bodies corporate, not so much probably in Tasmania, but there may be, I'm not sure. They certainly exist to manage a body corporate. There are also some quite small bodies corporate, maybe a small unit complex run by the owners of the buildings that make that body corporate up. How do you engage with those people who may have very different insights to these professional bodies that run bodies corporate?

Mr DUIGAN - In tranche 3 of the legislation, pointing to recent media reports around this issue that I think you are referencing, further analysis of approaches in other jurisdictions and targeted consultations with peak strata industry bodies and government authorities will be undertaken to determine the most suitable amendments to address issues identified.

CHAIR - They are massive issues, some of those.

Mr DUIGAN - Yes, but in terms of how you weigh the inputs of professional strata managers and building bodies corporate.

Mr GIUDICI - Engaging with, as you say, the smaller bodies corporate that might be a two-unit dwelling, the body corporate is automatically and legally formed at the instigation of the strata scheme. It's true that many people in those situations don't realise they are members of a body corporate and don't necessarily have the wherewithal to run those bodies corporate. As to how to engage with those ones, that's a level of detail I don't have the answer to at the moment, but if the minister wanted to delve into that more, I have the Recorder of Titles available just outside the room, or we can provide a bit of an update at some stage.

CHAIR - It would be helpful because, from what I heard Mr Giudici say, there were expectations the first tranche would be around meeting procedures and some of those more operational matters, which are the things that a lot of these small bodies corporate, particularly with only two or three or four people, are not really aware of. That will directly impact them. I expect the same rules will apply to a two- or four-person body corporate as it would with a multi-storey, multi-apartment building.

Mr GIUDICI - I think we're going to call the recorder. In the interim, it's contemplated to have different rules and different levels of complexity depending on the nature of the types of developments.

Mr DUIGAN - We'll call to the table Robert Manning, the Recorder of Titles. I wonder, Chair, whether you might put the questions again.

CHAIR - With the review of the *Strata Titles Act*, Mr Giudici informed the committee that the first tranche will be more around meeting procedures and operational aspects. Some bodies corporate are quite small and a lot of them aren't even aware what they need to comply with now, in fairness, and others that are quite large. I am just wondering how those smaller bodies corporate and the people impacted, because there are a lot of them, are being consulted in the review of the act that will lead to a new bill, I assume.

Mr MANNING - There was a public consultation, but I agree that those individuals are hard to reach in that sense. A lot of the people that responded to the consultation were people involved in the broader industry, so it is hard to get input from people who don't even have that level of awareness. That's being, in part, addressed by the fact that we're proposing to create heads of power in the legislation which would set up the ability, via regulation, to have different regulatory arrangements for different scales of bodies corporate.

CHAIR - When you say scale, do you mean size?

Mr MANNING - Size and type. We're moving into a landscape now where we're seeing mixed-use developments, part-residential, part-commercial, and so forth. Potentially, with the option in those regulations to provide exemptions, for example, for two-unit developments, so not necessarily a one-size-fits-all approach. To provide the head of power to then, through regulations, set up varying arrangements depending on the type of use and the scale of the development.

CHAIR - Minister, when you bring this legislation forward, and I assume from what has been said that there will be a degree of work done to understand what regulations would need sit behind this to support it, it would be helpful to have some more colour and movement around the regulations. That is where the rubber hits the road, that is where these people would be directly impacted. Would you consider that, rather than us having to make noises at a later time about not being aware of what that's going to look like.

Mr DUIGAN - I think I would be happy to absolutely consider that and I would just add, in terms of consultation that has been done to this point, there has been a reasonable degree of consultation which I have in front of me. I potentially can read it out, but I don't think I will.

CHAIR - Is it in addition to what Mr Giudici said?

Mr DUIGAN - Well, this is essentially the details around that but I would point to a fairly substantial level of consultation that has been embarked on here in this and noting that there is more work to do.

CHAIR - I think there's not a lot to add to what Mr Giudici said.

Mr DUIGAN - In the interest of time, I'll press on.

Mr GIUDICI - That's right, I was giving a sense of the breadth of the various industries and entities that are being consulted. I think the minister has more granular detail about that.

CHAIR - Can you table that information, minister, the list of people or organisations have been consulted? You don't have to table the whole paper, you can get it cut out and someone can do that right now, they're all very clever over there.

Ms THOMAS - Thank you. I'm also interested to know with any potential change that's being proposed following the review, whether there'll be any insight provided into potential economic impacts, particularly on property owners, because I know having been a member of smallish body corporates and having been the secretary of one, finally got out of that after 10 years recently, which is good. Having looked into the cost of having a company manage a 12 unit complex is quite expensive compared to what is done around a kitchen table sort of set up by unit owners, property owners and I'd hate to see any regulatory change impact on cost-of-living pressures or, you know, potentially first home buyers not being able to afford properties because of \$2000 a year, for example, potentially fees, for being part of a body corporate. Will that be part of the information that's provided or considered in any regulatory change?

Mr DUIGAN - Certainly, I don't want to get out and seek to pre-empt anything that we're doing in the regulatory stage, the legislative stage, understanding that's still a future piece of work, but I'm happy for Michael, potentially Robert, to make some comments around things and considerations that are going into the world.

Mr MANNING - Thank you and through you, minister, that sort of goes to the point, I guess that I was making that the idea of it is to set up these heads of power in the legislation itself, but then when we come to the regulations to look at options for making it sort of tailored to the circumstances, if you like. Yes, the little two- or three-unit development where people don't even appreciate that they're actually in a strata title development sometimes and seeing

no particular need to create unrealistic burdens for them. Equally, we're likely to see an increase in large scale developments, mixed-use developments where a greater degree of regulatory control is required. When we come to actually making the subordinate legislation there will be a great deal of further consultation to take account of those sorts of issues that you flagged.

Mr VINCENT - Some of the problems there with that is probably more of a statement than a question, is with the builder when the strata title is registered. If they do not tell the owners or whatever, they can live there for years not knowing that they are technically part of a body that does exist, which also, there has only a couple of insurance companies that will insure strata titles. Technically, if you look at the rules of insurance, individual insurance policies on the buildings aren't covered without a strata title being activated properly. So, there's a problem there for the individuals that need to be looked at as well. Then the difference between high rise and on ground developments has welcome this review into a lot of those things because there are a lot of unit developers around, a lot of people that have boarded and out of them that don't realise the consequences to insurance, cost of insurance and usually it works out cheaper when the body corporate is in place and because you can actually adjust what you're putting into the body corporate, it can actually save a lot of money short term and long term. So, there's a few holes in this that need to be fixed and it'll be a great opportunity.

CHAIR - The question is: are they being considered?

Mr DUIGAN - I think the nature of your question really goes to why a review was required because as we're seeing the maturing, and indeed the growing demand for this type of housing in Tasmania, it is important that we have contemporary legislation to help administer that. I would expect that the issues that you raise would have been taken into account through the review and we would see outcomes in the coming legislation. I am happy for Robert perhaps to speak to those points.

Mr MANNING - There's been a great deal of work done in terms of development of a discussion paper where a lot of issues were flagged. As part of the broader consultation, submissions were sought not just in respect of the items identified in the discussion paper, but all things relating to the review of the act and the authorization was given for a complete root and branch review of the act, not just certain identified topics. We also have the great benefit of this work having been undertaken in other jurisdictions, similar issues, but obviously we've got to take account of the local landscape, but all the same sort of issues have come up. There are different ways that have been approached in different jurisdictions and all of those options are being considered. It's certainly both broad and deep, the review that's contemplated, and that is very much part and parcel of why it's been proposed and approved that it proceeds by way of three tranches, just so that we can get some reforms out there that people are getting the benefit of.

As it has been mentioned, they're very much the day-to-day administration of body, corporate, which at the very least will hopefully raise the level of awareness of people in them, people proposing to go into them. Some of the other things are pushed down the road a little bit into tranches two and three, because they need broader consultation.

Mr VINCENT - Thank you. With you having [inaudible] the registered strata titles, will you send that information out to those bodies that you have registered with you? I'm just wondering how everybody's going to -

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Mr MANNING - Through you, minister, that is a very huge task to contemplate and resourcing always becomes an issue. I would expect that it's more realistic for it to be done in terms of public notifications rather than a tailored owner by owner proposition. But these things have not yet been resolved.

CHAIR - Just in terms of the issuing of titles, from time to time, but not recently, I might add, that people have often come to the office, I'm sure other members know of this too, people reporting delays in recording of titles and access to information they need. Can you tell me how that's been managed in the office?

Mr DUIGAN - I think we're reporting data around that, are we? In the budget papers, where we report that data -

CHAIR - Not at the time, minister, I don't think, do you? It says seal plans largely in compliance with the priority final plan scheme register in the statutory time frame. I'm not sure if that picks up all of these though, does it?

Mr DUIGAN - Land Titles Office collected \$22 million from statutory fees, this trading represents the volume of property developments, property transactions [inaudible] property and the Land Titles Office estimates -

CHAIR - I used to hear quite a number of complaints about apparently matters sitting on the title's office desk for a long period of time - quite a degree of frustration.

Mr DUIGAN - Well, and we have the Recorder of Titles here.

CHAIR - How big is your desk and how much is sitting on it?

Mr DUIGAN - Land Titles Office made significant progress in planning for the introduction of electronic conveyancing but I will hand that question and a definitive answer to the Recorder of Titles. Thank you.

Mr MANNING - Thank you. That's a very broad question and there are many components to the response to it. It is true that the only thing mentioned here is one particular measure, and that particular measure is one that is legislated. This is about the registration of certain plans of subdivision that meet certain requirements. As noted in the paper, we've completed 98 per cent of those within the statutory timeframe of 15 days. A whole range of different dealings come into the Land Titles Office. I don't remember anyone ever complaining that we processed them too quickly.

CHAIR - No, I don't hear that either, actually.

Mr MANNING - 'Delay' is a word I would, in any respects, challenge. It's about a processing time. There is a period of time from when people lodge things to when registration of them is completed. That waxes and wanes. It depends on volumes, it depends upon staffing levels but in most cases, it's of no particular consequence because, once people have lodged a dealing, they've got their position in terms of priority. It's really a clerical administrative exercise to then proceed to register those. Where we find the greatest level of inquiry is in relation to subdivision plans because there's developers that have invested in this, there are purchasers often who are -

CHAIR - There are neighbours.

Mr MANNING - waiting and wanting outcomes. But other than spending a whole lot of money to get a whole lot of extra people, the real answer to this is in relation to the major reforms we're investing in and working on. This is proceeding to things like electronic conveyancing, to contemplate further down the track things like electronic lodgement of survey data. It's about investing in reforms which will lead to a different way of working. That's where we'll see a whole change in the way things happen in the future compared to the way they have in the past.

CHAIR - Do you have an expectation, that there is, even though it's not legislated, of a reasonable turnaround for some of these matters? Whilst you're in the priority, as has been said, but for some people some of the actual access to the title when it's finalised, if you like, they need that for some other transaction they need to participate in. Delays to that can create further delays for them. Is there an expectation of how long most of these matters will be dealt with, those without a legislative requirement?

Mr DUIGAN - Certainly, I would make the same observation that you have: that it's not something that, as an elected member, I'm seeing a lot of at the moment. I would say the incidence of people coming to me to make representations around those matters, even as the minister, I'm not seeing a lot of those things. I'm not feeling the presence of a substantial problem. In terms of our expectations, obviously we have an expectation that matters are dealt with in a prompt and reasonable timeframe. My feeling is that that's, by and large, the case. Happy to pass to Robert.

Mr MANNING - Perhaps a comment, if I may, that may assist. We publish what our processing times are.

CHAIR - Where do you publish that?

Mr MANNING - On the LIST, which is publicly accessible. I can't think what the tab is called, Dealings Progression or something. Right now, I think it's something in the vicinity of 15 business days. If somebody is lodging a transfer of title today, if the next 15 business days, or something like the past 15 business days, it will be completed in that period of time.

CHAIR - I wasn't aware of that on the LIST. I don't know that a lot of people would be.

Mr MANNING - Practitioners have that -

CHAIR - People come to members of parliament who aren't necessarily aware of these things and look that up. Having said that I haven't had people complaining in recent times about delays in this.

Mr GIUDICI It's also important to recognise that by the time somebody's subdivision transaction gets to the LTO, it's been through an extensively long process and so everyone's sort of waiting on this last final point.

CHAIR - The pointy end of it.

Mr GIUDICI - There are some statutory timeframes for the processing of sealed plans, so the priority final plan process requires a 15-day turn around. But there are all sorts of other types of plans that vary in complexity for different types of transactions that might take longer. Those priorities are constantly assessed within the LTO and juggled in relation to the statutory elements. The statutory elements, if they properly complied with at lodgement, so sometimes lodgements are incomplete for a variety of reasons and the lodging party will be requisitioned to complete that documentation of what they're submitting. The clock will stop then and their transaction will go to the back of the queue.

CHAIR - It doesn't just stop, it goes back? The other things leapfrog over it?

Mr MANNING - I'm not quite sure about the question. So, the clock stops for that particular 15-business-day requirement, but it doesn't go backwards in the queue. Other things are advancing.

Mr GIUDICI - It commences again when the information -

CHAIR - Yes, once the information is provided, the clock starts again. Clock doesn't go back to 15 days?

Mr GIUDICI - No.

Mr MANNING - Just for clarity, the one thing that we've got that statutory timeframe on, we're meeting that in the financial year just completed 98 per cent. But the other remaining 100 per cent is caught up within 19 business days. 15 business days is the aspiration and a couple of matters didn't quite come within that for various reasons, but just four business days later. It's not like the couple of per cent that didn't make it were blown out weeks.

CHAIR - Not like three months or something. This is another question on the LIST, which is a remarkable tool. I noticed on your performance information the number of land-related datasets available via the LIST for 2023-24 actual was 3118. You might have the answer on how many are for this year's because we're past the end of the financial year now, but it was 3175. Assuming that target has been met, or near to, what other layers have been added in the last 12 months?

Mr DUIGAN - Michael, I imagine you are the person in the best place to answer that question, noting that there are a few layers in amongst the things that are available on the LIST.

Mr GIUDICI - The nature of the layers comes and goes a bit. There are, for example, layers that are added each year after the fire season is completed because there's a bunch of related layers. There are layers that are deprecated from time to time because they're no longer current or needed. The nature of the number of layers - and as you can see, there's a very large number there, as the list was maturing over time, we were adding layers and layers and layers. Some of those layers, we are the custodian of. Other layers have custodians outside Lands Tasmania and other entities. They're provided on a cyclical basis, so layers are updated and they wax and wane. There's a levelling off and a maturity in the number of layers of information that's sitting in there at the moment, which is the reason for the current flattening or slight decline. That's just the nature of it.

CHAIR - Is there a peak layer level at some point?

Mr GIUDICI - We must be getting a bit close to that because we sit at this plateau but that's not to say that other types of spatial datasets won't be built and then loaded up in the future. That will probably always be the case.

CHAIR - This is all managed within the current budget?

Mr GIUDICI - Yes.

CHAIR - To host other entities' data, do you have to pay for that or they just give that to you and you load it up?

Mr GIUDICI - We have service-level agreements with other custodians. It's not a paid-for service; it's a voluntary submission service. For example -

CHAIR - Do you work with the fire service or -

Mr GIUDICI - TasWater and other entities. Because it's a central facility to access all this information, many entities find that the best way to make their data available. Then it can be seen in context with all the other data layers as well. It really is a one-stop shop for much of the state's spatial data, property-related data and infrastructure data so that people aren't having to go to different entities to collect that information.

CHAIR - Minister, I'm not sure whether you can break down to this level, but this area of your portfolio has to find budgeted efficiency dividend. How far down, do we go to line item, do we go to your portfolio of Parks and Environment as one? Can you inform the committee about how far down we can expect to see data around this and where you're at?

Mr DUIGAN - Certainly. That will be passed to the secretary, noting his responsibilities in this area.

Mr JACOBI - The efficiency budget dividend to be achieved by the Department of Natural Resources and Environment Tasmania in the 2024- 25 financial year is \$1.7 million, 2025-26 is \$3.4 million and \$5.1 million in 2026-27.

We've taken a very strategic approach to the way in which we will deal with those budget efficiency dividends. Our approach has been primarily around focusing on a combination of efficiency measures, but also ceasing or scaling back on non-core, non-priority activities at a whole-of-department level. We aren't targeting specifically any division or any output, and we're focusing on the higher strategic priorities, particularly those that have been replaced with new commitments. Those strategies in my opinion are achievable, the savings across the forward Estimates are achievable and they will not compromise the department's capability or the services we provide to the Tasmanian community. We'll continue to provide those core services as we have. We've taken a particular focus not to impact on anything which would compromise staff safety or public safety. That has been forefront of our minds throughout the entire process.

If you'd like to, Chair, I could go down into some more detail if that's helpful.

CHAIR - Yes.

Mr JACOBI - The savings initiatives include the identification of duplicative workflows. We do have some situations where systems and workflows duplicate one another. Over time, we can improve those systems and workflows to achieve efficiencies.

CHAIR - Through vacancy control or making a position disappear?

Mr JACOBI - I can come to natural attrition, which is what I prefer to call it. We don't have any vacancy control measures per se, but we are intending to achieve savings from salaries, so vacancies are an important part of that. Across the whole of the department, there is an ability to make savings through what I call natural attrition, so when a person retires from a position, when they're seconded to another department, when they might be appointed to a higher level, there's often a period of time in which the position is vacant while we undertake recruitment to that position. That translates to a natural attrition saving across the whole of the department.

We are very comfortable that we can achieve the savings target measures that have been assigned across the forward Estimates. Notably, we're already on track this year to achieve the \$1.7 million targeted.

CHAIR - Just in that action alone?

Mr JACOBI - It's a combination of factors. We are making savings across travel, accommodation, our fleet, improvements through our systems, but natural attrition in our salaries is an important component of achieving the targets.

Ms LOVELL - Natural attrition or not replacing people into roles as they leave, essentially getting rid of those roles. Which roles are you looking at there?

Mr JACOBI - Just to be clear, we're not getting rid of any roles. Say, if a person in a position is seconded to another department or they retire, depending on the position, depending on how important it is to the delivery of a core service function, we make decisions, as we always have, about recruiting for that position. Sometimes, if it's a position that provides important community services, so, for example, a ranger at a visitor centre, we will recruit to that position as quickly as we possibly can. In some cases, these positions are not as critical and -

Ms LOVELL - I understand what you mean by natural attrition, but if you're not replacing people into those roles, then those roles no longer exist. You either leave them vacant and they continue to be funded or you stop funding them and then they no longer exist. I would argue that is getting rid of a role or position.

Mr JACOBI - I would argue it's not. The position is always there, it remains on the establishment. It is either recruited -

Ms LOVELL - But it's not funded and it's not filled.

Mr JACOBI - No, it is funded, it's just not filled. When a position is not filled with a person, a full-time equivalent, it translates to a saving.

Ms LOVELL - Yes, so it's a vacancy then, the vacancy will remain. You'll have vacant positions.

Mr JACOBI - The position is vacant for the period it takes us to recruit to it.

Ms LOVELL - But you're saying you're not going to recruit to some of those positions?

Mr JACOBI - No, I'm saying that we make a decision every day about what the position is and its importance to the delivery of core business, and we decide how urgently we need to recruit to that position. In almost every case we have recruited to every position we have had that has become vacant.

Ms LOVELL - Okay, but if you're arguing that you'll make savings towards your efficiency dividends through salaries by not filling some positions that you identify are not priorities, then either those positions will sit there vacant indefinitely, until you decide they are a priority or you have funding to fill them, or those positions will no longer exist. Otherwise, you're not going to be making savings from salaries if you're going to recruit and fill the positions, surely.

Mr JACOBI - We make savings now through what's called natural attrition, and those savings are significant across the whole of the department. Every position, when it's being recruited to, translates to a saving. Sometimes in difficult to recruit to positions because we're in a very tight market for recruitment at the moment. Sometimes we go out and advertise for a position and no one applies for the role because it is an incredibly competitive market. Sometimes that can translate to three months that the position is not filled, not because we don't want to fill it, but just because we can't actually get anybody to apply because it's such a competitive market we're operating in. That translates to three months of the position, which is funded, that money is not spent and it translates to a saving.

Ms LOVELL - For three months?

Mr JACOBI - As an example, yes. In some cases, it might be a week, in some cases it might be three months, in some cases it might be longer.

Ms LOVELL - Okay, I understand that. My question is: which positions are you considering not filling, leaving vacant, making those savings from, and which positions are quarantined from that? Which positions will be priorities for you to fill regardless and which positions might you leave vacant for an extended period to make those savings?

Mr DUIGAN - I think we have been very clear in our commitment to not getting rid of any frontline services in the department.

Ms LOVELL - Who's the frontline? How do you define a frontline service?

Mr DUIGAN - We're happy to explore that a little bit further. In terms of the Parks service and its interaction with the people of Tasmania and visitors to the state, we'll see no deterioration.

Ms LOVELL - Do you have a list of positions that you've defined as frontline?

Mr JACOBI - No, we haven't got a list of positions which we would apply this to in the context of frontline. We do have positions that provide services which are what I would call core services for community, particularly, for example, visitor centre staff. The way we make decisions about recruiting to positions is on the basis of the position that becomes vacant at a particular point in time. As I said before, many of our positions are core important service delivery positions and we recruit to them as quickly as we possibly can.

I have not made any decisions about particular positions or particular functions we would target or that we would not seek to recruit to. Almost all of our positions are delivering core services and are delivering key initiatives on behalf of government. If a position becomes vacant, we would normally recruit to it straight away. But, as always, as we do with every position, we consider how essential it is for the business and delivery of core services and, if there was a potential opportunity to not recruit to that position immediately, we may hold the position vacant for a very short period of time. But I can't think of a case in the past where that has been necessary or has happened.

Ms LOVELL - I understand what you're saying. I understand the process that you're describing, but on the one hand you're saying, 'no frontline services' and then on the other hand you're saying almost all of your staff are involved in delivering core services and you're also saying that you've identified where you can make these savings and you're confident that you'll make savings, but then also that there aren't any positions that you wouldn't see as a priority to fill so I'm just a bit confused. You've identified this as one of the savings strategies. Which roles would you see as not a priority and which specific roles would you see as a priority? For example, park rangers? Are you considering employees who are part of the surge workforce to help with firefighting capabilities? Are they included in that core service delivery, the frontline workers that you're not going to use of this strategy with?

Mr DUIGAN - As the secretary has mentioned and articulated, wherever there is a vacancy control, wherever there is a period of time, that is a saving to the department -

Ms LOVELL - I understand.

Mr DUIGAN - and the savings required to the department are also being met through a number of other aspects in terms of consultancies, travel, accommodation and those types of things. As a suite of measures, these are, as I understand it, enough to make the savings that are being required. Getting down to the specific naming-up of roles, that is not a requirement at this time.

CHAIR - Can I just clarify then on -

Ms LOVELL - Can I just ask one follow-up? The first follow-up question is will you table your savings strategies, as other ministers have done?

Mr DUIGAN - I believe we will do that. Excuse me, we have to take it on notice because there's -

CHAIR - More than you -

Mr DUIGAN - more than me to do that, but as was the case earlier, I believe that's okay.

Ms LOVELL - I've lost my train of thought.

CHAIR - Can I just have a little go here to try to clarify. I hear what's being said and normally one expects to see a budget saving reflected in the Budget. At the moment, that sits over in 2027-28. I think it sits in Finance General - as the ones that are now being rolled out did last year, and eventually these will flow through the various departments, so one would expect that the budget saving for this year is \$1.7 million and one would expect to see a budget reduction of \$1.7 million, but what I heard said was the positions will still be there. They'll still be funded, they just won't be filled so you won't be paying that person because they're not there, so we won't actually see a reduction in the budget, we'll just see a reduction in the expenditure. Am I right so far?

Mr DUIGAN - That would be a reasonable assessment.

CHAIR - So, when we're looking at the Budget and the forward Estimates and seeing what impacts these budget efficiency dividends are having, it'll be impossible to tell. I will ask you, minister, what's the head count, FTEs, across the Parks and Environment? I assume what we're talking about here goes right across Parks and Environment, it's not just Land Titles, for example. Can you give me that full head count?

Mr DUIGAN - I'll have to seek that and hand that to the secretary who would have that detail close at hand.

Mr JACOBI - Thank you. At the last pay period in June 2024, the department's paid FTE was 1279.49. That excludes Inland Fisheries Service, the Royal Tasmanian Botanical Gardens, Private Forests Tasmania and Forest Practices Authority Tasmania. This is more than the 1239.16 FTE that was in June 2023.

Of the 1279.49 FTEs employed at the last pay period in June 2024, 898.16 FTEs are funded from the State Government's appropriation fund and 381.33 are funded from Commonwealth and industry funds and retained user charges, for example, parks fees. The total FTEs administered by my department, including the independent authorities, is 1409.75.

As at 30 June 2024, the department had a head count - and I can explain the difference between FTE and head count if you would like in a minute - but we had a head count of 1626, including staff working within the independent authorities.

Ms LOVELL - Can I ask a follow-up on that, just with the 898.16 funded through the state appropriation, what is the head count for that?

Mr JACOBI - I do not have the exact head count for that 898.16, but we could probably try to get that. It is important to note that the FTE is calculated by dividing the total actual hours paid in the fortnight by 73.50 hours, whereas head count represents the total number of people employed by the department at a single point in time. For example, two people who both work 0.5 would equal 2 head count but one FTE, therefore FTE reflects costs, whereas head count tells you the size of the total workforce.

In terms of the 898.16 FTEs, I would have to go back and analyse every single one of those positions to determine what percentage of an FTE they are to determine the head count,

PUBLIC

but I can tell you that the total FTEs, including independent authorities, is 1409.75 and the total headcount is 1626.

CHAIR - So, that said, how many of these positions are currently vacant? Pick a day, do we know how many are currently vacant? This is the Budget saving you are making.

Ms LOVELL - And it would just be from the 898 FTE too, because they are the only ones that are funded by the state.

CHAIR - Yes, of those, the 898.

Mr JACOBI - Through you minister, vacancies. I mentioned before, we are operating in an historically tight labour market. At any point in time, the number of vacant positions varies due to staff movements, seasonal and operational demands and you would appreciate across my department we have a significant growth in our seasonal workforces, particularly in summer in response to our firefighting capability, but also tourism visitation.

At 30 June 2024, there were 160 vacancies across the department, representing 10 per cent of the total workforce and that is well within an acceptable range, especially in a historically tight labour market. I can go on and give you detail about separations if you are particularly interested?

CHAIR - I am interested, so of the 160 vacancies, do we have any vision of how long those positions have been vacant?

Ms LOVELL - And that 160, that is from the entire 1626 workforce or the 1409 FTE?

Mr JACOBI - That is my understanding, yes.

Ms LOVELL - Do you have the vacancies just from the state-funded positions?

Mr JACOBI - No, I do not. I have got the vacancies by business units.

CHAIR - That would be helpful, yes.

Mr JACOBI - Yes. So, I have got that. Would you like me to read out how many vacancies there are across each of the business units in the department or is there a particular business unit that you are interested in? Because I can go through agriculture, biosecurity, environment.

Ms LOVELL - I can't speak for the Chair, but what I am interested in is the vacancies within the state-funded positions, because that is where you would be identifying making savings.

CHAIR - Are they the state-funded business units you are talking about or do they encompass -

Mr JACOBI - Well, I have a breakdown of the 1626, which is the total head count. I have a breakdown across every business unit by classification.

PUBLIC

Ms LOVELL - Can you identify which ones are funded by the state?

CHAIR - By business unit -

Mr JACOBI - That would be an extremely complicated breakdown to do. It's possible, but it would take time to ascertain exactly every position and which position is funded from a particular source.

Ms LOVELL - If we have 160 vacancies but they're from the total head count across the department and 95 per cent of those are from positions that are funded by the Commonwealth or through another source, not from the state, then they are obviously not going to contribute to the budget savings, which is what we are trying to get to the bottom of here.

Mr JACOBI - This comes back to the particular project or the initiative that the person might be working on and how they are how they are funded; but at any point in time, if a position is vacated, another person may move into that role or they might be moved across to undertake a particular initiative. The initiative and where it is funded from is not necessarily tied to an individual for the entire duration of that initiative. People move around the organisation and the department all the time.

Ms LOVELL - I understand that.

Mr JACOBI - A person who is funded from state funding might next week be funded from a federal government or another grant or Commonwealth initiative.

Ms LOVELL - If, say, one of the vacancies that you are looking at is a vacancy in a project that is funded through the Commonwealth and that position is not filled for three months, which is the example you gave before, will that three months of not having to pay somebody to be in that position contribute to an efficiency dividend, a saving to the state?

Mr JACOBI - It'd be highly unusual for me to make a decision on a Commonwealth-funded initiative to not have the position filled -

CHAIR - The funder might frown upon that.

Mr JACOBI - If I held the position vacant - absolutely. This comes back to my comment before, about looking at the position: where is it funded from? How important is it to core business?

Ms LOVELL - I understand that, but it comes back to the questions that we're asking about if you're looking at making savings through salaries by not filling positions or by positions being vacant, then surely those savings are only going to come from those 898.16 state-funded FTE. Am I correct in that?

Mr JACOBI - No, because all of the positions, whether they are vacant for a day or a week, contribute to the savings. It depends on where the source of the funding is. The majority of it would be from state positions. They are unlikely to be from a Commonwealth-funded or an externally funded initiative. To answer your question, the majority of savings would come from state-funded positions.

PUBLIC

Ms LOVELL - Yes, but of the 160 vacancies, you can't tell us which ones are from state-funded positions and which ones are from others?

Mr JACOBI - That would be an extremely complicated exercise to work through. I can't tell you that right here and now at this table, and I don't think it would be easy to capture those data within a reasonable period of time.

Ms LOVELL - What modelling do you have then to demonstrate -

Mr DUIGAN - Sorry, I would ask the Chair that we're not having too many conversations across the table.

Ms LOVELL - Minister, what modelling do you have then to show the savings that are achievable through salaries? Given the complexity of it, you must have some modelling.

Mr DUIGAN - I'm not sure the complexity of it is as complex as it is being set out here. I would take the point that there might be a number of staff who are funded through federal programs. We wouldn't seek to be deriving a state saving through vacancy control in those aspects. But if the remainder of the staffing is largely sourced from state government revenues or whether it's ticket sales in the parks or whatever the funding aspect might be, then, if those savings opportunities do exist, they can be realised.

Ms LOVELL - I agree that it doesn't need to be as complicated as it is. I think the salaries were identified by you as a potential savings.

Mr DUIGAN - Sure.

Ms LOVELL - We are trying to get to the bottom of how and where. You're making claims about frontline services and core services that, so far, I don't feel you're backing up with any guarantees.

I'm happy to move on, but I just have one last question. Are there any classifications of positions or particular state-funded roles that you will rule out leaving vacant for any period of time in order to make savings or for these savings to come from?

Mr DUIGAN - I think, as the secretary has mentioned, he and Parks staff who are doing the recruitment of these positions would look on each circumstance individually and assess what was appropriate. If a role needs to be filled, it should be filled.

Ms LOVELL - But there are no roles that you are ruling out?

Mr DUIGAN - Personally, no, I think that's very much a position for the secretary and for the department to be managing those things. They have a better understanding. I would note that I have already made a commitment around frontline services not being impacted, so that's my understanding and that's my expectation.

Ms LOVELL - Do you have a definition of frontline services though?

Mr DUIGAN - Those services which interact and deliver the outputs of Parks and Wildlife.

Ms LOVELL - Anyone that's involved in delivering the services of Parks and Wildlife?

CHAIR - I would have thought everyone would be - isn't that why they got the job in the first place?

Mr DUIGAN - As I say, frontline services is what I am saying. I would expect the secretary and the department to manage those expectations going forward.

Ms LOVELL - Yes, I'm happy. We're not trying to be difficult, we're just trying to get to the bottom of the claims that you are making.

Mr DUIGAN - Chair, I'm pleased to offer a document for tabling, which is the consultation around the strata -

CHAIR - Strata titles. It would be good to see your workforce numbers. Have you got a number of the employees who are off on WorkCover at the moment?

Mr DUIGAN - Not in front of me, but I suspect the secretary might have that information.

Mr JACOBI - Was that WorkCover related?

Mr DUIGAN - Yes. Just while the secretary's working through that, NRE Tasmania has continued its focus on ensuring safe working conditions for all workers. The lost-time injury frequency rate continues to decline, indicating continued reduced rates of serious injury overall. The WHS and wellbeing improvement plan includes a greater focus on wellbeing and updating and implementing critical policies and procedures supported by a new WHS and wellbeing structure where senior WHS advisers align to the visions, support capability build and WHS system implementation. The department is committed to ensuring the psychosocial code of practice is understood and appropriate interventions are in place to support compliance.

CHAIR - These are people who are included in the total staffing - Commonwealth or other funding, as well as the state funding?

Mr JACOBI - I've got a variety of data here, in particular, I think you wanted those relating to workers' compensation claims. The total number of workers' compensation claims for the 12 months to 30 June 2024 was 61 claims. As I understand it, that's a decrease from the 2022-23 financial year, which was 67. I can give you a breakdown of which of those claims relate to mental stress.

CHAIR - That'd be good. Thank you.

Mr JACOBI - There were 13 in the 2023-24 financial year related to mental stress.

I can, if you'd like, also give you a breakdown of those across each of the divisions, if that's of interest?

CHAIR - Yes, please.

Mr JACOBI - There were:

- three in the Tasmania Parks and Wildlife Service;
- five in Biosecurity Tasmania,
- two in the Royal Tasmania Botanical Gardens,
- one in the Inland Fisheries Service,
- one in our Strategic Business Unit, and
- one in the Office of Racing Integrity, which equates to a total of 13.

CHAIR - Thank you.

You said that was a fall from 67 in the 2023 financial year. Do you have any further trend data that shows it's continuing to decline?

Mr JACOBI - It's fairly consistent. If you look at the 2018-19 financial year, we had 61 claims; in 2019-20 it was 51; then it increased to 63 in 2020-21; and 65 and 2021-22; 67 in 2022-23; and as I mentioned down to 61 in 2023-24.

Ms LOVELL - Is that trend consistent with the breakdown for mental health-related claims?

Mr JACOBI - I don't understand the question.

Ms LOVELL - You have 13 claims in the last 12 months related to mental health. Is that consistent with previous years or has that trended up or down?

Mr JACOBI - It's relatively consistent. In 2021-22 it was 12; in 2022-23 it was 10 and in 2023-24 it's 13.

CHAIR - Okay. One more on this?

Ms LOVELL - Minister, do you have any staff currently employed on 50- or 100-hour-a-year contracts and how many?

Mr DUIGAN - Thank you. I believe there are a number of staff.

CHAIR - They'd probably be in Parks, wouldn't they

Mr DUIGAN - Yes, they are in Parks.

CHAIR - Just in Parks? You can do it now. It's staff related, we can do it now.

Mr DUIGAN - The department manages a flexible and mobile workforce comprising permanent positions and those that are filled on fixed term and seasonal basis to meet those specific operational and business needs. Flexible employment arrangements such as fixed-term employment and permanent and fixed-term minimum 50- or 100-hour contracts provide the flexibility required to manage seasonal peaks in visitor numbers and biosecurity risks Tasmania wide.

PUBLIC

Fixed-term, casual or seasonal employees represent 22 per cent of total headcount, which is appropriate given the seasonal nature of much of NRE Tasmania's operations. The January and August average hours worked by these staff reflects this seasonality.

I might hand to the secretary to provide some further detail around headcount and that sort of thing.

Mr JACOBI - I thank the member for the question. As of 30 June 2024, the department employed 66 people on contracts with a minimum of 50 hours per annum; 42 of those staff were employed in the Parks and Wildlife Service, one in Agriculture, Forestry and Water; and 23 in Biosecurity Tasmania.

As of the 30 June 2024, the department employed 22 people on contracts with a minimum of 100 hours per annum. Parks and Wildlife Service employed 20 of those people, and the Royal Botanical Gardens (RTBG) had two employees.

The majority of Parks employees who are appointed on a minimum 50 to 100 hours per annum contracts are required particularly during the peak visitation periods from November through to April and typically in visitor services roles and visitor reception officer roles.

I can continue to give a breakdown of Biosecurity Tasmania or RTBG if that's of interest?

Ms LOVELL - No, that's okay.

CHAIR - You had another one on this line item? Yes?

Mr VINCENT - Yes, with GIS. With the Lands department having such an advanced GIS system, is that being used with Parks for their fire or with fire and emergency services as well across different agencies?

Mr DUIGAN - A hugely important dataset, and I thank the member for the question. The Lands Tasmania geographic information system (GIS) team supports all hazard emergency response activities across government through the provision of critical specialist spatial intelligence, analysis and mapping capability.

Over the past three years, the emergency services GIS team played a critical role in the Tasmanian Government's COVID-19 response activities, including quarantine compliance, travel assessment, operational planning and mapping high-risk areas to inform the general public. The team was also involved in preparation for biosecurity incursions, such as Japanese encephalitis, small hive beetle, flood events and search and rescue events through the tracking of resources.

During the recent wild weather and flood events, the team was also deployed to assist with the response efforts, including the provision of real-time spatial data to SES teams. The GIS team, which designed, developed and now run the early fire detection and notification system, was a finalist in the Locate 24 national conference, a hugely important capability for Tasmania.

The system, which has been operating since 2022, includes real-time satellites as bushfire detection and notification and combines this with detailed maps containing information about vulnerable, flammable vegetation, landscape features, critical infrastructure, soil moisture and location of firefighting assets so very, very important for Tasmania. The team provides geospatial intelligence services, mapping, and assisted with the integration of data from the state's specialist intelligence gathering helicopter for the various incident management teams.

By providing the all-hazards program, the emergency services GIS team supported the Tasmania Fire Service, the Parks and Wildlife Service and Sustainable Timber Tasmania with their fire response activities over the last fire season.

One of the key applications developed and used by the team to support the response and provide situational awareness is the common operating platform (COP). The COP is a web-based mapping application aggregating static and dynamic data from diverse sources, which builds a visual appreciation of the emerging incident that emergency managers can utilise to make timely, informed decisions.

As part of the All Hazards Spatial Infrastructure Project, a new LISTmap/COP and LIST Spatial Web Services infrastructure will be delivered over the next two years, and this will further enhance Tasmania's capability to prepare for, respond to, and assist recovery activities relating to natural disasters. With the vast size of Tasmanian's reserve estate and our regional and remote and hard-to-get-to places, it is critically important that we have that capability.

So, thank you for the question.

Output Group 1 - Land Tasmania

1.2 Valuation Services

Ms THOMAS - I understand that our performance target to measure the consistency of completed total valuation notices that are amended following an objection is 2 per cent or less. How many supplementary valuations did the Valuer-General undertake in 2023-24? How many objections were received and how many were amended following objection?

Mr DUIGAN - I can give you a very non-long-winded answer to that.

CHAIR - Look out.

Mr DUIGAN - I beg your pardon

CHAIR - You are going to give him a very long-winded response?

Mr DUIGAN - I am. I am happy to have Michael provide an answer for that one, if we are not changing people at the table, I am happy to do it. Thank you. For 2023-24, the Office of the Valuer-General achieved its performance target with only 0.011 per cent of objections resulting in an amended valuation. During 2023-24, the Valuer-General issued 111,999 valuations.

CHAIR – You should've kept going.

PUBLIC

Mr DUIGAN – One more would have been helpful on that Friday afternoon. This includes 96,299 fresh valuations and 15,700 supplementary valuations. For the period 1 July 2023 to 30 June 2024, there were 382 objections received. Of these, 13 objections were allowed, one objection was disallowed, 42 objections were invalid, 17 objections were withdrawn or retired, 309 objections are outstanding for review or are in draft. Of these objections, 342 relate to the most recent revaluation where the notices were issued late May to early June 2024.

Ms THOMAS – So, 309 objections are outstanding or in draft. I know a number of Glenorchy ratepayers were dissatisfied or concerned about the result of the six-yearly valuation of their property. I understand this occurred in 2023-24. Do you have any information on how many objections have been lodged by Glenorchy ratepayers in response to those recent valuations? I imagine many of those 309 could potentially be Glenorchy residents.

Mr DUIGAN - We have the Valuer-General outside. It's not information I have with me, certainly in LGA breakdowns. We will ask the Valuer-General, Guy Naish, to come to the table and potentially provide some context around that. Could you re-ask that question?

Ms THOMAS - Good afternoon. I know a number of Glenorchy ratepayers were dissatisfied or concerned about the result of the six-yearly valuation of their property, which I understand occurred in 2023-24. Are you able to tell me how many objections have been lodged by Glenorchy ratepayers in response to these recent valuations, and how many are still outstanding?

Mr NAISH - I don't have that detail right now but that is something we could get our hands on reasonably soon.

Mr DUIGAN - That is something we are happy to take on notice and we can provide an answer before the end of the committee's sitting.

Ms THOMAS - That you. What's the average time it takes to determine an outcome once an application is lodged?

Mr NAISH - Usually, we try to get an answer back within 45 to 60 days.

Ms THOMAS - Many of those, given it has only been fairly recently, may still be in train, waiting for a response?

Mr NAISH - Yes, that is correct.

Ms THOMAS - I know you don't have the figures in front of you but is this year's experience that you have received more objections from the Glenorchy local government area than typically received in past valuation years?

Mr NAISH - Not particularly. We are still tracking under 2 per cent overall. There was no particularly large spike in valuations despite the fact that property values have moved quite a bit since 2018.

Ms THOMAS - Generally speaking, it can be fairly difficult for ratepayers to understand the correlation between property valuations and a council's rating system. Minister, I am not

sure if you get inquiries ever about this, but do you have any thoughts on how this can be better explained?

Mr DUIGAN – It's one of the issues that comes up from time to time - valuations and their correlation with rates. I understand that the two are linked, but not necessarily inextricably. Each year councils set their rates budget for the next financial year, as I'm sure I don't need to explain to you, member for Elwick, and adopt a rates resolution for what is known as a general rate to apportion this across the properties in the municipality. Councils have the discretion to utilise either land value, capital value, annual assessed value or average area rates, but the amount of rates each property owner is liable for is ultimately determined by the council.

Councils also have a wide discretion under the *Local Government Act* to vary the general rate across the municipality based on a number of factors, such as the use, locality or other factors. This can include different applications across uses such as residential, commercial, primary production and industrial. It is always a bit of a challenge, particularly when property prices move substantially. In times of cost-of-living pressures, it is another one of those things that adds to the bottom line of running your household.

There is some avenue for councils to play a role, but as a government, we need to provide our valuation services and keep them up-to-date, which I think is where we are at.

Ms THOMAS - Communities are always looking for someone to blame, whether it be the mayor or the Valuer-General. I guess my, my question really was about -

CHAIR - Just blame the minister.

Ms THOMAS - Blame the minister, yes, that's right. About that explanation, I think there is perhaps some - and it might be a question I put to the Local Government minister as well around those sorts of explanations. Thank you.

CHAIR - I noticed that, as noted in the budget papers, the supplementary valuation service for municipal areas in Tasmania is either undertaken by the Office of Valuer-General or subcontracted to valuation firms. With regard to those that are subcontracted, what is the main reason to subcontract them out? How many were subcontracted out, and what was the cost? I assume that is recovered in some way?

Mr DUIGAN - I did notice that at least two LGAs were subcontracted.

CHAIR - Are they the ones with the eye-watering figures?

Mr DUIGAN - No, not necessarily, I don't think.

Mr NAISH - When we have fresh revaluation contracts, there is a provision in there for supplementary valuations as well. It's at the election whether we get our contractors to do the supplementary valuations or we do those in-house. Generally, if we do elect to get the contractors to do the supplementary valuations, it is usually an operational convenience or to get consistency in the valuations if they're out there doing objections, for example, in some of the municipalities they've done the revaluation for.

PUBLIC

In terms of the exact cost of those, I don't have that detail with me today, but that is something we could provide.

CHAIR - You could provide that, the cost of the pay to subcontractors?

Mr NAISH - Yes.

CHAIR - Why would you use them? Is it a form of consistency, is that what you're saying?

Mr NAISH - The predominant reason, and it's captured within contracts that are signed by council and the Valuer-General, within the contracts, there is a component for the fresh revaluation for each council and there is a cost per supplementary in there as well. For efficiencies, if the contractor is out in an area looking at objections and meeting landowners, and the supplementary job is in that particular part of the world, naturally enough, it just seems that would be more cost-effective.

CHAIR - Do you know where your subcontractors are at any given time?

Mr NAISH - That's correct. We have a run of jobs that need to be done and when those jobs are completed, they come back into the system. We have got some figures here. We've got the total value of contractors, \$372,895. That's for contractors. I wouldn't be able to provide that level of detail at this point in time of what is the split between what was the fresh valuation and what was spent on supplementaries.

CHAIR - The total figure is around \$372.895?

Mr NAISH - Yes, that's correct.

CHAIR - Is that added to the expenses under this line item, or is that recovered some other way?

Mr NAISH - The cost for the fresh revaluations is recovered basically from council under Section 46 of the *Valuation of Land Act*.

CHAIR - And the supplementary ones?

Mr NAISH - The supplementary ones are also recovered from council. Each contract with each municipality sets out those costs. It'll be a set amount for the fresh revaluation. Then there'll be an amount per supplementary job that comes in.

CHAIR - Kerry, did you have one on this line item?

Mr VINCENT - No. If I started on this one, I'd be here all day.

CHAIR - Has anyone else got any on valuation services, 1.2? If not, we'll move to Parks. Do you need to change the team?

Mr DUIGAN - Yes, I think we will change the team.

The Committee suspended from 3.48 p.m. to 4.06 p.m.

Output Group 4 - Parks

4.1 Parks

CHAIR - Thanks for returning minister, we will move onto 4.1 which is Parks, your opening statement has covered this area as well.

Ms LOVELL - We did cover quite a bit of what I had for this line item in the previous conversation around efficiency dividends. I probably won't have as many questions as I thought at first.

I note that the funding for Parks is decreasing over the forward Estimates. Can you explain that decrease?

Mr DUIGAN - Thank you. I will take this opportunity, if I may, to read in some information from our last session around LTO and fresh valuations in the Glenorchy municipality. There were 22,620 fresh valuations issued, 180 objections, 20 objections are invalid, and 160 objections are under investigation in progress, with no outcome yet.

With regard to decreases in forward Estimates, the decrease of \$1.18 million in 2025-26 is largely due to the completion of the bushfire winch-insertion initiative, and reallocation of expenditure. This is partly offset by the impact of indexation. In 2026-27, the decrease of \$2.99 million reflects the completion of the Reserve Activity Assessment Reform Project of \$1.5 million, the implementation of Biosecurity Strategy, \$800,000, and the Cultural Burning Program, \$300,000. This is partially offset by the impact of additional funding for the 27th pay of \$1.2 million. Those should add up to those shortfalls.

Ms LOVELL - Thank you. You mentioned indexation. Is that at 2.5 per cent?

Mr DUIGAN - I would need to get some advice on that indexation number. I believe it is 2 per cent for salary and 2.5 per cent for non-salary.

Ms LOVELL - You have a number of infrastructure builds committed to which we will come to in capital investment, but will there be any additional field officers or rangers employed to assist with those builds?

Mr DUIGAN - To assist with the builds?

Ms LOVELL - Yes.

Mr DUIGAN - I am pleased to introduce to the table, Sophie Muller, who is the Deputy Secretary for Tasmanian Parks and Wildlife Service.

Mr JACOBI - I will ask Danielle Poirier, our Director of Major Projects and Infrastructure, to come to the table. We have a quite a significant infrastructure program in the Parks and Wildlife Service. Often that program has multiple components to it. It is often led by project managers. Then we have a design component, a construction component and a post-construction operationalising of the infrastructure.

Danielle, I'll ask you to outline how staffing is used for those positions and those projects.

Ms POIRIER - The project managers we have within our major projects team are assigned to different projects. We have ranging from small to large, very complex projects. As projects come online or offline we arrange against capability, against their capacity, against their skill sets, et cetera. In terms of the existing ongoing commitments that we have, we have project managers sometimes assigned to one particular project. For example, the Next Iconic Walk Project has a project director and a series of other positions around it. Some projects just have a single project manager that might be working part-time on that and part-time on other projects.

In terms of what we currently have, we have that mixture. Therefore, as new projects have come online, some of the new commitments, we have managed to balance off with some projects that are finishing. For example, the Cape Bruny carpark was finished last year so the resourcing component for that would be redirected across into other projects. There is some recruitment that happens directly related to new projects, and others that happen as we get staff that come and go and take up opportunities.

Ms LOVELL - Do you have any new recruitment planned for any of those projects upcoming?

Mr DUIGAN - I'm happy for Danielle to speak to the recruitment around our exciting capital investment.

Ms POIRIER - Thank you. We have recruitment that was ongoing anyway for project managers. One of those positions that is currently advertised, or will be advertised, is a program management-style one. We have, for example, programs such as the maintenance boost, part of the capital investment program, a series of projects. How do we make sure that those project managers can coordinate some of those inputs? One of those will bring a project manager on board to assist with coordinating part of the new commitments for that.

For the other new election commitments for 2024, we're using resources within the major project team, but also there are project managers in other parts of Parks that we use that aren't specifically in our major projects infrastructure team.

Ms LOVELL - Minister, is there any additional funding allocated for maintenance of new infrastructure projects?

Mr DUIGAN - I'll seek some advice around the maintenance task, which is fairly substantial. In terms of additional funding, the National Parks maintenance boost program supports asset repairs and maintenance works, and the program provides \$1,000,000 in annual funding for a range of parks maintenance projects across the state.

In addition, funding of \$4,000,000 over two years has also been provided as part of the sustainable road renewal and maintenance program. Obviously, Parks has a vast network of roads and bridges - important assets managed by the service - 1152 kilometres of managed roads, over 180 vehicle bridges, and around 380 car parks across the state. This road network provides access to industry, to tourism and to other businesses - beekeeping comes to mind - operating in regional economies. The delivery of these programs also continues to provide work across the state for local contractors.

PUBLIC

It is a substantial task to maintain our Parks assets. There are a lot of them and it is a big job. There is additional funding provided in the Budget to do that work. I would be happy for the secretary to provide some further information around that task, if he feels that's prudent, or not, if not.

Mr JACOBI - Minister, if there are any further questions?

Ms LOVELL - The national parks and maintenance boost funding - that is ongoing funding, I understand. How long has that been in place for?

Mr DUIGAN - The \$1,000,000-a-year maintenance boost initiative commenced in 2022-23 and provides funding. How long does it go for -

Ms LOVELL - I think it's ongoing. The question was, when did it start?

Mr DUIGAN - It is ongoing, it continues. There is a number of things here in 2023-24 which I'd be happy to detail, but it is ongoing.

Ms LOVELL - Thank you. In the last public sector union wages agreement negotiations, there was a commitment made, I understand, to a remote location attraction and retention payment for Parks and Wildlife Service employees. Is there funding allocated to deliver that commitment?

Mr DUIGAN - That's one I would direct to the secretary of the department to speak to in terms of staffing.

Mr JACOBI - You were referring to the special remote attraction payment and whether there is funding allocated to that.

Ms LOVELL - Yes.

Mr JACOBI - The department is working collaboratively with the CPSU on finalising the payment. With the recruitment and retention challenges in our remote locations, we recognise that we need to work through the exact costs of that. That has not been resolved as of yet. All I can state is that we continue to work with the CPSU on the parameters around which that particular remote attraction payment will be made.

Ms LOVELL - But there is funding allocated for it in the Budget?

Mr JACOBI - We have funding for salaries and for positions. The actual quantum of that has not yet been resolved and will be subject to the ongoing negotiations with the CPSU.

Ms LOVELL - Thank you. Minister, will that be back-paid to June 2023, when the agreement was reached, once those issues are worked through?

Mr JACOBI - No, it will not include back pay, and the CPSU has been advised of that.

Ms LOVELL - Why is that, can I ask?

PUBLIC

Mr JACOBI - Because we're working within negotiating parameters that have been determined at a whole-of-state service level.

CHAIR - Sticking with the financial stuff at the minute, the preliminary outcome figure that was provided as a response to a question I put last week shows that the Budget, which is in papers, for this Parks line item was \$43 million. The preliminary outcome is nearly \$50 million, so quite a bit of additional spend there. I know this is not a final figure and it could change a bit, but I want to imagine it would not change extraordinarily. Why the big uptick? Sarah mentioned the fall away in funding beyond that. Effectively what's estimated to be spent in this financial year is close to \$50 million and what's been budgeted is \$8 million less.

Mr DUIGAN - Thank you. The increase of \$4.68 million in 2024-25 mainly reflects the reinstatement of post-COVID-19 expenditure budgets for the management of national parks and reserves. So, getting back to pre-COVID.

CHAIR - It's mostly salary costs - is that what you're saying?

Mr DUIGAN - During the pandemic, revenue significantly dropped, which resulted in a corresponding reduction in expenditure. The forward Estimates also reflect full operationality.

CHAIR - That does not explain the big jump and then the fall again.

Mr DUIGAN - In addition, there are increasing costs, including recognising a budget of \$720,000 for the commissions paid in relation to park entry fee agents, due to a change in accounting treatment where the revenue is no longer netted off with commissions paid. Increased costs associated with the implementation of the TasGRN (government radio network) of \$335,000; increased costs associated with the Cradle Mountain shuttle bus service delivery, \$250,000; and the costs associated with the Parks online booking system, \$400,000, funded through the digital transformation policy expenditure program.

The increase is offset by the correction of the Crown Land Transaction Turnaround time initiative of \$950 -

CHAIR - Paying bills on time - that's what that means? Isn't it?

Mr DUIGAN - No, \$950,000 that was incorrectly recorded against this Output instead of Output 4.2 Crown Land Services.

CHAIR - So, a bit of an accounting fiddle-around.

Mr DUIGAN - A bit of a muddle in the accounting.

CHAIR - How much was that? Does that account for \$950,000?

Mr DUIGAN - Yes, that 'bills on time' \$950,000.

CHAIR - That was an accounting problem as well. As opposed to 'paying your bills on time' they were allocated to the wrong line item - just to be clear?

Mr DUIGAN - That was incorrectly recorded against this Output instead of Output 4.2 Crown Land Services.

CHAIR - Okay, so without doing too much maths in my head here, some of the things you mentioned like the radio network, there is a cost as well as an asset that sits against that, but the asset is worth less than the cost already. Assets depreciate over time, no doubt. It's an ongoing lease arrangement with Telstra, as I understand it. That cost is not going to go away. That will go through the forward Estimates. The Cradle shuttle bus hopefully keeps going through the forward Estimates. The online booking platform will be ongoing, unless that is expenditure that has now done something that does not incur any further costs. There is still that drop away that is more than \$1 million. It is \$50 million down to \$42 million effectively, which is \$8 million.

Mr DUIGAN - I have read the information I have. I will pass to Sophie to provide some further detail around those numbers.

Ms MULLER - In addition to what the minister said, we can indicate that our revenue, does change over time, for example. Cradle Shuttle is one strategy we put in place last financial year. We have yet to see the full impact of that across the full financial year, but that will help to address some of those rising costs you have referenced.

CHAIR - The rising costs have already happened. This is my point. My point is that last financial year, the preliminary outcome I received in response to a question on notice suggests roughly, because it is not an audited figure, a rounding of figures, \$50 million. The budget for this last financial year was \$43 million, or thereabouts, so there was an extra \$7 million. Some of that is accounted for in the incorrect allocation of \$1 million, but there is still \$6 million. The budget for this year is \$42 million. What I'm saying is that there was a much higher expansion, \$1 million of which was accounted for by incorrect allocation. It seems to me that if that amount was required to be expended, like \$50 million for the last financial year, something's got to give here.

What you've told me, minister, is that except for the one-off error, basically, the rest of it is pretty much ongoing. You might get more revenue from Cradle Mountain, but not that amount of \$1 million, and the radio network costs continue. I just cannot see how the same delivery of services, and perhaps your capital program, can go on in that way without this amount of money. Am I clear yet?

Ms THOMAS - I had the same question. How is the predicted overspend of around \$7 million in 2023-24 explained, and how will budget cuts be achieved going forward?

Mr DUIGAN - I will point to the secretary to provide some context through that.

Mr JACOBI - It is very difficult to quantify the actual difference this year because last year there was an over-expenditure in the financial year, which was rectified by a request for additional funds, which brought us back to a net operating balance.

CHAIR - So, what was the quantum of the Request for Additional Funding (RAF)?

Mr JACOBI - It's \$4.5 million.

PUBLIC

CHAIR - And what was that to cover? We will see it, in due course, I know, when the RAF report comes out.

Mr JACOBI - It was to cover general operating expenses.

CHAIR - So, \$4.5 million is funded by RAF for operating expenses, which I do not imagine have all disappeared, unless you have got rid of a lot of people or something. The \$1 million in error makes it \$5.5 million, so we still have got \$1.5 million. Down the back of the couch?

Mr DUIGAN - No.

Mr JACOBI - We continue to try and find savings through a variety of different measures. They include additional revenue opportunities. You would be aware that last year we introduced a new fee for the Cradle shuttle bus. That was a significant step in recovering some of our annual operating costs. They are measures we continue to look at and take in order to address any shortfall in operating.

CHAIR - Assuming numbers are uncertain - we're a couple of tourism years away from COVID. Unless we have another horror show, what are we expecting the revenues to be from the Cradle shuttle bus?

Ms MULLER - Last financial year it was \$1.4 million, and, as I said, that was not over the full cost of the financial year. The projected figure this financial year is \$2 million.

CHAIR - The RAF of \$4.5 million was to cover general operating expenses, so unless we cut that out, then we're going to be over budget again.

Mr DUIGAN - I understand what you're saying, but the agency is funded for expected expenses and the preliminary outcomes from the Treasury is they're assumptions.

CHAIR - No, they're not. They are figures based on the expenditure to date. They'll probably be with the Auditor-General right now. In fact, I'm pretty certain they are, because they are going to be released in parliament next month. They'll all be out there. I will be having a look at it then, obviously, having an annual report.

But it just seems that we're on a hiding to nothing in this Parks line item to try and deliver the services and look after the amazing assets we have. It must be the devil's own job for the secretary trying to manage that and not tear his hair out, and find budget efficiency dividends. I just think it's almost impossible task.

Mr DUIGAN - No doubt it is a challenge.

CHAIR - Let's talk about a couple of initiatives. Some of them are new, some of them are older, which I'm very pleased to see talked about because I've got lots of really good places in my electorate. Another significant contribution for the Next Iconic Walk, which is in the heart of Murchison -

Mr DUIGAN - Indeed, the Tyndall Range.

PUBLIC

CHAIR - You can see Mount Murchison when you walk along, when you get up there. Is that on track? I know the funding's been allocated across the forward Estimates. I would just like an update on where that is at, what stage? I know some of the positions have been advertised for and things like that to progress this, but I'd like to know exactly where it's at.

Mr DUIGAN - Yes, we are all very excited about the Next Iconic Walk in the Tyndall Range, having had the opportunity to go out there and eyeball it and see some of the -

CHAIR - Magnificent part of my electorate.

Mr DUIGAN - Magnificent vistas that you wouldn't get the opportunity to see otherwise, and it's quite spectacular. The project is on track. It is, as has been mentioned, a \$40 million investment.

The Tasmanian Parks and Wildlife Service has engaged a design team to undertake the second stage of the project, which involves completing the planning, design and approvals for the walk. Detailed plans showing the track route and hut designs have also been recently released. Surveys and site investigations to assess the natural, cultural and heritage values of the area, and determine any design constraints are largely complete. The track alignment has been finalised, following ground [inaudible] and assessment by various specialists considering the potential impact on natural, cultural and heritage values in the area, the points of interest along the track and the likely construction methodology and buildability of the track. It's a challenging environment to some extent. It's up and down. The location of the overnight nodes, on-track shelters -

CHAIR - Is it cold and windy?

Mr DUIGAN - Obviously it's a challenging environment to some extent. It's up and down. The location for the overnight nodes on track shelters can be a bit breezy and wet. Lookouts have now been determined and the concept plans for the huts and other on-track infrastructure have been completed. The project planners are in the process of compiling an environmental impact statement that will form part of the Reserve Activity Assessment (RAA) process. The RAA is expected to be released for public comment in the second half of 2024.

Ms MULLER - In addition to that, we've recently had some public information forums in the last month, which were really well attended and had good engagement from people who are keen to learn more about the project. That will be an important part of the next step, which is the public consultation more formally with the EIS.

Mr DUIGAN - Current project timelines are forecast for the walk to be complete late 2028 or early 2029.

CHAIR - In terms of workforce to build it, do you have any anticipation of the number of workers that you are going to need to construct it? Bearing in mind there are the huts as well as the track and all of that.

Mr DUIGAN - My understanding is that around 139 jobs will be created in the construction -

CHAIR - They won't all be on site at once though.

Mr DUIGAN - Well, that's the number. The economic impact feasibility study predicts the walk will deliver approximately 139 jobs on the west coast during construction.

CHAIR - Where are they going to live?

Mr DUIGAN - It doesn't give me that, but close to -

CHAIR - In tents, perhaps?

Mr DUIGAN - It's a reasonable question.

CHAIR - It is a very reasonable question, because there's very limited housing down there.

Mr DUIGAN - Indeed. There will be 139 jobs on the west coast during construction; 40 jobs ongoing during operation in maintenance and operations, including tourism services. In the context of Queenstown and the west coast, these are substantial job numbers.

CHAIR - It impacts Tullah.

Mr DUIGAN - Yes, of course.

CHAIR - In a positive way. There is the former Hydro building, but there's not many unutilised places there. I've door-knocked around there and most of them have people in them. There is a lot of vacant land, but the reality is that housing is critically short. If the copper mine gets going in the same timeframe - and I will believe that when I actually see it, of course, because I've been thinking this for nearly nearly 20 years now.

There is such a shortage of housing that the challenge is going to be to house workers and workers ongoing. How will you, as minister, interact with your other ministers who have responsibility for housing and tourism and all these other things?

Mr DUIGAN - I am sure that these are conversations that we would need to have in the scope of the project and how we deliver a workforce to build the next iconic walk.

One of the important assets that we need to consider as we contemplate this task is the local workforce. It's so important as we approach jobs like this that we seek to deliver a benefit to the local community, so I would be much more interested in finding opportunities for people who already live and work on the west coast of Tasmania to have an input, and use the local contracting capability on the west coast rather than be looking to relocate a temporary workforce into that part.

CHAIR - I'm not suggesting that, minister. It depends on the time of year really. When Avebury or whatever the copper mine was called gets going again there will be very few available workforce, because they'll all be soaked up into that, which is a good thing. They struggle to get any skilled workers, and you will need a degree of skill here. There are not a lot of pure labouring jobs.

PUBLIC

Mr DUIGAN - Yes, no doubt. I take the point that workforce and workforce housing is a challenge in a lot of these aspects where we contemplate large developments. I've been down there and had a meeting with the mayor and the council to understand what they see as the opportunities and the issues in terms of delivery. One of the things that they made clear was the notion that this should have as many benefits as possible for the local west coast community, and I agree with that.

CHAIR - That may mean actively working to support development of delivery of housing there to avoid the locals being displaced, because that is a very real risk, not so much with this project, which is not as big, but certainly with the mine, which is not your area. That's for another minister. It is a very real risk for some of the people who live on the west coast, by virtue of the fact that it is often a cheaper place to live.

Another one - the Edge of the World revitalisation. This is at the mouth of the Arthur River, another beautiful spot where there's good fishing. I'm sure you're aware of it. Can you give me the timeline for the delivery of these upgrades and improvements to this area?

Mr DUIGAN - The original start year for the Edge of the World revitalisation is 2024-25, with the end year 2026-27. The project commenced in 2023-24 with initial engineering and Aboriginal heritage studies now underway to inform planning and design.

I'm happy for Sophie to potentially add a bit more detail around the Edge of the World and how that is tracking, given that it is underway.

CHAIR - I'm also interested in engagement with the Circular Head Aboriginal Corporation with regard to this project.

Ms MULLER - I will pass onto Danielle.

Ms POIRIER - As the minister said, we have commenced doing some of those initial studies. The site itself is complex, obviously in where it's located. There are also a lot of different views on how we have an opportunity to relook at that site and create an experience in the context of the cultural and natural values that are there. That's ongoing.

We first commenced on an engineering assessment in parallel with some Aboriginal heritage assessment for a broader understanding of what the values are and what our constraints are, so that we know both from an engineering perspective - in terms of the access of the road and any potential constraints from that perspective - as well as the key values of Aboriginal heritage. They can then inform how we now move into the next stage of the project, which is looking at developing what we can do at that site.

At this point in time we are looking to come out for consultation to the community and the public, including the Aboriginal community.

CHAIR - The Aboriginal community being?

Ms POIRIER - Tasmanian Aboriginal people. Through organisations and through the different Aboriginal groups.

CHAIR - Which Aboriginal groups are you going to consult with?

PUBLIC

Ms POIRIER - We'll approach those through the list of Aboriginal organisations in Tasmania, not just the west coast based organisations. Aboriginal Heritage Tasmania has a list of the organisations that we need to contact directly.

CHAIR - Will you contact Circular Head Aboriginal Corporation?

Ms POIRIER - Yes, we will.

CHAIR - I need that to be really clear.

Ms POIRIER - Sorry. Yes, we will. Circular Head Aboriginal Corporation is one, but it isn't the only one.

CHAIR - No, I appreciate that, but I want to know you are talking to them.

Ms POIRIER - Sorry. Yes, I am. We'll start that consultation process this year. That's going to help us to inform those designs. We haven't got a design of what that site looks like. We'd just like to get those inputs so we can start with that design process knowing what our constraints are and what people's views are about how we can use that site.

From there, we'll do the design, the approvals process and then obviously the construction process.

CHAIR - Minister, very close by, in fact part of, the alpine conservation area - another magnificent area, if somewhat contested. In terms of the works there with regard to the tracks, I continue to hear rumblings from various parties about different views on this. Where are we at with the tracks in that part of the Arthur-Pieman Conservation Area, another magnificent area, though somewhat contested. In terms of the works there, with regard to the tracks, I continue to hear rumblings between various parties about differing views on this, so where are we at the moment with the tracks?

There is a lot of Aboriginal heritage in this area, there is a lot of people who have accessed to this area for a long time who are non-Aboriginal and have a sense of ownership as well. You have people who come from away, if you like, to drive in that area, sometimes not so respectfully and there are those who do drive through the area very respectfully. In terms of the tracks and the work that is being done there, can you tell me what is planned?

Mr DUIGAN - Yes, thank you, Chair. I appreciate the question. The state government has committed \$10 million to improving recreational off-road vehicle driving experiences in the Arthur-Pieman Conservation area of the APCA and the broader west coast region. We recognise the importance of the western Tasmanian Aboriginal cultural landscape and have not changed our position on the decision not to reopen the tracks that have been closed.

We have released our off-road vehicle strategy, which will assist in identifying relevant projects for the remaining funding and the draft was released in late-May of this year for public comment and the strategy, I would expect, will be finalised later this year. The strategy is not about closing tracks. As you articulated well in your question, there are a range of deeply interested stakeholders in APCA and the west-coast and we want to ensure that the off-road

tracks in the area are appropriately maintained and used so that they can be enjoyed while also balancing the protection of the landscapes, cultural heritage, flora and fauna.

Part of the \$10 million commitment was about addressing the shack node roads in the area. I am advised that all shack node road maintenance is now complete, including reprofiling and final road resurfacing. In terms of other things that have been delivered in regard to the funding commitment and engineering, a consultant has prepared assessment reports and scope specifications for recommending works including safety and road signs for the shack nodes road network; drainage works have been done; vegetation clearing; materials, gravel supply and cartage from the Arthur River and Smithton quarries; road grading and resurfacing was contracted to two local contractors; and replacement of Cassiterite Creek Bridge on the Balfour Road. Project management, site supervision and support work in the final Balfour Road resurfacing works remain in the project budget to be completed and for the repair of any defects detected after the winter period, noting that it is fairly dynamic. The state of some of those tracks in that area are pretty dynamic and that is as people like them.

CHAIR - Yes, I appreciate that.

Mr DUIGAN - So, plenty of work that has been done over time and we will continue to offer safe and reasonable four-wheel drive access and look after the important values.

CHAIR - And the Arthur-Pieman management committee?

Mr DUIGAN - Yes, it has been pivotal and has been just fantastic to work with. I note that Circular Head Aboriginal Corporation is represented on the APCA committee and I thank them for the work they do because they hear the competing voices of communities on the west coast. They live in those communities and it can be, at times, more trouble than it is worth, to be part of the APCA committee. I thank them for the work they do and I very much appreciate the guidance they give to government, because this is a delicate balancing act.

Mr HARRISS - We might head south, if that is alright. We'll go as far as we can, to Cockle Creek.

CHAIR - As far away from my electorate as we can.

Mr HARRISS - Minister, camping and access upgrades has been in the budgets for a few years now, it seems to just roll over the almost a full amount. Can you give me an update on what's happening? Noting that school holidays are coming up and I may go down?

Mr DUIGAN - Thank you. It is \$3.25 million for stage 2 of the Cockle Creek campsite upgrades. As you would appreciate, \$3.25 million will do a fairly substantial job of work for the Cockle Creek campsite. I pass to Danielle to provide a little bit more information and detail about where those upgrades are at.

Ms POIRIER - Through you, minister. The site plan for Cockle Creek, the broader vision for the Cockle Creek area, has been exhibited to the public. That's quite a few years ago now, in 2022 from memory. From there we've been working on which parts of that site plan we're going to be delivering on and so the focus most recently has been on the Catamaran precinct. From north to south, we've got a whole range of different campgrounds and different areas as you'd know, right from Gillams Beach right down through to Boltons Green, right

down the bottom of Cockle Creek. At this point the design and approvals documentation has been advancing, lot of the work has been to look at how we manage some of the constraints on the site.

Across this area we have constraints or opportunities if you like as well, we have natural values, Aboriginal cultural values, historic values, and also with it being in the coastal zone we also have to consider some of those land hazard assessments and inundation. We've been doing the work to understand at which of those sites we could progress with work. Not only are there camping area delineation works, there is civil work that needs to happen in making car park circulation better and in particular focuses on Catamaran at the moment, that campground and there's a boat ramp there as well.

We are progressing with how we might improve that site both from the civil perspective, making sure people are safe and the access and turning areas for boats and access to that boat ramp. It can be better laid out, but then also how we better use the camping area and how we work around some of the constraints we have there in terms of the Aboriginal heritage, but also the historical heritage habitation that occurred there.

Mr HARRISS - So time frames - is it realistic that it's in 2024-25, here in September?

Ms POIRIER - Through you, minister, at this stage the funding goes through to 2025-26 and we are on track. The funding that we do have, which is the substantial \$3.25 million, will deliver some of those areas, but not the entire site plan. At this point, we expect to be able to deliver those funds by the end of next year to improve Catamaran Creek and then move on to the next priority areas for those upgrades.

CHAIR - If you wanted to drive from Arthur River to Cockle Creek, it's going to take a bit over seven hours, possibly over nine, depending on which route you take. They are a long way apart.

Mr HARRISS - Project X, 'Transformer', do we know where that is? The same again, it's been kicked around. That was a 2019 bushfire recovery initiative, first off. I can update you a bit.

Mr DUIGAN - Thank you. I will pass to the secretary.

Mr HARRISS -It's got council approval.

Mr DUIGAN - Hang on, I've got some information here. The government remains committed to this transformational project that will attract visitation, generate economic activity, support jobs, particularly in the Huon Valley region of particular interest. The Parks service wrote to the proponent's planners on 18 April 2024 to advise that the project has been assessed and approved as being consistent with the management plan and reserve objectives. PWS sent a draft lease to the proponent on 12 July 2024 for comment and is awaiting a response from Dark Web. I'll pass to the secretary momentarily to see whether that has come through. Transformer will be a unique project that will connect visitors with the environment through art. We look forward to seeing this project progress.

Mr JACOBI - A draft lease was provided to the proponent, DarkLab, but we haven't received a response as of yet.

Mr VINCENT - The pay and display machines, is the roll out of those still going to happen? Cost advantage in parks with those, how are they going to be paid for?

Mr DUIGAN - Parks has a number of disparate booking systems with some nearing end of life after years of service. Our reserve estate has many popular options in diverse places to stay and explore. I'm advised that over the next couple of weeks the Tasmania Parks and Wildlife Service will be rolling out pay and display machines on Bruny Island at the Neck Campground, Cloudy Corner campground and Lighthouse carpark, as well as down the Tasman, at Fortescue Bay Campground, Lime Bay Campground, and Devil's Kitchen/Tasman Arch carpark, and Mount William campground.

The pay and display machines make it easier for people to pay for park entry fees and camping fees, where these apply, acknowledging that not all attractions are close by a local field or visitor centre. Parks manages a range of free campgrounds along with payable sites. Fee attracting campsites have generally required visitors to carry correct cash, and be deposited into a cash box. We are finding that in today's society we understand that people don't carry cash. Our campgrounds can be some distance from the nearest ATM.

This improved cashless technology reduces the risk of vandalism and fee-free evasion in remote areas. The technology provides process improvements for collection of revenue reporting in real time and removes the need for staff to handle cash. Pay machines such as these are also utilised by other Parks services in Australia. They are a convenient way for visitors to access Parks services. This technology also assists visitors to contribute to our economy by supporting the work of the Tasmanian Parks and Wildlife Service in managing these special locations.

The pay and display machines also encourage people to buy the appropriate parks pass. Products include park entry fees for 24-hour and holiday passes, as well as camping product options. Machines can be configured individually based on the relevant products per site, which will also complement the ability for people to use complementary technology solutions. This includes the park's online booking system, once that is delivered. This is about providing additional choice for payment, understanding that some people will plan ahead and use a booking system, while others may be spontaneous in their wayfinding journey.

A trial of pay and display machines at key locations such as Freycinet National Park has been ongoing for over three years and has proven to have benefits for visitors and Parks alike. It has informed the rollout of additional machines at priority locations. It is planned that a further 13 machines will be installed at locations around the state ahead of the peak of visitor season. To find a place to explore and be immersed in the Tasmanian landscape, as well as go to any fees required, visit parks.com/register/

Mr VINCENT - The reason for that is, will this prevent a lot of the issues that many people have with phantom camping now? Will it potentially increase the revenue in those camping areas?

Mr DUIGAN - The machines are one aspect of that. The Park's introduction of these machines as well as the online booking system will enable visitors to pre-book, or purchase PWS products including parks passes, walking passes, but particularly in the camping realm,

That will allow visitors and locals to plan their trips in advance, providing reassurance and the confidence to explore those regional areas.

In terms of delivering against ghost camping, the point you raised, it helps to address that by introducing maximum length of stays and improved compliance. You can book ahead. You know that your campsite will be available to you, and that someone can't have their beach towel out there and claim that it is theirs.

CHAIR - I would just park on top of the beach towel.

Mr DUIGAN - The service is doing a number of things to reach into that area, noting that it is a particular problem here in Tasmania.

Mr VINCENT - I guess the rollout continuing would assist the increase in people coming over in their vans and everything, once the boats come online?

Mr DUIGAN - Absolutely.

Mr VINCENT - They'd be able to book in advance for those sort of spots as they moved around? Which would be a big advantage to that tourism.

Mr DUIGAN - It's a large piece of work that Parks has undertaken in terms of preparedness for the new *Spirits* coming online and the increase that we are likely to see in campers and RVs travelling the state. Having some certainty about your booking ahead of time will give comfort to some of those people. You might have some more to add around those projects?

Ms MULLER - The delivery of those projects?

Mr DUIGAN - Yes

Ms MULLER - The Parks online booking project has had an initial market sounding process which has informed the business case. It will go out for an EOI this year, and then a request for proposal process in the new year, and delivery during 2025.

Mr VINCENT - It's very good, not in the next 12 months, but certainly the next lot to measure against park fees for those spots against what the -

CHAIR - They can fill the black hole that's emerging.

Mr VINCENT - Yes, I'm sure it'll go a long way towards that. It'll be interesting to see the difference of the efficiency and what it does create.

Mr DUIGAN - I think that's very true. It is an area that we're seeking to contemporise.

Output Group 4 - Parks 4.2 Crown Land Services

PUBLIC

Mr DUIGAN - Correcting the record in regard your question on indexation, I believe I misspoke. The correct information as regards to indexation. Salary indexation applied at 2.5 per cent and non-salary indexation at 2 per cent.

CHAIR - Instead of the opposite way around.

Ms LOVELL - Thank you for that. How many parcels of Crown land have been sold in the last financial year?

Mr DUIGAN - I'll find that piece of advice. The Department of Natural Resources and Environment Tasmania (NRE) will exceed the 2023-24 target of \$1.7 million for sales revenue. During the year, 51 parcels of surplus Crown land have been sold through NRE Tasmania at a value of \$3.3 million, including application sales and sales under the Surplus Crown Land Public Sales Program. The target for 2024-25 has again been set at \$1.7 million.

Ms LOVELL - How many parcels of land are under consideration for sale at the moment?

Mr DUIGAN - I don't believe I have that information at hand but could provide it for the committee prior to the close.

Ms LOVELL - Do you have a strategy or a plan to achieve that target in this financial year yet, or are you still working on identifying those?

Mr DUIGAN - The target for 2024-25 has again been set at \$1.7 million and this is comprised of a target of \$1 million derived from the continuation of the public sales program and the annual target of \$700,000 from application sales.

Ms LOVELL - Are you on track with the \$1 million from the program target? Do you have a plan to achieve that? Do you have parcels identified?

Mr DUIGAN - I would need to pass to the secretary. No, I do have some information that would point us in that direction. I'm able to say that as of 30 June 2024, five properties are currently on the market for at least \$1.4 million. A further seven properties are ready to market soon with an anticipated sale value of at least \$1.5 million.

Ms LOVELL - That answers my previous question.

Mr DUIGAN - If you're happy to take those numbers as they are.

Ms LOVELL - Yes, thank you. Minister, in the previous budgets there was some funding allocated as part of the COVID response. There was an allocation of funding to improve Crown Land's transaction turnaround time. I understand that with that funding there were six additional staff employed to improve those transaction turnaround times. That funding has now ended. Have those positions continued or did those cease, and has there been any impact on turnaround times for Crown Land transactions?

Mr DUIGAN - That is one I would pass to Sophie.

PUBLIC

Ms MULLER - That funding continues this financial year, so a further \$1.9 million was provided over two years in the 2023-24 budget.

Ms LOVELL - It does continue. Has it been put into a different line number? It was allocated as part of the COVID response, I understand, in the previous budget with a specific line item. The COVID responses had a 90.-something line item.

Ms MULLER - I am told it was initially part of a COVID line item as you've mentioned, and now it's been incorporated into our appropriation.

Ms LOVELL - And was that \$1.9 million at the same level?

Mr DUIGAN - Additional funding of \$1.9 million over two years has been provided in the 2023-24 budget to extend the increased transaction turnaround time initiative. This is in addition to the previous allocation of \$1.9 million that was provided in the 2020-21 state budget.

Ms LOVELL - Thank you.

CHAIR - We might move to 7.1, Environmental management.

The committee suspended from 5.07 p.m. to 5.11 p.m.

Output Group 7 - Environment

7.1 Environmental Management

CHAIR - Thanks, minister. We'll start with your portfolio relating to Environment, predominantly.

If you'd like to introduce the new person at the table and then invite you to make an opening statement.

Mr DUIGAN - Thank you, Chair. Prior to that, I have some information from our last session around the value of supplementary valuations 2023-24 of sums of money paid to consultants. There was \$244,080 to LG Valuation Services and \$35,700 to Value It Pty Ltd.

CHAIR - Thank you.

Mr DUIGAN - We have with us the Secretary of NRE, Jason Jacobi, and Wes Ford, Chief Executive of the Environment Protection Authority.

Again, I will take this opportunity to acknowledge the Tasmanian Aboriginal people as the original owners and continuing custodians of the land on which we meet today and pay my respects.

This government remains committed to protecting Tasmania's environment and threatened species. We know Tasmania's pristine natural environment and its unique flora and fauna are among its greatest assets. As a government, this is something we are very proud of. That's why we are continuing to invest in conservation, research and community programs that protect, restore and improve our natural assets and our unique species.

The 2024-25 Budget includes more than \$159 million over the forward Estimates for our environment. This includes more than \$44 million in the next year for our environmental management, Analytical Services and threatened species. Despite rhetoric to the contrary, this is \$14 million more than was available in the previous year.

We take our role very seriously and to deliver important conservation work, the Tasmanian government has committed \$8 million over four years to establish a Tasmanian Threatened Species Fund.

Another important way this government protects and manages our environment is through waste and resource recovery. We are investing the landfill levy to support a range of projects across local government, schools, industry and the resource recovery sector. This is a win for the environment and for jobs, creating new jobs and business opportunities in the waste and resource recovery sector.

The government is also looking at how to phase out problematic single-use plastics. We have a discussion paper currently out for public consultation and I encourage all Tasmanians to have their say on this important topic.

The government has strengthened the Environmental Protection Authority's role as an independent environmental regulator to ensure comprehensive environmental monitoring and regulation. The 2024-25 Budget provides \$85 million to the EPA to support its operations, which is an increase from previous years.

Our investment will support increased staffing in key positions in both environmental assessment and the scientific and technical areas to deal with the increasing number of large and complex projects submitted for consideration and approval by the EPA Board.

The EPA also continues to provide a significant assessment role in major Tasmanian projects such as Marinus Link and North East Wind and Whaleback Ridge wind farms as major projects under the *Land Use Planning and Approvals Act*.

The work of the EPA continues the Tasmanian government's commitment to the protection of Tasmania's environment and best-practice environmental management.

I welcome questions on these and other matters relating to the environment portfolio.

CHAIR - Minister, you said you're spending more. When we look at the Budget by revenue from appropriation here, we see that the budget for 2023-24, if you want to include all three, I can do the same thing, effectively, but let's just stick with environmental management at the minute. It's basically \$8 million.

The preliminary outcome we were provided with was only \$4 million, so somewhere some money hasn't been spent, but that aside, in 2024-25 there is a budget of only a bit over \$5 million and then it drops right away. So, to say that you're spending more doesn't stack up with what's listed in the budget papers. Even if you look at the total outputs in output group 7 - 7.1, 7.2 and 7.4 - \$17 million in this past financial year, it's similar but less in 2024-25 but dropping right away into the forward Estimates. I'd like some explanation as to how you claim that you're spending more when the evidence here suggests otherwise.

Mr DUIGAN - Thank you, Chair. In 7.1 Environmental Management, the decrease in revenue for appropriation by \$2.7 million mainly relates to the reduction funding profile for the Circular Economy initiative, the completion of the Waste Action Plan implementation from the 2021 Budget, and the reduction of funding available in the budget initiative Problematic Single-Use Plastics.

In 2025-26, the reduction of \$3.85 million is due to the completion of the 2021 election commitment Plastic Free Tasmania of \$250,000 and the completion of the Circular Economy initiative of \$2.76 million.

The increase in the specific purpose accounts in 2024-25 is due to the Australian Government program Food Waste for Healthy Soils fund of \$1 million and the reflection of a payment to Dulverton Waste Management for \$2.37 million under the circular economy. These funds are in turn reimbursed by the Department of State Growth. The decrease in specific purpose counts in 2025-26 is due to the completion of the payments under the circular economy to Dulverton of \$2.37 million. The decrease in specific purpose accounts in 2026-27 is due to the completion of funding under the Australian Government program Food Waste for Healthy Soils.

The increase in the Waste and Resource Recovery account in 2024-25 and 2026-27 reflects the Waste and Resource Recovery levy under the *Waste and Resource Recovery Act 2022*. This is a phased approach and increasing to \$40 per tonne 2024-25 and \$60 per tonne in 2026-27.

CHAIR - What I'm hearing you say, minister, is that a lot of is project related.

Mr DUIGAN - Project related, yes. Noting that, in waste and resource recovery, as that levy continues to grow and add capability to our waste and resource and circular economy that we will see a number of initiatives in that space to be funded from the ongoing levy.

CHAIR - What's the operational expense that sits in this line item from the staff perspective then, if you can break that down.

Mr JACOBI - Can I just clarify, the exact question that was asked.

CHAIR - I am asking about the non-project funding that sits in the Budget effectively. You have the \$5.238 million revenue from appropriation. Some of that obviously must be for some of the projects that are rolling over or not completed, and there are some staff costs in there. I want to understand the base level of staff who are employed. Maybe it's your employee costs across this? I know some of them are engaged in projects and it's a bit hard to separate them.

Mr JACOBI - I have FTEs, but it's very hard to assign the FTEs to the individual Budget line item. I can give you the FTEs across environmental -

CHAIR - Give me that initially and we'll see how we go.

Mr JACOBI - Do you want me to give you all the Output groups in Output Group 7?

CHAIR - Yes, that's fine.

Mr JACOBI - Through you, minister, Natural Values Management as of June -

CHAIR - That is a primary industry one.

Mr JACOBI - So you want to leave that out?

CHAIR - Leave that out.

Mr JACOBI - Analytical Services Environment as of June 2024, 46.58 FTE. Environmental Management, that's in Environment 15 FTE. and Threatened Species Environment 44.46 FTE.

I can add a bit more information to that. In environmental management, the movement relates to the transfer of functions to other outputs such as the Container Refund Scheme, which was transferred to the Strategic Projects and Policy unit -

CHAIR - There would have been people transferred to that.

Mr JACOBI - Yes, that's correct.

In Output 7.2, Analytical Services. As you know, they provide biological- and chemical-testing services to government. As operations are driven by the services that they provide. There has been a need to increase the number of FTEs to meet the demand of that particular service and some of that has been also in the salmon space as well.

Natural Values Management Output 7.3. The movement relates to the uplift and resources required to meet the government's agenda on the sustainable Tasmanian salmon industry, which I mentioned before, along with the new Threatened Species Strategy to guide our actions around supporting plants, animals and ecosystems to survive in the wild.

Output 7.4 Threatened Species. The movement relates to the uplift and resources to deliver on the government's agenda for the protection recovery efforts for the swift parrot, orange-bellied parrot, and Maugean skate. These activities have attracted specific government funding to assist in habitat management for swift parrots, boosting the breeding and tracking of migratory birds, in particular orange bellied parrots and their recovery, and the modelling, monitoring, and captive-breeding activities associated with the Maugean skate.

CHAIR - How many orange-bellied parrots do we have now? Maybe, that is under threatened species. I will come to that. We will stick with the environment.

Minister, this is where the review of the recent State of the Environment Report would sit or is that under EPA? I am making sure this is under 7.1?

Mr DUIGAN - Let's go with 7.1, yes.

CHAIR - I'm not going to go through the whole thing, but in a high level to start with, there are a number of recommendations in this. What's the government's headline response to this? There's a lot of work to be done.

Mr DUIGAN - It is a large piece of work. It is, as you say, 666 pages, as I understand it.

CHAIR - A lot of technical standards.

Mr DUIGAN - Plenty of findings and 16 recommendations across a range of areas including waterways and protecting threatened species, fire management, biosecurity, and invasive species. We are committed to the sustainable management of our environment, while also continuing to pursue economic development opportunities, ensuring Tasmania remains a great place to live and work, and to raise a family. The government and the departments are currently reviewing the report, its findings and its recommendations.

What I would say is, on balance, there is already a lot of work happening across government in relation to most of the recommendations, but it will be important for us to take some time to consider the findings and to seek the advice -

CHAIR - When can we reasonably expect some information from you, ministers, as to which recommendations - and some of them have multiple parts to them, not just one thing - which ones will you adopt in part, in full, in principle?

Mr DUIGAN - In terms of a full government response to the report, I expect that to happen later this year.

CHAIR - How will the government's response be delivered? What's the plan?

Mr DUIGAN - We will consider the report. We would formulate a response particularly to the recommendations that the report sets out and a list of actions -

CHAIR - One would expect nothing less, so when? Are we talking 24 December?

Mr DUIGAN - I'm not prepared to put a date on it yet. It is a substantial piece of work and it requires a considered response. It has some impact on other pieces of work that are going on that might need to be considered with it, like coastal policy reform and things of that nature and how this report would intersect with work that is potentially being contemplated by the government. There are a range of areas where that is potentially true, so I'm not going to nail myself down to a delivery-

CHAIR - Some of them won't require perhaps that level of consideration, acknowledging that's a big body of work. Let's say, for example, Recommendation 13, which recommends the removal of protections for wild fallow deer from the regulatory framework. When this has been talked about for a long time, so when can we expect a decision from you on based on this recommendation with regard to that, for example?

Mr DUIGAN - Government will deliver a response to the report. We won't go through and cherrypick, saying 'this one's an easy one, we'll put out a bit about that.' I don't think anyone would thank us for that.

CHAIR - No, but I'm trying to get a sense of when we can expect to have an understanding from the government what you intend to do. We've waited far too long. We've

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missed two statutory timelines for this to be done. We don't want to wait for an extraordinary amount of time for a government response.

Mr DUIGAN - Given the scope and scale of the report, I don't think committing to a response in this calendar year is dodging the bullet in any way, shape, or form.

CHAIR - You're saying we will have one before the end of the year?

Mr DUIGAN - Yes.

CHAIR - If parliament's not sitting, so on the last day we sit in parliament, I can get up and ask 'where's your response?' and you say, 'it's not the end of the year yet'. If a formal government position is determined before the end of the year but past sitting, will it be published somehow so members of the community can see it?

Mr DUIGAN - That would be my expectation.

CHAIR - Will it be published on your website? They'll put out some media? What will you do to let us know.

Mr DUIGAN - I imagine it would be published on the NRE website, but I wouldn't want to commit -

CHAIR - I'm just trying to understand. This took a very long time to get here, we don't want to wait a very long time for the response.

Mr DUIGAN - It took a very long time to get here and I think it's appropriate to do the work in terms of responding to it. Noting that, as I say, there are other pieces of work in train that potentially need to respond to it first

CHAIR - As long as you don't keep kicking the can down the road.

Mr DUIGAN - There it is, it's out and we will respond. I also note that there are, as I previously said, a great deal of things that are happening, which -

CHAIR - There were some that respond to that.

Mr DUIGAN - speak to some of the things that have been highlighted in the report.

CHAIR - I'll go to you, Bec.

Ms THOMAS - Thank you. Apologies if I missed you talking about the waste levy -

CHAIR - He only just mentioned it.

Ms THOMAS - How much does government expect to generate from the waste levy in 2024-25, and in the forward Estimates? Where is this reflected in the budget?

Mr DUIGAN - In 2023-24, \$9.1 million of landfill levies were collected. I know that is not the question that you asked. Yes, here we go, in 2024-25, \$18.3 million. In 2025-26

\$18.8 million. It is in the budget papers. I won't waste half-an-hour looking for it, but I'm pretty sure I have seen it.

Ms THOMAS - Perhaps we can come back to that. If someone can come back to that and tell me the answer, that would be very helpful.

Mr DUIGAN - What I should say about landfill levies is that a substantial amount of money will be invested back into the waste space. We'll substantially transform how Tasmania approaches its waste and resource recovery task. I think it is a particularly exciting time. I'm very focused on making sure that we have a strategic response to this, and we do the best job with that money that we possibly can.

Ms THOMAS - We know how important it is. Mr Vincent and I were members of the Southern Tasmanian Regional Waste Authority before we were elected to this place. Before I move on to container deposit scheme, do you have a follow-up question?

CHAIR - You've got a question?

Mr VINCENT - It should have been called the 'Waste Innovation Fund'. That's what it was really there for. I think in the last few days we have heard some announcements of funding pools that have gone out. My question is whether a certain amount or a decent percentage of that money going to be isolated and built up for projects of substantial nature for reducing waste, that aren't sort of immediate grabs? I know we have to get some good wins. People want to see some wins, including all of us. It's also essential that we give some serious funds that can really do some remanufacturing, or education programs and things like that. I appreciate your feelings on that.

Mr DUIGAN - I appreciate the question and the premise of the question. We need to set ourselves up to make some meaningful investments. The government is committed to growing our state circular economy and reducing waste impacts on our environment. The landfill levy is being introduced in a stepped process, again in difficult circumstances. That's a challenge at times, but it does reflect the cost of sending waste to landfill. I think that's an important thing to recognise. It's designed to encourage alternative uses for items that can be reused, recycled or recovered in another way. Most importantly, the levy funds are fully reinvested back into the Tasmanian community to improve waste management and the environment. It's a pivotal policy for the government.

Just this past weekend I was thrilled to announce \$3.5 million in high priority infrastructure grants to support Tasmanians, mostly in the recovery resource sector. These grants are being funded through the landfill levy. A total of 20 grants were selected, ranging in amounts from \$10,000 to \$500,000. I think there were 40 applications. The projects were designed to improve facilities, equipment and systems.

Some successful recipients included the team at the Glenorchy tip shop. I spoke to them the other day. They have a \$30,000 grant to help them purchase new infrastructure for construction and demo materials. You would be well aware of the Glenorchy tip shop. It's Australia's first tip shop, I was interested to learn. That grant includes an undercover sales area which will improve efficiency and increase capacity for further supporting the circular supply chain.

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Glenorchy City Council's Jackson Street recycling hub received almost \$100,000 to develop and expand its operations with a side office, hardstand area and increased capacity for loading bays. Some of the other successful applicants include Devonport City Council with plans to upgrade resource recovery infrastructure, Dulverton Waste Management to purchase a hospitality food waste collection truck, Kingborough Council using funds towards hazardous household waste collection, sorting and storage facility, Meander Valley Council's Deloraine Waste Depot for the facility's waste transfer station project, ReDress Hub's ReMake space, and The Udder Way for milk keg washing facilities. There was strong demand for the grant program to the board, which made a decision to increase the available funding from \$2 million to \$3.5 million. These grants and this project are a win for the environment and for jobs. There are a great many new opportunities.

In regard to my position, I've written to the Waste and Resource Recovery Board on delivering some specific strategic priorities, including education, and I expect strategic projects to be funded going forward from the levy. Those are the large-scale investments we need to make in this space.

Ms THOMAS - Great to hear there are some projects in Glenorchy funded through that program. I know there are also a lot of community groups and rubbish-collecting groups in Glenorchy champing at the bit for the container refund scheme, Recycle Rewards, to be delivered. Last year in Estimates, then minister for the Environment, Roger Jaensch, said the contract for the delivery of the container refund scheme was expected to be signed by the end of the year - 2023 year, not 2024. I've asked you about this in question time in the House, and you've said the contract will be signed soon.

Mr DUIGAN - Imminently.

CHAIR - That's why we don't believe you, and you seriously wonder why.

Ms THOMAS - Has it been signed? If not, what is causing the delay?

Mr DUIGAN - I appreciate the question. I think we can all agree that we want to see less rubbish on the roads and waste going to landfill. Almost half of Tasmania's litter by volume in 2018-19 was from drink containers. These are containers that could have been recycled. Instead, they are often contributing often to waste and litter impacting on our community and the environment. That's why I'm very pleased to announce today that we are one step closer.

CHAIR - Oh my God.

Ms THOMAS - Still not there. Just a step closer.

Ms LOVELL - What was that step?

Mr DUIGAN - As part of our container refund scheme, Recycle Rewards, I am thrilled to share the news that TasRecycle Limited will be the scheme coordinator and that TOMRA Cleanaway Tasmania the network operator.

Mr VINCENT - Who was that, sorry?

Mr DUIGAN - TOMRA Cleanaway Tasmania. The scheme coordinator will run the administration and finance of the container refund scheme (CRS), while the network operator will manage the network of refund points across Tasmania. Once Recycle Rewards starts, people will receive a 10 cent refund for any eligible beverage container returned to a designated container refund point in Tasmania. Work to roll out and mobilise the scheme is now underway. Tasmanians can look forward to having a container refund scheme in operation by mid-next year. I'm advised there will be an eight-month, or thereabout, rollout of the scheme.

There will be 49 container refund points available statewide, making Recycle Rewards accessible for all Tasmanians. It's estimated Recycle Rewards will reduce the amount of drink containers in litter by almost 50 per cent and double recycling rates of eligible containers, which will reduce waste going into landfill and sustain the environment for future generations.

Recycle Rewards is a key part of the government's work to reduce litter and increase recycling. It will support the development of our circular economy. The government is committed to a container recycling scheme that will work for the community and the environment, that provides opportunities for charities and community groups, and maximises the number of containers returned. The government is working to deliver a scheme that is accessible, affordable and maximises the return. The Tasmanian government is committed to ensuring the maximum number of charities and community groups around Tasmania will be able to benefit from the establishment of a CRS. I think that's a really critical point because I, like you, have had plenty of representations from community groups who want to see this up and going.

We are committed to delivering the best possible scheme for Tasmania to ensure we get it right. So, a seminal date. I'm very pleased to have signed the contracts. I take this opportunity to give special thanks to the team in NRE who have worked through what has been a massive job of getting those contracts into a place where Tasmania could go ahead and sign them. It has been a big job of work.

CHAIR - It's nice of you to announce it in this committee, not at the other place.

Mr DUIGAN - Thank you. No doubt those people were hearing the frustrations and the excitement of everybody, so I'm really pleased they've been able to get it done.

Mr VINCENT - It's a marvellous decision. As a person who does two mornings a month picking up roadside rubbish around Sorell, about 40 per cent to 50 per cent of the rubbish picked up on the sides of the road is containers that could be refundable so it is going to have a huge effect on the beauty of this state.

Mr DUIGAN - Another aspect is some education work we need to do with our resource recovery funding because there is quite a bit of litter in certain places on the sides of our roads.

Mr VINCENT - This would disappear pretty quickly if there is money attached to it.

Mr DUIGAN - Yes, true.

Ms LOVELL - Maybe next year's Estimates would be a good opportunity for you to announce the scheme is up and running. The timing will be about right. I would look forward to that. Let's hope we can have some more good news.

CHAIR - Unless there's an election and the budget's pushed out again.

Ms THOMAS - Let's hope we can have some more good news. In 2021, the Tasmanian government committed to phasing out the sale and supply of certain single-use plastics and materials in 2025, along with all other states and territories. The NRE website says the Tasmanian government allocated \$1 million over four years for the drafting of legislation and development of a comprehensive implementation plan, which includes \$100,000 to support businesses through the transition to assist businesses to address the impacts of problematic single-use plastics.

I know that initial public consultation has commenced with a discussion paper and survey out for feedback until 1 October, which is next week. Is the expectation still that legislation will be passed and the ban implemented in 2025?

Mr DUIGAN - The Tasmanian government will introduce legislation to phase out certain single-use plastics across the state by the end of 2025. This is consistent with a commitment made by the environment ministers' meeting in April 2021 and reaffirmed in October 2022. As you mentioned in your question, as a first step, public consultation on a discussion paper commenced on 20 August 2024. Legislation informed by public consultation will be developed through the course of next year. NRE Tas is working with government agencies to identify challenges and opportunities associated with implementing the phase-out, ensuring a smooth transition for Tasmanian businesses and the community. Tasmania's legislation and support mechanisms will be informed by feedback from community and industry learnings, both from Tasmania and other jurisdictions.

I think there are lots of potential wins here in our phasing out of PSUPs or problematic single-use plastics. Those include things like plastic straws, plastic utensils and stirrers, plastic bowls and plates and some expanded polystyrene consumer food containers, microbeads and, typically, products that have a useful lifespan of a couple of minutes when you're using them and then spend the next couple of hundred years degrading in landfills. I think it is an important initiative for us. There will be some learnings to be gleaned from our public consultation in terms of some exceptions and things that might be needed to be exempt, particularly in regards to medical supplies, people with disability needs and things of that nature, where plastic items are the only, feasible products at the moment that can be used in certain circumstances. We need to be careful and considered.

This will be rolled out in a couple of tranches, with stage 1 lightweight shopping bags which we banned in 2013, degradable plastics, plastic straws, plastic utensils, stirrers, plastic bowls, which are things that I've said. Stage 2 will likely include fruit stickers, plastic soy sauce and condiment packets and the items for each stage will be informed by the feedback on the discussion paper and targeted consultation. As I have said, we will need to provide some transition support to businesses, especially small businesses, and a regulatory impact statement is due in the first quarter of next year.

Ms THOMAS - When do you expect the legislation to be coming through parliament?

Mr DUIGAN - Late 2025.

Ms THOMAS - Late 2025.

Mr DUIGAN – That's the expectation, yes.

Ms THOMAS - No more Mentos.

Mr DUIGAN - Well, no, we need to see, you know, wrapped in paper.

Ms THOMAS – Good, it will be a good thing. Too tempting sitting there.

Further to that, is the funding allocation for the implementation of the single-use plastics ban included in these forward Estimates?

Mr DUIGAN - Yes. There's \$1 million committed over four years to develop the implementation plan and support business. I think we have got some funding there to help those that are potentially impacted by this.

Output Group – Environment

7.2 Analytical Services

Mr VINCENT - Perhaps a bit late for me to start on this one, Chair. I could spend a couple of hours on this.

CHAIR - Have you got a DD for this one?

Mr VINCENT - No, I haven't, other than to say in discussions with the minister to find out a little bit more about this, I found out that it's a bit of science and laboratory stuff. I've got nothing specific to ask, but as everybody wasn't sure what it covers, would you like to make a short statement on what it is and what it covers for us for our own knowledge, please?

Mr DUIGAN - Yes. Thank you, because Analytical Services Tasmania (AST) - and people may have been surprised by the head count attributed to AST - but it is becoming an increasingly important service.

AST provides high-quality accredited chemical and biological testing to the Tasmanian government, industry and the public, and it continues to support the Environment Protection Authority and the Director of Public Health with essential services. The testing undertaken by AST supports a diverse range of activities and business needs in Tasmania and these include testing for the purpose of environmental monitoring and compliance, environmental emergency response, food safety, waste management and compliance, farming and aquaculture, industrial processing, human health risk and healthcare compliance, and testing for environmental contaminants.

Testing workloads and volumes vary, with prioritisation given to issues that may pose a risk to human health but, as I was saying, it is a job that is growing in stature, not diminishing. I'm sure, as the director of the EPA can attest, AST services are vitally important to providing good environmental outcomes, amongst other things.

Mr VINCENT - Growing in stature, is demand growing for more testing with a focus on the environment?

Mr DUIGAN - I am happy for Wes in his last Estimates hearing to provide some -

CHAIR - Second last, he has got tomorrow.

Mr DUIGAN - Yes, not last Estimates hearing.

Mr FORD - Yes, its demand for services are going up both within government and also commercial services because it's a highly specialised area where there's limited commercial capacity.

Mr VINCENT - There are some user-pays?

Mr FORD - Yes, user-pays. Those large industrials that use the services - Grange Resources, MMG, the salmon industry - all pay for that service and because it's a government commercial business it has to meet cost-neutrality, so there is a commercial charge for some of those services.

Mr DUIGAN - I did not mean to put you on the spot, Wes, but in 2023-24, AST received a significant surge in testing submissions. They expected around 265,000 tests but received over 311,000 tests - a 17.4 per cent increase.

CHAIR - I think I read that as a footnote from memory. I'm just interested in what was the key driver for that increase? Was it on one particular area? Was it across the board?

Mr DUIGAN - AST's fast turnaround biotoxin facility. Shellfish is significant. Water and public health, I am reliably informed, are among the drivers of increased demand.

CHAIR - In terms of public health, what's it - a public health area?

Mr DUIGAN - Water and public health.

CHAIR - Water causing public health issues? Or are they separate?

Mr DUIGAN - I might throw to the director.

Mr FORD - There's a combination of notifications of poor water quality causes the Director of Public Health to require increased testing. The public health laboratories deals with biological testing in public health space. Analytical services deals with dissolved metals or concerns about dissolved metals, often in some of the ageing infrastructure. A number of investigations undertaken by EPA has also increased the workload across a range of areas.

CHAIR - There wasn't one particular surge in an area - it's right across?

Mr FORD - No, there's not one particular, there isn't one specific investigation that has been driving services, but more broadly across it's an increased demand not only by ourselves but also through the EPA permit conditions imposed on the salmon industry and the mining industry. The amount of submissions made by those companies through AST has increased over the past financial year.

CHAIR - Not noting those raw costs recovered, and I assume that it is a full cost recovery approach. Minister - full cost recovery?

Mr DUIGAN - Full cost recovery?

Mr JACOBI - I'll have to take that on notice.

Mr DUIGAN - We'll have to seek some advice.

CHAIR - In the absence of that knowledge, the other key question is, is the budget then adequate going forward to actually meet the needs? We're not going to see it diminish, I wouldn't think, because of changes to legislation that requires, rightly, a more rigorous approach. We could see as a result of the State of the Environment report more rigorous testing in areas too. I would suggest looking at some of the findings in that. Is it adequate, in your view, to meet the projected need - not knowing how much is recovered?

Mr DUIGAN - Certainly, as we would understand it, a large proportion of AST services are cost recovered, it's quantity of funding, it was not an issue that has been raised with me directly. But happy to -

CHAIR - We don't know whether they're fully cost recovered or not?

Mr DUIGAN - I can tell you it's not full cost recovery.

CHAIR - It's not?

Mr DUIGAN - It's not full cost recovery. There is some consolidated funding which supports the delivery of services.

CHAIR - What's the amount of consolidated funding that supports this?

Mr JACOBI - I'll have to chase that for you before the end.

CHAIR - Okay, alright, I'll just change my question. That's all from me now. We'll move across the list. Move on to 7.4, threatened species. That's where I was going to ask about how many orange-bellied parrots we've got.

Output Group 7 - Environment

7.4 Threatened Species

Mr DUIGAN - In 2023-24, the Tasmanian government provided an additional \$1.3 million over two years for tracking orange-bellied parrots (OBP) during their migration and maintaining critical infrastructure at the Five Mile Beach captive breeding facility. I'm speaking about the tracking program, which is potentially a little bit of topic.

At the start of the 2023-24 breeding season, the wild OBP population size reached 82 adults, the largest size recorded since the 1990s. The wild population was supplemented by the release of 58 birds to increase the number of wild born young and increase the size of the migrating population. In autumn 2024, a total of 188 birds departed Melaleuca on their northern migration toward Victoria and South Australia, the second-highest migrating population in the

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last two decades. The Five Mile Beach facility holds approximately 300 birds and is the largest captive population of OBP in Australia.

Happy to provide some more information about the tracking program, which is an innovative -

CHAIR - We are tracking those that are migrating. Do we know how many get there?

Mr DUIGAN - There is a program to track some of the birds that are migrating.

CHAIR - Do we have some measures on that yet, or is that too new to know?

Mr DUIGAN - In 2023-24, the Tasmanian Government provided an additional \$1.3 million over two years for tracking birds during their migration and maintaining critical infrastructure at the breeding facility. This funding is to build on existing proof-of-concept trials to develop a tracking program for the critically endangered OBP, increasing knowledge of the species' migratory pathways and opportunities to mitigate risks to its recovery. The funding also supports the breeding program at Five Mile Beach. This year, 46 orange-bellied parrots were fitted with transmitters -

CHAIR - They are tiny little things, I imagine, because they are only little birds - like little backpacks on their wings.

Mr DUIGAN - Tiny little things, yes, 46 OBP fitted with transmitters prior to their migration; 20 receiver towers that can detect OBPs with transmitters that fly within three kilometres of them were installed from the south-west coast of Tasmania to the north-west tip, east to Rocky Cape, and on Hunter, Three Hummock and King islands in Bass Strait. I am advised that results will be available soon after all the data is collected and analysed.

CHAIR - When do we expect that data to be-

Mr DUIGAN - I am happy to bring Rachael Alderman to the table if people would like a great deal more information on this, which I think is a particularly interesting one.

CHAIR - I am just interested in when we are going to have the data, because it is good that we are tracking them, but we want them to come back, and we need to know how many get back. Yes, if you could introduce Rachael, please?

Mr DUIGAN - Thank you. Rachael Alderman, and correct title should be?

Ms ALDERMAN - Director of Threatened Species and Biodiversity.

In relation to when we are going to have the data, we have collected pretty much all of it. There is a few outstanding, currently analysing. The report has been peer reviewed, and just responding to that. It is quite imminent but going through some final fact-checking and proofreading and double-checking to make sure.

CHAIR - Do we know that most of the ones who were tracked came back?

Ms ALDERMAN - No. Where we are at at the moment is - these trackers went on juveniles. We deployed them on 46, I think, as the minister outlined. Orange-bellied parrots have a really low juvenile survival rate, so, we only had a really small proportion of those individuals detected on the tracking devices.

We will not know how many of those 46 survived until later on in this monitoring season, which is just commencing. Volunteers and staff are just down at Melaleuca now, and they are starting their observations for birds that have returned successfully from the migration. It is possible that some birds that had trackers on them that we did not detect on the way up they might come back and add to the tally.

CHAIR - There are no receiving stations in the northern hemisphere, or there are?

Ms ALDERMAN - No, these are radio trackers and VHF trackers. They are really tiny, and they have to fly within close proximity to a receiving station. The data gets logged into the receiving station, and you have to download that, and then there is complex analysis you have to do to work out which bird and if it was a bird et cetera. I guess what we are hoping for is the next stage of tracking technology, which would use the satellite systems and GPS, but that requires quite a bit of testing because those devices are bigger, and animal welfare and ethics come into play.

CHAIR - Mr Vincent, do you have something?

Mr VINCENT - Not on the bird, no. Just on other threatened species.

CHAIR - The skate, is that we're you're going?

Mr VINCENT - The skate gets a lot of conversation at the moment, but an old favourite down my neck of the woods is the handfish, which is under a lot of threat. How broad is that funding going to be to cover some of those things?

Mr DUIGAN - In terms of funding, I'm pleased to announce that in the Budget we have \$8 million for threatened species to establish a Threatened Species Fund over the next four years. The fund will directly support conservation activities for a range of priority species. This includes the handfish to which you refer.

I was pleased to go to Seahorse World up in the Tamar the other day where, you might be interested to learn, they breed red handfish and spotted handfish. I saw tiny two-day-old baby handfish.

CHAIR - Didn't put your fishing line in, did you?

Mr DUIGAN - No, indeed not. The red handfish is in very small numbers in a very localised natural environment, and as part of that \$8 million in funding for the Threatened Species Fund, I have asked my department to look at ways we can best support and protect the red handfish in particular. It's found in that very localised area and, as such, we need to look at how we can protect this species against threats, which can include introduced predators, pollution, siltation and direct impacts such as boat moorings, or more particularly anchor chains, and coastal developments as well as habitat decline.

You would be aware that last summer the department supported scientists at IMAS to collect 25 red handfish from the wild and care for them in captivity to protect that fragile population from record high sea and atmospheric temperatures. Obviously as the water has now cooled, those fish have been successfully returned to their natural habitat.

NRE is continuing to work with the Australian Government and other research organisations and relevant stakeholders to put in place the most appropriate research and management approaches for the species. The government is also taking action on a number of other priority species: the Maugean skate, the orange-bellied parrot, the swift parrot and the Tasmanian devil. It is great to have a quantum of funding available to support those particular actions around our threatened species.

CHAIR - Minister, I saw you tweet yesterday, maybe, about the Maugean skate and some positive news about the numbers of skate in Macquarie Harbour. Can you add some further details of where that information has come from and the reality of it?

Mr DUIGAN - Having good population data and understanding the population viability of Maugean skate in Macquarie Harbour is a critical piece of work. In light of a recent report that questioned the original assessment of skate population, I think we're doing some work around better understanding what the current skate numbers are in Macquarie Harbour, in particular, in regard to salmon farming and its impacts. But this is a separate piece of work submitted by IMAS. There has been very good news released today, 24 September, by the Institute for Marine and Antarctic Studies and the University of Tasmania. The routine statistics and monitoring report confirms the presence of juvenile Maugean skate within Macquarie Harbour to levels caught during the baseline study in 2014. That is a fairly -

CHAIR - Caught meaning pulled out of the water or caught on camera?

Mr DUIGAN - It's an interesting use of the word 'caught'.

CHAIR - Yes. It would be best if they weren't caught.

Mr DUIGAN - I am not familiar with how they do this piece of monitoring. They use nets -

CHAIR - And then they put them back? They're quite sharp and pointy things.

Mr DUIGAN - In the context of conversations around Macquarie Harbour and Maugean skate, this is important information into the mix - the presence of juvenile Maugean skate within Macquarie Harbour to levels caught during the baseline of 2014. Importantly, this survey report indicates that in recent years the adult skate population may have stabilised. The data in the latest IMAS report is not consistent with the catastrophic declines that have previously been predicted.

As members would be no doubt aware, there is a comprehensive conservation action plan being implemented to ensure the ongoing survival of the Maugean skate, and a comprehensive environmental management framework is in place to ensure sustainable salmon farming operations in Macquarie Harbour. That includes the captive breeding program. I'm not sure if anybody's been to IMAS at Taroona to have a look at that, but it's very interesting.

I'm told that there are now nine Maugean skates that have hatched from eggs laid in captivity in the captive breeding program. I think there were 50 eggs taken from Macquarie Harbour and a great deal of those have hatched. A total of 24 juvenile skate appear to be thriving in the captive environment, and in the eight months since the capture, one of the female skates has laid more than 100 eggs.

I'm pleased to sit here and deliver positive news around the Maugean skate and its viability, not only in a captive breeding situation, which is helpful, but also in its natural environment in Macquarie Harbour.

CHAIR - I am sure the people in Strahan will be very pleased to know about it.

Mr DUIGAN - I hope they will be.

Royal Tasmanian Botanical Gardens

CHAIR - We will move on to the Royal Tasmanian Botanical Gardens. Would you like to introduce your person at the table?

Mr DUIGAN - Yes, we have with Yann Gagnon who is the Director at the Royal Tasmanian Botanical Gardens.

Mr HARRISS - I'm interested in your key deliverables, such as improving infrastructure. In last year's hearings there was mention of a new kiosk and visitor centre. How's that going?

Mr DUIGAN - It is going really well. I was very pleased to be there six weeks ago with the Chair and the Director to see the progression of works. A substantial quantum of funding has been spent in the gardens. Yann, since you have been waiting here patiently since lunch time.

CHAIR - Let him talk about it.

Mr DUIGAN - It would be very appropriate for me to ask you to update the committee on progress of works happening at the gardens.

Mr GAGNON - The project is well started. It's divided in four zones. Zone 2, which is the existing visitor centre, is ongoing major renovations. The interior is being renovated and is due to open in November 2024, with a new restaurant operator to begin in early 2025, with a four tier option, with fine dining, casual dining, catering, as well as a kiosk.

We also have some improvement to the exterior of the visitor centre, including enhanced accessibility access and seating areas, combined with more improvements to the carriageway access of the Botanical Gardens. This includes a dedicated pedestrian path and improvements to the DDA car parking. Lastly, we're still very much in the design phase for the construction of a new welcome point near the main gate. This will include a new retail operation and improve access for people with mobility issues and young families with strollers.

Mr DUIGAN - Thank you, Yann. It's exciting work. It's probably due, noting that the visitor centre has served us well for a long period of time. It is a \$7.6 million investment in the

gardens. The gardens continue to be one of our number one attractions here in Tasmania. More than half a million people visit the gardens each year. If you haven't been up there for a while -

CHAIR - Most of them are repeat visitors, I assume.

Mr DUIGAN - Yes, I'm sure they probably are. There's also a great cohort of volunteers that greet people as they visit. I think improving some of that work that's being done around improving disability access is particularly important. It's a great space.

Mr HARRISS - Thanks, minister. The irrigation repairs and heritage wall repairs, are they complete? I know they were in last year's Budget. How are they?

Mr DUIGAN - The critical irrigation repairs - Yann, you might be able to give the most contemporary update. I've got some not particularly current stats around the irrigation, which was a large outage of irrigation, and the wall repair. What's the status of that project?

Mr GAGNON - The irrigation project was contingent on receiving an Aboriginal Heritage Permit, which we received yesterday. There was significant amount of design work that was put into place considering the significance of the Botanical Gardens in light of the Aboriginal sites. There had been a fair bit of redesign of the work. Now we're on track to commence the work to the electrical wiring system in coming weeks. It should be pretty completed by January or February 2025.

For the irrigation at the Eardley-Wilmot Wall, the repairs were also contingent on receiving an Aboriginal Heritage Permit, which we received. There were significant conditions that came in, which included having Aboriginal Heritage salvage cost that we didn't factor in. With this permit now in place and a better cost estimate, we can look at doing the repairs to the walls beginning in the next coming weeks. Originally we thought we could do three buttresses of the wall. It looks like it'll be more like two buttresses now, with the additional cost from the archaeological and engineering consultants that we had to hire to permit that.

CHAIR - Can I ask a bit about the Tasmanian Seed Conservation Centre and how that's progressing? This is really an important part of the work of the garden.

Mr DUIGAN - Yes. This is one of the more little-known aspects of the garden, but nonetheless a very important function of the garden. I understand that the seed collection continues to grow.

Mr GAGNON - Just pulling in here, so we have over 1.6 million seeds now in our seed bank. That was initiated 19-20 years ago, and this year there have been 57 collections that were added. We have a fairly large collection of Tasmanian native plants. The goal of the Tasmanian Seed Conservation Centre is to preserve Tasmanian floral diversity, and it's advancing well.

It continues to be supported, and this is reflected in the new strategic master plan, with a strong commitment to continue to grow our collection. It should be noted that a lot of the collection - the goal is to send half of the collection to Kew Gardens in the UK so that the floral diversity is preserved there, and in the event that our collection would fail or not be viable.

CHAIR - Just in the financials here, it seems that the grants received by the gardens are less in 2024-25, this current coming financial year. It does pick up again after that, but why is that?

Mr DUIGAN - I will throw to Yann.

Mr GAGNON - The Botanical Gardens received \$325,000 in the 2023-24 financial year and it's not reflected in this year. It's the grant - if we look at that, it is there in 2023-24 to supplement our annual grant funding, and it's not there in 2024-25.

CHAIR - What was that? Was that funding for something?

Mr GAGNON - It was a one-off for the irrigation repairs and the wall repairs.

CHAIR - That's all been expended now?

Mr GAGNON - It's not expended, but it's in process. As I mentioned, we were waiting for the Aboriginal Heritage Permit to proceed.

CHAIR - Sure. Any other questions on the gardens? We'll move to the Environmental Regulation, which is under EPA.

Output Group 1 - Environment Protection Authority

1.1 Environmental Regulation

CHAIR - In terms of this, this is all in budget paper 2, volume 2, I assume, all the relevant information regarding that. In terms of the appropriation for these Output groups, it does increase a little, but not hugely. When you think about the amount of work that may be required on the back of the State of the Environment Report, is this adequate? That goes up by \$400 000. There could be a whole heap of work that the Environment Protection Authority (EPA) is required to do. There's no indicators it's getting better in that report, let's face it.

Mr DUIGAN - I think that's one of the reasons why we will be taking some time to consider the State of the Environment Report -

CHAIR - They could afford to pay for it?

Mr DUIGAN - Well, noting there are things we may need to do. In terms of-

CHAIR - Can I just suggest, minister, that because the EPA is supposed to be an independent authority, I may direct my questions to the Director?

Mr DUIGAN - Well, in fact, that's fine.

CHAIR - He should be here on his own, quite frankly.

Mr DUIGAN - That's right. I don't know that we already do, but okay. If you have a question that you would like, are you happy for that circumstance to occur?

PUBLIC

Mr FORD - Thanks for the questions, Ms Forrest. From the government's position around the response to the State of the Environment Report, I would reasonably expect if the government requires the EPA to do more work as a consequence, that would be reflected in subsequent budgets. At this point in time, I don't know what that additional work might look like. So therefore it's not reflected in the current Budget.

CHAIR - To the independent director - in terms of both environmental regulation and environmental assessment, can you provide a breakdown of your staffing components of the cost, with a bit more detail about the appropriation there?

Mr FORD - I can. At a full-time equivalent (FTE) level, there are currently 113.69 positions - that accounts for 128 as a headcount of people, noting the comments Mr Jacobi made before about the difference between the two. From an FTE point of view, there are 33.98 in environmental assessment, 64.29 in environment protection and 15.42 in salmon environmental regulation.

CHAIR - How much, the 15-point?

Mr FORD - It is 15.42.

CHAIR - I noticed that we're sort of going across all three here, but the finfish regulation - there's no appropriation for this year. I assume that relates to the work that was done with the new regulations?

Mr FORD - No, there's been a restructuring of the environmental output for 1.3. The government's commitment to move to full cost recovery transfers that cost across to industry, and industry levy recovered by the department, paid to the EPA. So the consolidated allocation that appeared in the previous financial year has been redistributed across outputs 1.1 and 1.2. The best place to refer to this is in table 13.3, as opposed to 13.1. Table 13.3 shows it in terms of expenditure, and as you work through the further tables it shows it as a revenue. Somewhere around \$3 million comes in directly through the salmon-

CHAIR - 'Fees and Fines', under that line?

Mr FORD - It is reported as fees and fines, yes.

CHAIR - I've got that. You've given me the numbers. I'm interested in the dollar figure of the staffing costs in 1.1 and 1.2.

Mr FORD - I don't have that. We would have to come back on notice and to convert those staff into actual funded dollars.

CHAIR - I assume that your department is mostly people?

Mr FORD - Yes.

CHAIR - There would be a relatively small component that's not people?

PUBLIC

Mr FORD - Absolutely. In terms of the budget paper, staffing expenses are covered across the whole output. It is just about converting those numbers, which is what we do, but if you want the numbers - dollars per output-

CHAIR - Related to staff pay.

Mr FORD - Might have to take it on notice.

CHAIR - Are you required to meet a budget efficiency dividend?

Mr FORD - Yes.

CHAIR - How are you going to do that?

Mr FORD - The budget efficiency dividend for the EPA is presented in budget paper 1. It's \$200,000 in the first financial year; \$400,000 second financial year; and \$600,000 third financial year. The only strategy the EPA can have to reduce its costs is basically through staff reductions.

CHAIR - That's really the point I was getting to.

Mr FORD - At the third financial year, it's estimated to be four positions. However, in terms of budget management strategies across 100 positions, you can pretty much cover an additional two. I expect that half of that \$600,000 in savings will be achieved by cost savings associated with vacancy control - filling positions a bit slower.

The government structure around the purchase leave schemes - I have a number of staff on purchase leave schemes, so they voluntarily reduce their hours. People moving in and out of the workforce - we have a majority female workforce, and a number of those staff have children. They vary their hours up and down, you know, 0.6, 0.5, 0.8. There are savings to be made in a budget. I don't expect that I'm going to have to find four full FTEs out of that as a strategy and, as the minister has commented, there's other opportunities associated with the renewable energy process. For us, it'll be a bit of reprioritising.

First financial year we'll be able to meet the savings in terms of just those normal savings mechanisms.

CHAIR - Are they really savings? If they're positions that are funded and the funding's not withdrawn, they're not filled. You're not drawing them down.

Mr FORD - They are savings. There is an opportunity cost associated with those savings.

CHAIR - It just becomes a higher rollover into the next financial year, is that what you're saying?

Mr FORD - No, it's the opportunity cost. Year on year, if we accrue savings, we invest those savings back into equipment, or - for example, we've made some savings this financial year, so we've used that to purchase new oil spill equipment. That's an investment on a small scale asset for the state.

CHAIR - But you won't be able to spend that money if it's a budget subbing, so you won't be able to buy more oil spill equipment.

Mr FORD - That's inevitably the challenge around trying to manage the efficiencies. There are other things that can't be delivered. The challenge from an EPA point of view, like every other agency, is finding those matters of lower priority in order to be able to not make those investments, and look at where we can make savings and efficiencies through systems or different approaches.

CHAIR - There are other things in your mind that would be nice to have, but are dispensable. You could think, 'We were going to buy this oil spill kit or whatever it is, but we won't, we'll make do with what we've got'. Are there things that you can identify in the organisation that fit that?

Mr FORD - Not in a planned sense. Most of our investments in these processes tend to be reactively based on, if there's an opportunity to accrue some savings across the course of the year, we would reinvest those funds. It's difficult to project forward around where those opportunities might be because we may not have the savings.

CHAIR - You'd be pretty much across what your actuals were for this last year. Are they pretty close to what your budget was?

Mr FORD - Our actuals will be greater than our budget as a consequence - and this comes out through the annual report. Our actuals are greater than our budget, but that's been dealt with through the supplementary appropriation process, or the request for additional funding process. It's been driven by out-of-ordinary operational things, like dealing with marine oil spill pollution, dealing with the *Harry O'May* incident, dealing with a significant expenditure for the Recycal investigation that's ongoing in Launceston. Those things mean we've spent more money, but that money has been dealt with through the Treasurer's process and gets accounted for at the end of the budget. It's obviously reflected in next year's budget papers.

CHAIR - It won't if it's a RAF?

Mr FORD - It's probably reflected in this year's budget papers.

CHAIR - Not this year's budget papers. It will be in the RAF, won't it?

Mr FORD - RAFs from last year - I'm not quite sure whether they've been reflected in this year's expenditure because of the timing process. They'll certainly be reflected as the expenditure.

CHAIR - Out of the Treasurer's Reserve?

Mr FORD - Yes.

CHAIR - I believe we've had a supplementary appropriation - except we had one early in the year. That didn't pick up EPAs additional expenditure, did it?

Mr FORD - No, I think ours were all dealt with through request for additional funds. They were all tied very specifically to those marine pollution incidents and the Recycal events. At an expenditure to staffing level, we have been under budget in our operational and staffing expenditure across the financial year.

CHAIR - An organisation such as the EPA surely should have a little bit of capacity to deal with an oil spill, like going to the *Goliath* ship to do what they did Mersey River, and things like that, when we've got a major issue on our hands. Those things happen.

Mr DUIGAN - They do and the EPA responds.

CHAIR - And recovers those costs?

Mr FORD - The arrangement with Treasury is that it's a bit like firefighting. Those out of the ordinary costs are collected up at the end of each year and dealt with through then RAF process. That is specifically because you can't budget for them. We could get half a million dollars in the budget and then not spend it because we haven't had an incident, or we can have an incident that costs \$2 million, like the Mersey tugs. Had that not been cost-recovered through the insurers then that would have ended up on the Treasury.

CHAIR - Was that fully cost recovered?

Mr FORD - Yes. Operationally I have a capacity to run a \$5 million overdraft in that emergency management capacity. If I go beyond that, I have to go through the Treasurer in the middle of the emergency. Every year to date this has been sorted out through the RAF process.

CHAIR - It has not exceeded the capacity of the Treasurer's reserve?

Mr FORD - The government manages emergency management separate from our operational budget. It's not part of our ongoing operational budget.

Mr VINCENT - I was going to ask a broader question on the cost recovery. Are there any other opportunities you get for cost recovery?

Mr FORD - Within the regulations, the assessment charges associated with undertaking environmental assessments for statutory assessments are cost recovered to a degree. There's a statutory - it's a user pays system. It doesn't meet full cost recovery, but they are set by the regulations. Therefore, if you want to put in a new fish processing facility or a new abattoir, then you pay a fee for that. In EPA, some minor operational things we do charge for service. We issue an Environment Protection notice for a specific activity. Take the issue at Risdon Vale associated with ReProcess Tasmania. We then issued an invoice for the services directly related to the application of that Environment Protection notice. Its cost recovered to the extent the regulations specify how much per hour we can charge.

Ms LOVELL - I had a question about the salmon industry full cost recovery program. This is the first year of it being implemented. I was wondering if you can outline a breakdown of the costs that have been recovered, and what activities you've recovered costs for?

Mr FORD - Do you want me to answer part? Maybe Jason answer part?

Ms LOVELL - Whoever's got the answer, I reckon.

CHAIR - Whoever's got the information

Mr FORD - Maybe if I start.

Mr DUIGAN - A range of activities undertaken by the Tasmanian government regulate Tasmania's salmon industry. I'm just treading carefully because I think it does, by and large, sit with another minister, minister Abetz, in Industry. From 1 July 2023, a cost recovery levy was established to recover the full cost of managing the salmon industry. I'm advised that the levy revenue was \$9.61 million for 2023-24, if that answers your question.

Ms LOVELL - It answers part of my question. The second part was what activities were cost recovered for?

Mr FORD - I can speak to my part of the process.

Mr DUIGAN - We can probably divide and have a look.

Ms LOVELL - I can put part of it to minister Abetz tomorrow if that's needed.

Mr FORD - In relation to the EPA, the amount that we received was in the order of \$3.1 million.

Ms LOVELL - Was that \$3.1 million?

Mr FORD - \$3.1 million. That covers the direct costs of the staff, which is 15.5 FTEs. It's about 19 people, because a number of people work reduced hours. That's the direct operational cost of those staff. Then there is a component, their overhead costs: their share of the rent, their share of the operation of the vehicles, their share of the IT costs. Under the service level agreement with NRE they then contribute to that. There's about \$300,000 of that money that moves back into NRE for the service level agreement. There are also some broader EPA overhead costs that are shared with Salmon: the cost of our legal services, the cost of our investigations, the cost of our incident response services are shared on an FTE proportional basis. That's pretty much its full cost recovery. It's certainly on the upper side of 95 per cent.

Mr DUIGAN - Jason, do you have anything to add there?

Mr JACOBI - The government commenced full cost recovery on the 1 July 2023. The approach follows existing government policy relating to cost recovery. The costs that are recovered provide benefits to the salmon industry within Tasmania, where the benefit is solely for the salmon industry, or the benefits received by the salmon industry is a significant, disproportionate lead, or is solely or principally in service of the salmon industry within Tasmania.

The services within the scope provided by NRE Tasmania, the Environmental Protection Authority Tasmania, and the Inland Fisheries Service levy of \$3310 per hectare currently applies to the grant or renewal of a finfish marine farming licence. Is this information of use to you, or do you want to go specifically the positions?

Ms LOVELL - Unless you had anything to add to what Wes has said about specifics.

Mr JACOBI - There's a number of policy positions. The environmental standards, the development of those standards, and the wildlife interaction standards will all be funded from the cost recovery. There's a significant number of positions that are involved both in a policy and planning sense, but also in terms of administration of the industry and regulation.

Ms LOVELL - Thank you, that's very helpful. I appreciate this is probably a question for minister Abetz, or maybe both of you. Do you have any intention to enter into any other full cost recovery programs for any other sectors in Tasmania?

Mr DUIGAN - Not at this stage.

CHAIR - I might wish Wes a happy retirement. Thank you, minister and your team, and your responses today. We will write to you with some of those outstanding matters, unless you have anything else.

Mr DUIGAN - Do I have anything to provide? We'll take the AST question as a question on notice. That's all I've got.

A member - The waste levy response?

Mr DUIGAN - Waste levy response?

Ms WEBB - About where it is in the Budget.

CHAIR - We will write and get those. Thank you, minister, for your time. We will end the hearing.

The Committee adjourned at 6.39 p.m.