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## Budget Estimates 2025-26

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### Minister for Housing and Planning

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Output Group: 8 – Housing and Planning

Output: 8.1 Housing and Planning

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## Homes Tasmania Review

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### Talking Points

- The Independent review into Homes Tasmania was a timely analysis of how effective Homes Tasmania has been in meeting its purpose.
- However, as the Review highlights, there is more we can do to ensure Homes Tasmania is positioned to meet its objectives as effectively as possible.
- The former New South Wales Auditor-General, Margaret Crawford PSM, undertook the review and made twenty recommendations on possible improvements.
- The Government accepted all 20 recommendations, with work to implement them already well underway.
- Importantly, Ms Crawford's Review did not find a system that is broken. Rather, it concludes that while there is a strong foundation, Homes Tasmania requires greater clarity of purpose, a stronger strategic direction, a more focused vision and role, and increased flexibility to achieve the outcomes originally envisaged under our housing model.
- I am especially pleased that Ms Crawford recognised the staff of Homes Tasmania as hardworking, committed, and highly knowledgeable.
- As noted in the Government's response we have relocated existing policy functions, regulatory responsibilities, and system stewardship from Homes Tasmania to the Department of State Growth.
- This shift has happened and allows Homes Tasmania to focus squarely on its core responsibilities: building social and affordable housing for eligible persons and those on low to moderate incomes,

and delivering tenancy and homelessness services to those most in need.

- We will continue to clarify roles and accountabilities, and strengthen the systems and processes that support them, ensuring they are fit for purpose, well understood, efficient and sustainable. This will help set up both Homes Tasmania and our broader housing agenda for long-term success.

Released under RTI

# Background

- Homes Tasmania was established under the Homes Tasmania Act 2022 and commenced on 1 December 2022.
- The review of Homes Tasmania focussed on:
  - the effectiveness of the governance structures and processes of Homes Tasmania
  - the capacity of these structures to provide clear direction and efficient decision-making
  - the transparency and effectiveness of reporting mechanisms, including public reporting on the performance of Homes Tasmania
  - the role of Homes Tasmania in delivering housing, homelessness and crisis accommodation and services to eligible persons
  - the extent to which Homes Tasmania effectively engages with relevant sectors, providers, government agencies, and potential investors or partners
  - any other matters relevant to governance, reporting and accountability of Homes Tasmania in delivering improved housing and homelessness outcomes in Tasmania.
- The completion date for the review was originally 25 March 2025, however Margaret Crawford requested a short extension noting a higher than anticipated level of stakeholder consultation requested from her through referrals. The final report was received on 7 April 2025, and was tabled in Parliament, alongside the government's response, on 3 June 2025.
- The Independent Review was managed by the Department of Premier and Cabinet (DPAC) under a Crown Prerogative Instrument of Appointment. DPAC's advice is that the review cost \$91,446.

## ATTACHMENT

- Homes Tasmania Review – Recommendations Action Progress Tracker – November 2025

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# Budget Estimates 2025-26

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## Minister for Macquarie Point Urban Renewal

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Output Group: Macquarie Point Development Corporation    Output: 91.885

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# Macquarie Point Urban Renewal Project

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## Talking Points

- The Tasmanian Government's vision is clear: to turn Macquarie Point from an underutilised wasteland into a vibrant mixed-use precinct that offers retail, arts, hospitality, residential and entertainment opportunities.
- The transformation of Macquarie Point will shape Tasmania for generations.
- Central to this transformation is the stadium, a marquee development that will drive private investment and unlock broader opportunities across the site, the city and our state.
- Activation of the broader precinct will progress through the release of development opportunities in a way that attracts investment and activates the precinct for the community.
- Macquarie Point can deliver a mixed-use precinct with discrete but connected zones.
- There is space and capacity to not only deliver the projects planned for the site, but for these to thrive as part of a well-designed and integrated precinct.
- Building on the current Precinct Plan, Macquarie Point Development Corporation is currently finalising the Mac Point Site Master Plan which will unlock \$240 million in Australian Government funding.

- The government's vision is to deliver a transformative urban precinct that strengthens Hobart's role as an Antarctic gateway, creates public and cultural spaces, supports sustainable development, and maintains port operations while unlocking long-term social, cultural, and economic benefits for Tasmania.

Released under RTI

## Current Situation

- The Macquarie Point Development Corporation (MPDC) is expected to commence a formal procurement process for the construction of the stadium in early 2026.
- MPDC is continuing to plan for the development of the balance of the precinct with the intention of releasing development opportunities to attract investment and to activate the precinct for the community over time.
- The wider urban renewal of the Macquarie Point Precinct will take shape as the stadium progresses through construction.

**Table 1 - 2025-26 Equity Contributions to MPDC (refer BP1 Table 7.3)**

Table 1 (\$ million)	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	Total
MPDC	26.0 <sup>1</sup>	37.2	53.3	193.7	324.9	635.0 <sup>2</sup>
<sup>1</sup> The 2024-25 Preliminary Outcome includes \$21 million for the delivery of the Macquarie Point Multipurpose Stadium, and a further \$5 million for remediation works and enabling infrastructure at Macquarie Point. <sup>2</sup> Equity funding of \$609 million is provided in the 2025-26 Budget and Forward Estimates to MPDC for the Macquarie Point Urban Renewal project.						

**Table 2 - Macquarie Point Urban Renewal Project - Funding Commitments**

Tasmanian Government	\$375 million (\$354 million remaining, \$21 million provided in 2024-25)
Australian Government	\$240 million
AFL	\$15 million
MPDC	Remaining balance to be sourced from borrowings in accordance with the <i>Macquarie Point Development Corporation Act 2012</i> and then repaid from proceeds from the broader precinct development.

- The 2025-26 Budget assumes an estimated cost for the Macquarie Point Multipurpose Stadium of \$1.13 billion. This will be partially funded from equity contributions through Finance-General. MPDC will borrow the difference between the equity contributions and the total cost.
- The 2025-26 Budget and Forward Estimates includes a grant, administered by the Department of State Growth, to provide funding for the associated borrowing costs of MPDC commencing in 2027-28.
- Proceeds from the delivery of precinct developments will be used by MPDC to pay down debt.

- Table 3 shows allocated funding in the 2025-26 Budget for the Macquarie Point Urban Renewal Project. This initiative includes funding contributions from the Australian Government, AFL and the Tasmanian Government.

**Table 3: Detailed funding profile (if required only) – Macquarie Point Urban Renewal Project**

Table 3 (\$ million)	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	Total <sup>1</sup>
Tasmanian Government contribution	21.0 <sup>2</sup>	18.6	26.6	89.3	219.4	375.0
Australian Government contribution	-	18.6	26.6	89.3	105.5	240.0
AFL contribution	-	-	-	15.0	-	15.0
<b>Total</b>	<b>21.0</b>	<b>37.2</b>	<b>53.3</b>	<b>193.7</b>	<b>324.9</b>	<b>630.0<sup>3</sup></b>

1. Minor discrepancies between totals and sums of components reflect rounding.  
2. The 2024-25 Preliminary Outcome excludes \$5 million provided to MPDC for remediation works and the establishment of enabling infrastructure at Macquarie Point.  
3. The Total for this project reflects funding from all sources in 2024-25 and over the 2025-26 Budget and Forward Estimates. It does not include borrowings.

- Equity funding of \$609 million, including \$240 million in Australian Government funding and the \$15 million contribution from the AFL, has been allocated to MPDC in the 2025-26 Budget and Forward Estimates. In addition, the Macquarie Point Development Corporation has received \$21 million to support remediation works and the establishment of enabling infrastructure undertaken prior to 2025-26.
- The 2025-26 Budget provides MPDC with \$7.2 million to address interest on borrowing costs for the development of the multipurpose stadium.
- The 2025-26 Budget provides a separate appropriation of \$75.9 million to the Department of State Growth for the delivery of the Northern Access Road.

### Federation Funding Agreement

- On 17 May 2024, the Tasmanian Government entered into the \$240 million Macquarie Point Urban Redevelopment Federation Funding Agreement – Infrastructure schedule (FFA) with the Australian Government.
- The FFA has been agreed to deliver the urban redevelopment of Macquarie Point in Hobart. The Tasmanian Government's vision for the Macquarie Point Urban Renewal project includes a multipurpose stadium at its core.

- Under the FFA, Tasmania has also committed to:
  - maintaining and enhancing existing amenities at Regatta Point by ensuring continued public access to the waterfront, existing jetties and marine infrastructure
  - upgrade Macquarie Wharf (which is now the focus of a separate agreement with the Australian Government)
  - ensure the delivery of housing at Macquarie Point, including a portion set aside as affordable, essential worker or social housing.
- The Tasmanian Government, together with the MPDC and TasPorts, is working to ensure that Tasmania can deliver on its commitments under the FFA.
- There are six Performance Milestones under the FFA.

**Table 4 – FFA Performance requirements, reporting and payment summary**

Performance milestones	Expected completion date	Payment
1. Commonwealth acceptance of a refreshed Macquarie Point Precinct Plan.	June 2024	Nil
2. Agreement signed by the Commonwealth and Tasmanian Government for the upgrade of Macquarie Wharf – Wharf 6 in line with the requirements in this Schedule at Additional Terms 1.iv.	June 2025	Nil
3. Commonwealth acceptance of a Stakeholder Engagement Report on the refreshed Macquarie Point Precinct Plan	September 2024	Nil
4. Commonwealth acceptance of the Macquarie Point Precinct Master Plan as prepared to implement the Precinct Plan.	June 2025*	Nil
5. Delivery of a finalised Housing Plan developed in consultation with the Commonwealth, which gives effect to the requirements in this Schedule at Additional Terms 1.vi.	June 2025*	Nil
6. Payment of the Commonwealth’s estimated financial contribution is subject to delivery milestones that are yet to be negotiated. The future performance milestones and associated payments will be informed by the milestones outlined in this table and are to be identified and agreed between the Parties, after which this Schedule is to be updated.	To be determined	To be agreed

\*Refer to the Status of Milestones section below.

- Milestones one, two and three are complete. Milestones four and five are expected to be completed imminently.
- Milestone six will be completed once the remaining milestones have been finalised.
- To date, no Australian Government funding associated with the FFA has been received. Performance milestones for payment are to be negotiated with the Australian Government following the completion of the other milestones, which is the normal approach to FFA payments.

- It is noted that the Australian Government's first instalment of the \$240 million set out in the FFA is scheduled to be provided in 2025-26. This has been confirmed in the Australian Government's 2025-26 Budget papers in Budget Paper No. 3: Federal Financial Relations, Part 2: Payments for specific purposes on page 75.
- As part of the funding agreement with the Australian Government, a Precinct Master Plan was required by 30 June 2025. MPDC is leading work on the Master Plan, building on the August 2024 Precinct Plan.
- The 2025 State Election was held on 19 July 2025, with the government in caretaker mode from early June 2025. The timing of the State Election impaired progress in relation to the satisfaction of the FFA milestones.
- Due to the caretaker conventions, the Australian Government provided flexibility in the submission of the Precinct Master Plan and the Housing Plan.
- In addition, the Australian Government, at officer-level, has provided feedback on both the Precinct Plan and Housing Plan. MPDC is currently working to finalise the plans for the Minister's consideration ahead of submission to the Australian Government.

## Urban Renewal Opportunity

- The Macquarie Point Stadium is the centrepiece of the Tasmanian Government's urban renewal vision for the broader Macquarie Point precinct.
- In terms of activation and public realm, the government is confident that the site (as catalysed by the stadium) is ripe for urban renewal.
- The breadth of the government's urban renewal opportunity is significant, extending across 59,000m<sup>2</sup> of land owned by MPDC and TasPorts. This is:
  - roughly equivalent to two of Hobart's inner-city blocks
  - larger than Federation Square in Melbourne, including all buildings such as the NGV Australia and ACMI (around 33,000m<sup>2</sup>)
  - comparable to the Salamanca and Princes Wharf No.1 precinct (around 50,000m<sup>2</sup>).

## Project governance

- There are strong governance arrangements in place for the Macquarie Point Urban Renewal project.
- From the Tasmanian Government's perspective, there is a dedicated Macquarie Point Urban Renewal Committee of Cabinet. This sub-committee of Cabinet is dedicated to overseeing Macquarie Point related projects.
- The Cabinet Committee includes the Treasurer and Minister for Macquarie Point Urban Renewal as Chair, the Premier, Minister for Sport, and Minister for Infrastructure and Transport.

- The Cabinet Committee also receives advice from the Macquarie Point Urban Renewal Oversight Committee
- The Oversight Committee is chaired by the Secretary of the Department of Premier and Cabinet and includes the secretaries of Treasury and Finance and State Growth, and the Crown Solicitor as an advisory member. In addition, representatives from MPDC or Stadiums Tasmania are also in attendance on matters relating to project delivery.
- At the project level, MPDC is leading the multipurpose stadium and broader precinct work. MPDC is accountable to its Board, and ultimately the Minister for Macquarie Point Urban Renewal.
- The stadium and precinct redevelopment have dedicated steering committees, which are supported by working groups and staff at MPDC and the Tasmanian Government.
- MPDC and TasPorts will shortly enter into a Memorandum of Understanding to ensure that opportunities for urban renewal are maximised across the broader precinct (MPDC-owned land and TasPorts land).

### Summary of project expenses

- The following table shows Macquarie Point Urban Renewal Project expenditure incurred by the Department of State Growth in 2024-25.

Project expenditure (3952)	As at 30 June 2025
Legal expenses	\$312,025
Consultants	\$780,960
Print advertising	\$11,964
Incidentals/equipment	\$2,702
<b>TOTAL</b>	<b>\$1,107,651</b>

## Background

- The Macquarie Point site was selected as the preferred location for the stadium due to its proximity to the city, topography, and connections to the water. The site is well located for ferry, pedestrian, cycling and passenger transport traffic, creating a central activity centre serviced by three key transit corridors.
- The Tasmanian Government remains committed to developing the site in close collaboration with all Tasmanian Aboriginal people.
- Most of the Macquarie Point site has been remediated through investments from the Tasmanian and Australian Governments. Work is currently underway to remove existing infrastructure, including the wastewater treatment plant, to facilitate development.

Released under RTI

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# Budget Estimates 2025-26

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## Minister for infrastructure and Transport

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Output Group: 2 – Infrastructure and Transport

Output: 2.3 Passenger Transport

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## Bus Network Planning

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### Talking Points

- Bus network planning focuses on designing a network and services to improve people's access to employment, education, healthcare, shopping, and local centres.
- It is guided by community feedback and aims to ensure the network better meets the needs of the people it serves.
- The Tasmanian Government funding for general access and school services in 2024-25 was \$133.6 million, including funding for half prices fares and Metro support packages.
- Adjustments commonly involve route and timetable changes.
- Service improvements implemented in 2024-25 include:
  - Changes to the Port Sorell bus route in response to community feedback and to cover a new residential area.
  - Capacity improvements to Tarooma High School in the afternoon to South Hobart.
  - Temporary backup buses to assist with the 2025 school year, including Hobart College.
  - A new service between Spring Farm and White Water Park Estates and Kingston Primary and High schools.
  - New services and service changes to cater to the newly-opened Legana Primary School and Brighton High School.
- State Growth also monitors new housing developments and population changes to assess public transport demand. For example, as part of

the Greater Hobart Bus Network Review population growth and change has been analysed.

## **Greater Hobart Network Review**

- The Department of State Growth has commenced a review of the Greater Hobart bus network.
- Funding of \$590,230 has also been allocated from the Targeting Congestion Fund to undertake the Greater Hobart Bus Network Review. As at 30 June 2025, \$167,601.20 had been expended.
- The review supports the Tasmanian Government's 2024 election commitment to restore service reliability.
- The review will include introduction of new Sunday services to Brighton.
- In May 2025, State Growth opened a six-week community feedback engagement on the existing network.
- State Growth has undertaken engagement with bus operators, Greater Hobart councils and education providers and this is ongoing.
- The network review will be undertaken in two phases.
- Phase one focuses on identifying short-term improvements which will help restore network reliability, by ensuring services can run reliably to timetable and are delivered within the available budget. The focus is on creating timetables that are accurate and reliable.
- Sunday services to Brighton will be introduced as part of phase one.
- The timetables for the phase one review was completed in November 2025, with implementation being developed in collaboration with operators.
- Phase one of the network review will be implemented in May 2026.
- Phase two of the network review began parallel to phase one.
- Phase two is more in-depth, focusing on route redesign and where services are needed most. The review will also deliver an efficient network that delivers value for money for the Tasmanian community.

- The phase two review work is underway.
- Engagement with councils and operators on the Phase two network design will occur in early 2026 prior to public consultation.
- Public consultation will occur in mid-2026. This will be followed by refining the network and developing timetables in response to public consultation.
- Once timetables have been developed implementation will again be worked through with operators and timing of rollout to be confirmed.
- Work on phase one that has been undertaken to date includes:
  - Run-time analysis of the existing network. This work takes account of the conditions on the road for each individual trip meaning new timetables will be accurate.
  - Development of weekend and weekday timetables.

**Actuals – Financial Year (actual expenditure)**

<b>Title</b>	<b>2023-24 (1 July 2023- 30 June 2024)</b>	<b>2024-25 (1 July 2024- 30 June 2025)</b>
General Access Services	\$73.57 million	\$76.49 million
School Bus Services	\$36.78 million	\$37.40 million
Additional Bus Capacity	\$6.40 million	\$3.66 million

**Budget – Financial Year**

<b>Title</b>	<b>2025-26 Budget</b>	<b>2026-27 Forward Estimate</b>	<b>2027-28 Forward Estimate</b>	<b>2028-29 Forward Estimate</b>
6.2 General Access Services	\$95.99 million	\$84.72 million	\$86.65 million	\$84.77 million
6.3 School Bus Services	\$42.90 million	\$43.68 million	\$44.47 million	\$45.28 million

## Background

- It is good practice to regularly review bus networks in order to reflect changes in population, land use, and travel patterns.
- The Greater Hobart Bus Network Review aims to deliver updated routes and timetables that:
  - are reliable, easy to use and convenient
  - improve access to jobs and everyday needs like shopping and social activities
  - make better use of available funding to benefit the most people.
- State Growth has engaged consultants to help undertake the network review.
- The operation of the current general access network across the state costs \$79.12 million per annum (2023-24). This is an overspend of \$9.37 million because of contract indexation and commitments for increased services without additional recurrent budget. Of the \$9.37 million, the Greater Hobart area overspend is \$5.81 million.
- As part of a 2024 election commitment, the Tasmanian Government allocated \$15 million over four years to enhance school and general access bus services in high-demand areas. The planning for the services implemented as part of this initiative is detailed in output group 2.3 (Additional Bus Service Funding-Election Commitment 2024).
- The funding allocation in 2025-26 for General Access and School Bus services is \$138.9 million.
- Metro Tasmania operates urban bus services in Hobart, Launceston and Burnie under long term contracts with the Secretary of State Growth. State Growth purchases these services from Metro under a purchaser provider contract model.

## Attachments

N/A

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# Budget Estimates 2025-26

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Minister for Infrastructure and Transport

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Output Group: Capital Investment Program (CIP)

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## Capital Investment Program (CIP) – Including Australian Government Funding Infrastructure Investment Program

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### Talking Points

- The Tasmanian and Australian Governments' total investment for the Capital Investment Program (including roads, bridges and sport and recreational facilities) for the 2025-26 financial year is \$402.05 million based on the following funding commitments:
  - \$161.97 million from the Australian Government
  - \$240.08 million from the Tasmanian Government.
- The key components of the 2025-26 investment are:
  - \$68.97 million on the New Bridgewater Bridge
  - \$171.87 million on road and bridge improvement projects
  - \$108.07 million on road and bridge infrastructure maintenance
  - \$53.14 million on sports and recreational facilities.
- The expenditure for the Capital Investment Program (CIP) for the 2024-25 financial year was \$496.1 million. This was a reduction of \$122.2 million from the budget paper estimate of \$618.3 million.
- Expenditure was lower than expected due to a range of challenges impacting the delivery of road and bridge projects. These issues include:
  - Lengthy Australian Government environmental approvals
  - TasNetworks service relocations
  - Design consultant capacity
  - Caretaker impacts on procurements and other project activities.

- The Capital Investment Program four-year forecast is \$1.66 billion.
- The Department of State Growth continues to provide stable work for the Tasmanian consulting and construction industries, while recognising the increasing complexity in delivering much of the portfolio.
- The significant forward infrastructure program is also continuing to provide confidence to industry to create new jobs and invest in training.
- The funding profile of the capital investment program budget reflects current project contractual milestones as well as the impacts on the commencement of individual projects due to extended timing on Australian Government approvals environmental and other approval processes.
- The funding profiling includes all project and program funding commitments, noting that some funds are projected to be expended beyond the forward estimates.
- In March 2025, the Australian Government announced:
  - Arthur Highway corridor – \$204 million
  - Southern Outlet Transit Lane Extension - \$80 million
  - Ridgley Highway - \$27.2 million
  - Brooker Highway – planning \$4 million
  - New Tamar Crossing – planning and design \$20 million
  - Esk Main Road at St Marys Pass Upgrade – planning \$10 million.
- In addition to these key projects, work continues on existing programs which include:
  - Freight Capacity Upgrade Program
  - Upgrades of the Bass Highway and West and East Tamar Highways
  - Tasman Highway (Great Eastern Drive and the Sideling)
  - Mornington Area Upgrades.

- Other projects continuing to finalise design and seek approvals, (including environmental approvals) include:
  - Tasman Highway: Hobart Airport to Midway Point causeway
  - Tasman Highway: Midway Point causeway and Sorell causeway
  - Tasman Bridge pathway project.
- Corridor strategies are also progressing, which will confirm priority projects for development and delivery in future years, including:
  - Devonport to Cradle corridor
  - Tasman Highway
  - Lyell Highway.
- It should be noted that in recent years the CIP has included the expenditure for the unique 'big build' New Bridgewater Bridge project which resulted in previous year CIP expenditure peaking up to \$550 million in 2023-24 and \$570 million in 2022-23.
- Now that the New Bridgewater Bridge project is near completion, the 2025-26 budget profile for CIP represents a normalised and sustainable base line deliverable annual CIP expenditure profile range of between \$400 to \$425 million across the forward estimates.
- The following factors are also impacting on delivering our CIP:
  - High infrastructure workload across Australia impacting the availability of consultant and professional service firms.
  - High workload across Australian impacting on provision of some materials, plant and equipment.
  - Complexities of projects receiving all approvals, including environmental approvals and associated stakeholder engagement activities.

**Actuals – Financial Year (actual expenditure)**

<b>Title</b>	<b>2023-24</b> <i>(1 July 2023-30 June 2024)</i>	<b>2024-25</b> <i>(1 July 2024-30 June 2025)</i>
<b>CIP</b>	\$549.56m	\$496.1m

**Budget – Financial Year**

<b>Title</b>	<b>2025-26</b> <b>Budget</b>	<b>2026-27</b> <b>Forward</b> <b>Estimate</b>	<b>2027-28</b> <b>Forward</b> <b>Estimate</b>	<b>2028-29</b> <b>Forward</b> <b>Estimate</b>
<b>CIP</b>	\$402.05M	\$414.6M	\$421.46M	\$423.6M

Released under RTI

# Background

- In the 2024-25 budget papers the estimate was \$618.3 million but this was reduced based on forecast to match a spend of \$496.1 million. The projections over the forward estimates have also been revised down, with this budget reprofiled beyond the 2028-29 financial year.
- The 2025-26 Tasmanian State Budget allocates \$402.05 million for the Capital Investment Program. This is made up of \$240.08 million from the Tasmanian Government and \$161.97 million from the Australian Government.
- Treasury requested a review of all capital expenditure to ensure that budget figures were not higher than the expected spend to sets unrealistic expectations on project delivery within the community.
- The delivery of the \$780 million New Bridgewater Bridge (NBB) project over the past few years has created a slightly distorted CIP budget over this time, with the largest annual CIP expenditure being \$570 million in 2022-23.
- It should also be noted that during the NBB construction, the base line of road and bridge CIP projects delivered excluding the NBB has been maintained as follows:
  - an average CIP road and bridge spend of \$294 million over the past 7 years
  - a maximum CIP road and bridge spend of \$380 million in 2021-22.
- Based on current forecasts, the new baseline annual CIP spend for road and bridge projects is between \$400 and \$425 million in the forward estimates, which is higher than the past 7-year average, and will go some way to fill the gap of the NBB project that is coming to an end.
- Market constraint conditions have continued to impact on the budget position in recent years, particularly delays with finalising design and tender documentation while environmental assessments are processed. Some of these conditions are detailed below:
  - High national infrastructure workload impacting professional services firms in Tasmania and on the mainland.
    - The disciplines impacted including environmental scientists, town planners, geotechnical engineering investigations, civil engineering design, structural engineering design, hydraulic investigations and design (for example flood mapping and drainage design) and general management within these businesses.
    - While the national forward program for road infrastructure is not increasing at the same rates as a few years ago, it is expected that there will be some diversion of professional resources into growing the national housing stock as many of the disciplines listed above are also required for housing development.
    - Impacts can include delays in receiving reports and design documents and the quality of the documents once received, leading to rework and further delays.

- High, albeit softening, national infrastructure workload impacting infrastructure service providers nationally and within Tasmania.
  - Highway upgrade projects often require relocation of other services (typically power and telecommunications, can include water and gas). In some cases, the services must be relocated prior to commencement of highway construction works.
  - These service providers are frequently impacted by national shortages of skilled personnel.
  - These service providers are also impacted by national supply chain shortages, for example: for cable for underground power.
- Urban and semi-urban projects with associated complexities including:
  - environmental approvals
  - more service relocations including TasWater, TasNetworks, NBN
  - traffic management to minimise delays for all road users during construction
  - more complex stakeholder environments.
- For more information on project delivery challenges and delays please see BEB 10. Capital Investment Program (CIP) - Delivery Challenges and Smoothing Funding Reprofile

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# Budget Estimates 2025-26

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## Minister for Energy and Renewables

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Output Group: 7 – Renewables, Climate and  
Future Industries Tasmania

Output: 7.1 Energy and Renewables

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# Project Marinus Governance and Oversight

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## Talking Points

- Given the importance, cost and magnitude of Project Marinus, the continuation of effective governance, oversight and project assurance is critical.
- The Tasmanian Government established an Expert Advisory Panel (EAP) and Project Marinus Taskforce (the Taskforce) on 30 April 2025.
- The Taskforce, overseen by the inter-agency Energy Executive Steering Committee (EESC) (Secretaries of the Departments of State Growth, Premier and Cabinet, Treasury and Finance and Natural Resources and Environment Tasmania) led the assessment of Tasmania's Final Investment Decision (FID), taken on 1 August 2025.
- The EESC provides strategic policy advice to the Energy Committee of Cabinet (ECC) to assist in the implementation of key energy priorities.
- During the caretaker period, the EESC became the authorising environment for government's advice on taking a FID, prior to it being presented to Cabinet for decision.
- The EAP provided technical and energy market advice to support the FID and added an extra layer of scrutiny to the decision making.
- As Project Marinus moves into delivery, governance will shift to overseeing project progress and supporting policy implementation.
- A new Governance framework, endorsed by EESC, reflects this transition and was agreed by Government on 24 October 2025.

- I intend to publicly release a snapshot of the new Project Marinus governance framework in the coming months, once businesses and shareholders are comfortable with releasing this information.
- The ECC, advised by the EESC, will continue to oversee Project Marinus on behalf of Tasmania, with shareholders holding Boards accountable for delivery of projects and ensuring integration between them.
- Advice on policy and cumulative impact issues identified through the FID Assessment (e.g. pricing, workforce, community impacts) will be coordinated through a new Energy Taskforce, transitioning from the FID-specific Project Marinus Taskforce.
- Members of the Energy Taskforce include the original Taskforce agencies, with the addition of Infrastructure Tasmania (also within the Department of State Growth) and the Department of Natural Resources and Environment Tasmania.

### **The Framework in Detail**

- The Framework aligns Tasmanian, Australian and Victorian shareholder arrangements, and TasNetworks and Marinus Link Pty Ltd project governance.
- It supports three key objectives:
  - managing shareholder risks and protecting State interests;
  - providing project assurance across Marinus Link, NWTD and Hydro Tasmania projects; and
  - coordinating interagency and intergovernmental policy advice.
- Under the Project Marinus Governance Framework, the Energy Committee of Cabinet (ECC) is responsible for setting and taking corrective action should business operate outside approved parameters or consider new parameters following policy advice.
- The Energy Executive Steering Committee (EESC) provides strategic policy advice to ECC on implementation of the Government's key

energy priorities. The Committee is responsible for monitoring governance reporting and providing advice to the Energy Committee of Cabinet where risks or issues require escalation.

- Under the corporate governance arrangements that apply to both the State's own businesses and its shareholding in Marinus Link Pty Ltd, shareholders hold the boards of the businesses accountable for delivery of project outcomes.
- This approach will be embedded across the governance structure, ensuring risks are considered in decision making at all levels, included in project reporting and clearly communicated and tracked as required.
- The risk management protocol ensures risks and issues are escalated and managed in a timely manner by the appropriate entity.
- New joint governance forums including Tasmania, Victoria, the Australian Government and businesses have been established and will improve coordination across the Project Marinus components.
- Fit-for-purpose governance and oversight of Project Marinus is a key risk mitigation measure, as highlighted in the FID Assessment.
- The framework will enable government to maintain visibility of emerging project risks and issues as they arise and ensure a coordinated approach to mitigation.
- This framework is being independently reviewed by Wise Lord Ferguson (WLF), who are examining interagency roles and responsibilities, escalation protocols, and integration between Marinus Link and the North West Transmission Developments.

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# Budget Estimates 2025-26

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## Minister for Business, Industry and Resources

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Output Group: Industry and Business  
Growth

Output: 1.2 Industry and Business  
Development Business, Industry and  
Resources

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## Tasmanian Development Board (TD Board)

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### Talking Points

- Tasmania Development and Resources (TDR) is an independent statutory authority established under the *Tasmanian Development Act 1983* (Act).
- Under the Act, TDR is empowered to provide financial assistance to businesses to support economic and business growth in Tasmania.
- TDR is governed by the Tasmanian Development Board (TD Board). Administrative support is provided by the Department of State Growth.
- The TD Board operates at arm's length from government, offering independent assessment of financial assistance proposals and providing sound, commercially grounded recommendations.
- TDR's annual report, available on the Department of State Growth's website, outlines its objectives, Board membership, and financial approvals for the year.
- TDR primarily delivers financial assistance through structured loan programs. Current programs open for applications include:
  - AgriGrowth Loan Scheme – A \$70 million scheme supporting projects aligned with the government's AgriVision 2050 plan, including initiatives by young farmers.
  - Business Growth Loan Scheme – A \$60 million scheme aimed at helping Tasmanian business grow, expand, or undertake new projects aligned with the government's strategic objectives.

- Regional Tourism Development Loan Scheme – A \$50 million scheme encouraging investment in regional tourism products and experiences to boost visitor dispersal across Tasmania.
- In some cases, TDR may also provide loan or grant assistance outside of established programs where there is a clear strategic benefit to the state.

### **Economic Diversification and Investment Framework**

- As part of the Government's Economic Statement we have committed to the development an Economic Diversification and Investment Strategy for Tasmania.
- The Strategy will support the Board to play a more proactive, independent and strategic role in driving investment, lifting economic participation and productivity across existing and emerging industry sectors.
- The intention is to set a framework that can drive a more productive, resilient and globally connected Tasmanian economy – powered by innovation, technology, skills and sustainable investment.
- Planning is well underway, a research program has commenced in partnership with Treasury with the intention for the Strategy to be delivered in the first half of 2026.
- There will be more details in coming months on the opportunity for engagement in the work form across our industries and regions.

Table 1: TDR loan portfolio – Key statistics as at 30 June 2025

<b>TDR Loan Portfolio Summary</b>	<b>Number of current loans</b>	<b>Approved limit of current loans (\$ million)</b>	<b>Balance of current loans (\$ million)</b>
AgriGrowth Loan Scheme - <i>standard</i>	6	2.8	1.7
AgriGrowth Loan Scheme - <i>young farmer</i>	20	25.2	20.9
Business Growth Loan Scheme	17	7.8	4.2
Regional Tourism Development Loan Scheme	9	9.9	1.8
Tourism Development Loan Scheme ( <i>closed for applications</i> )	15	15.9	7
COVID-19 Business Support Loan Scheme ( <i>closed for applications</i> )	64	7.1	4.4
Agricultural loans schemes ( <i>closed for applications</i> )	15	11.9	9.3
Heritage Places Renewal Loan Scheme ( <i>closed for applications</i> )	1	0.3	0.1
Tourism Accommodation and Refurbishment Loan Scheme ( <i>closed for applications</i> )	3	2.1	1.3
Building Construction Support Loan Scheme ( <i>closed for applications</i> )	5	28.6	8.3
Non-program loans	12	147.8	86.4
<b>Total</b>	<b>167</b>	<b>259.4</b>	<b>145.4</b>

Table 2 – Recent non-program loans and grants administered by the Department of State Growth

<b>Recipient</b>	<b>Type</b>	<b>Amount (\$ million)</b>	<b>Purpose</b>
Incat <i>Refer to individual BEB for detail.</i>	Loan	60.0	To assist the construction of the company's new electric vessel.
Norske Skog (Boyer) <i>Refer to individual BEB for detail.</i>	Grant	2.0	A grant approved in 2022 to support several initiatives including energy cost reduction, effluent treatment plant flexibility, thermal energy fuel source studies and feasibility studies at the Boyer site.
Copper Mines of Tasmania (CMT)	Grant	2.3	To mitigate critical risks to the Mt Lyell site and personnel and to support a potential future recommencement of mining operations.  The final instalment of the grant was paid to CMT in December 2024, and the grant has been acquitted.

Released

## Overview of open loan programs

Table 3 – AgriGrowth Loan Scheme

Program	AgriGrowth Loan Scheme
Purpose	Available to support projects that advance the government's AgriVision 2050 plan (includes young farmer provisions)
Funding allocation	\$70 million
Opening date	August 2015 (Young Farmer provisions 2018)
Closing date	Ongoing
Loan amount	\$100,000 to \$3 million
Loan term	Up to 5 years
Interest rate	Cost of funds <sup>#</sup> plus 1% (young farmer - cost of funds for 2 years)
Principal repayments	By negotiation
Security	To the satisfaction of TDR
Establishment fee	0.1% (minimum \$600) capped at \$3,000 Waived for young farmers
Eligibility criteria	Eligibility criteria apply (young farmer provisions - generally no older than 45 years old with rules around past farm ownership)

<sup>#</sup> Cost of funds as at 1 June 2025: 4.49% (quarterly re-pricing, charged monthly, fully drawn)

Table 4 – Business Growth Loan Scheme

<b>Program</b>	<b>Business Growth Loan Scheme</b>
<b>Purpose</b>	<i>Available to Tasmanian businesses to develop, expand or undertake new projects, that promote growth in the Tasmanian economy and align with the Tasmanian Government's strategic objectives.</i>
<b>Funding allocation</b>	\$60 million
<b>Opening date</b>	14 September 2020
<b>Closing date</b>	18 December 2026
<b>Loan amount</b>	\$100,000 to \$5 million
<b>Loan term</b>	Up to 5 years
<b>Interest rate</b>	Cost of funds <sup>#</sup> plus 2% for first three years then TDR's standard commercial rate
<b>Principal repayments</b>	No later than 1 year after initial drawdown
<b>Security</b>	To the satisfaction of TDR. Must include freehold security up to a maximum Loan to Value Ratio (LVR) of 80 per cent.
<b>Establishment fee</b>	\$500 or 0.1 per cent of the loan amount will apply, whichever is the greatest.
<b>Eligibility criteria</b>	Eligibility criteria apply
<b>Other information</b>	Applications outside the parameters of the scheme may be considered by exception on a case-by-case basis.

<sup>#</sup> Cost of funds as at 1 June 2025: 4.49% (quarterly re-pricing, charged monthly, fully drawn)

Table 5 – Regional Tourism Development Loan Scheme

<b>Program</b>	<b>Regional Tourism Development Loan Scheme</b>
<b>Purpose</b>	<i>Available to support projects that promote investment in tourism products and experiences that stimulate regional tourism and dispersal in Tasmania</i>
<b>Funding allocation</b>	\$50 million
<b>Opening date</b>	10 July 2024
<b>Closing date</b>	30 June 2026
<b>Loan amount</b>	\$100,000 to \$3 million
<b>Loan term</b>	Up to 5 years
<b>Interest rate</b>	Cost of funds <sup>#</sup> less 1.33% for first three years then TDR's standard commercial rate
<b>Principal repayments</b>	No later than 1 year after initial drawdown
<b>Security</b>	To the satisfaction of TDR. Must include freehold security up to a maximum Loan to Value Ratio (LVR) of 80 per cent.
<b>Establishment fee</b>	\$500 or 0.1 per cent of the loan amount will apply, whichever is the greatest.
<b>Eligibility criteria</b>	Eligibility criteria apply
<b>Other information</b>	Applications outside the parameters of the scheme may be considered by exception on a case-by-case basis.

<sup>#</sup> Cost of funds as at 1 June 2025: 4.49% (quarterly re-pricing, charged monthly, fully drawn)

## **If asked – why are approvals currently low under the Regional Tourism Development Loan Scheme?**

- As at 29 September 2025, 13 applications for a total of approximately \$16.8 million have been approved under the scheme.
- Despite a modest level of approvals currently, several additional loan applications are progressing through the due diligence and approval process and enquiries through to State Growth have been relatively strong.
- Some enquires also do not result in an application – for example if a business' project is not eligible under the guidelines, or security requirements cannot be satisfied (this loan program requires freehold property security, unless approved by exception).

Released under RTI

## Overview of recent closed loan programs

Table 6 – Overview of closed loan programs

Program	Overview
<b>Tourism Development Loan Scheme</b>	<p>This \$50 million scheme opened on 23 August 2021 and closed on 23 February 2023.</p> <p>The scheme was made available to assist with the improvement and development of Tasmanian tourism products, and experiences, that supported Tasmania’s position as a sought-after and leading Australian destination.</p> <p>Loans were provided over terms of up to five years, with the first three years interest free, then at TDR’s standard commercial rate.</p>
<b>COVID-19 Business Support Loan Scheme</b>	<p>This \$50 million loan scheme opened on 30 March 2020 and closed on 25 May 2020.</p> <p>The scheme aimed to support business continuity, viability, and sustainability at the onset of the COVID-19 pandemic in Tasmania.</p> <p>Loans were provided over terms of up to five years, with the first three years being interest-free, followed by TDR’s Cost of Funds plus 2%.</p> <p>361 loans were approved under this scheme, totalling approximately \$35 million.</p> <p>The current balance of the portfolio is approximately \$4.1 million, having reduced from \$4.4 million since 30 June 2025, as loans are being repaid when they reach their expiry.</p> <p>Loan variations are being approved to support the needs of businesses that are not able to repay their loan in full as scheduled.</p> <p>There will be a small number of borrowers that cannot repay their loans due to either the effects of COVID or changes in trading conditions. This risk was recognised by government when this scheme was rolled out.</p> <p>State Growth is actively working with these borrowers.</p>
<b>Various agricultural schemes</b>	<p>Past agricultural schemes have included the Farm Finance Concessional Loan Scheme, Pacific Oyster Mortality Syndrome, Drought Assistance, Dairy Recovery and Flood Assistance schemes.</p>

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## Budget Estimates 2025-26

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### Minister for Energy and Renewables

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Output Group: 7 – Renewables, Climate and  
Future Industries Tasmania

Output: 7.1 Energy and Renewables

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## North West Transmission Developments (including Strategic Benefits Scheme)

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### Talking Points

- Project Marinus collectively consists of the Marinus Link and the North West Transmission Developments (NWTD) projects.
- A positive Final Investment Decision (FID) for Stage 1 of Project Marinus was announced on 1 August 2025.
- This was taken following the receipt of detailed advice from the Departments of Treasury and Finance, Premier and Cabinet, State Growth and the Office of the Crown Solicitor, with external advice also sought from specialist consultants and an independent panel.
- The government took this decision as, on balance, it believes pursuing Project Marinus is clearly in the best interest of Tasmanians.
- The benefits are:
  - Significant income to the state in the form of an expected increase of on average approximately \$470 million per annum in Hydro Tasmania returns which allows us to deliver better services to Tasmanians. A stimulus to the Tasmanian economy, particularly in the north west of the state, which will see more than 2000 jobs in the peak construction year of the Project.
  - An enabler of further investment in renewables in the state.
  - Increased energy security as the state's existing interconnection to the mainland, Basslink, is already half way through its operational life.

- The government acknowledged that there are impacts that we had to consider and the FID Assessment outlines:
  - That it has committed to manage cost impacts on our major load customers directly connected to the transmission network.
  - That it will need to monitor the cumulative social impacts that may occur through the construction stage in terms of housing availability, skills and roads.
  - It stands ready to act when required.
- The NWT D is required to complement further interconnection with mainland Australia through Marinus Link and will also support the transfer of electricity to energy users around the state and interstate from new renewables generation projects planned in the region.
- The NWT D will now continue to proceed to Financial Close (FC), which is planned to occur by the end of Q1 2026.
- Government is working with TasNetworks to ensure its conditions to achieving a positive FC are met, including updating the project's financial model to reflect updated project costs and regulatory revenues to ensure these do not adversely impact its sustainability, particularly in the early years of the project.
- Prior to taking FID, the Government secured improved terms for Tasmania – including specifically for TasNetworks to offset the cost of the NWT D for Tasmanian electricity consumers.
- These improvements included a \$346 million grant to lower the impacts of Project Marinus on transmission costs for Tasmanian customers on average by approximately \$15 million per annum, and a cap on Tasmania's equity contribution to Marinus Link.
- Concessional financing arrangements for both NWT D and Marinus Link will also substantially reduce transmission price impacts for Tasmanian customers.

- The NWTD project is expected to be funded by 84 per cent concessional debt and 16 per cent equity.
- Equity contributions for the NWTD are the responsibility of the Tasmanian Government as the 100 per cent owner of TasNetworks.
- The current project cost estimate for the NWTD is \$1.138 billion (P50 2023-24 dollars) and 16 per cent equity will be required from Tasmanian Government as the shareholder.
- The State has made a provision for its potential future equity requirement of \$191 million as part of the recent 2025-26 State Budget.
- This equity provisioning was derived from an estimate of project costs that was provided by TasNetworks at the time of budget formulation and differs from the current estimate. Equity requirements will be reviewed once final project costs have been determined.
- It is the government's expectation that equity will be progressively released to the project as it progresses.
- TasNetworks has now submitted its construction phase project application to the Australian Energy Regulator (AER), seeking an increase to its revenue under the National Electricity Rules (NER) to fund the delivery of the NWTD Stage 1.
- The application is now open for public consultation, with the AER accepting submissions until 28 November 2025.

## **Financial Information**

- Under the Federation Funding Agreement (FFA) titled '*Support for Project Marinus & the delivery of Tarraleah Hydro Power Scheme Redevelopment*', the Australian Government has provided grant funding of \$75 million which supported Project Marinus to progress to FID.

- The grant payments are detailed in the table below.

<b>Financial Year</b>	<b>Grant payments</b>
2022-23	\$5 million
2023-24	\$42.5 million
2024-25	\$12.5 million
2025-26	\$15 million
	<i>Note: this funding was provided in September 2025 and is outside of the 2024-25 Financial Year but is provided for transparency.</i>
<b>Total</b>	<b>\$75 million</b>

- The grants are split ~78/22 across Marinus Link and the NWTD projects respectively.
- The Australian Government funding for Marinus Link under the FFA Schedule has now been fully allocated.
- The Tasmanian Government had matched funding commitments under the FFA Schedule which, have been met via prior TasNetworks contributions for Project Marinus.

### **Strategic Benefits Payments**

- In the recent state election, the Government committed to returning to the negotiating table in good faith with TasFarmers on the Strategic Benefits Payment for Stage 1 of the North West Transmission Developments, required for Project Marinus.
- These negotiations have now been concluded and an SBP Framework settled.
- The Tasmanian Government announced the finalised Strategic Benefit Payment (SBP) Scheme on 29 October 2025. This scheme is part of the government's commitment to develop a fair and contemporary compensation framework that recognises the important role landholders play in supporting the state's energy transition and the delivery of major transmission, set out in their *Strong Plan to back in our Agriculture Industry*.

- The SBP Scheme will apply to eligible landholders hosting new transmission infrastructure associated with the Stage 1 North West Transmission Developments (NWTD) and future Tasmanian projects that are actionable under the Australian Energy Market Operator's integrated system plan.
- These developments are essential to enable Project Marinus and unlock Tasmania's renewable energy potential.
- In addition to the compensation due for any impacts on their land under the *Land Acquisition Act 1993*, eligible landholders will receive the equivalent of \$200,000 in 2022 dollars, per kilometre of eligible transmission infrastructure, paid over 20 years indexed to CPI.
- The framework has been developed with a number of key elements. This includes establishing a 100-metre minimum payment, ensuring that all eligible landholders — even those hosting shorter sections of the line — receive a meaningful benefit for their contribution to the project.
- The government is committed to legislate the SBP Scheme to ensure certainty for landowners.
- The scheme is not unique to Tasmania, Strategic Benefits Payments are being introduced in many jurisdictions and seek to recognise the strategic role private landholders play in hosting high-voltage transmission infrastructure crucial to the national energy transition.
- The Tasmanian Government has also written to the Australian Government advocating for urgent consideration of the potential taxation implications associated with Strategic Benefit Payments.
- There is uncertainty about how these payments may be treated under current taxation law, which is an issue for all jurisdictions applying a SBP, not just Tasmania. We will continue to lobby for a fair outcome as required.

## **If asked – Easement acquisition**

- The NWT D Stage 1 is not a completely new powerline.
- 94 per cent of its route already has existing transmission infrastructure in place, meaning large powerlines are already running through the entire corridor and the associated landowner's properties.
- The Land Acquisition Act 1993 provides the Tasmanian Government and authorised entities (such as state-owned corporations) with the legal framework to compulsorily acquire land for public purposes, including energy infrastructure.
- It allows for the compulsory acquisition of land, easements, or other property that is required for projects to provide public services, such as transmission lines, substations, and other energy-related infrastructure.
- Energy infrastructure, including electricity generation, transmission, and distribution, is explicitly recognised as serving a public purpose, making it eligible for compulsory acquisition under the Act.
- The Act requires the acquiring authority to provide formal notice to landowners, engage in negotiation where feasible, and offer fair compensation for acquired property interests.
- Access to 80% of the NWT D route is now secured.
- TasNetworks has engaged in a negotiation with landholders and stakeholders over the past 4 years.
- Easement Option Agreements including compensation offers have been with private landowners for consideration from a minimum of 6 months, some for much longer.
- TasNetworks focus and priority continues to be negotiating with outstanding landowners in good faith.
- TasNetworks accepts and respects the fact that, notwithstanding engagement to date a small number of landowners are not supportive of the project

- TasNetworks is trusted by the State Government to deliver this nationally significant project on time and within budget and in so doing to meet joint Project Marinus milestones.
- Acquiring easements via a compulsory process will be used as a last resort to ensure the commencement of construction meets critical project deadlines.

### **If asked – on timing and conditions of NWTD FC**

- Financial Close for the North West Transmission Developments (NWTD) is planned to occur by the end of the March quarter 2026.
- This follows the positive Final Investment Decision (FID) for Project Marinus in August 2025 and allows time for TasNetworks to fully consider a number of key commercial matters, including updated project cost estimates, regulatory outcomes and to finalise a number of FID conditions.
- The project's financial model will be updated ahead of FC to address these matters, as well as the project's concessional financing arrangements.
- The Government is working closely with TasNetworks to ensure all conditions to a successful FC are achieved.
- As the 100 per cent shareholder of TasNetworks, the Tasmanian Government will retain oversight of the process and ensure that the State's interests are protected.

### **If asked – Construction Phase Revenue Application**

- On 31 October 2025, TasNetworks submitted its construction phase project application to the Australian Energy Regulator (AER), which outlines the amount of revenue TasNetworks seeks to recover from its customers to deliver the NWTD Stage 1.
- As part of its application, TasNetworks is seeking to recover \$53.96 million in revenue during the 2024-2029 regulatory period to

contribute to construction of 130 km of new overhead transmission lines to connect to Marinus Link as part of Project Marinus.

- Total capital expenditure for Stage 1 construction is \$970.90 million (real \$2023-24, P50).
- The application is now open for public consultation, with the AER accepting submissions until 28 November 2025.
- The AER will review the prudence and efficiency of the proposed costs within the stage 1 application to ensure consumers pay no more than necessary. It has 40 business days from receiving the application or responses to information requests to make their decision.

### **If asked – will you release information on the NWT D FID conditions?**

- Detailed information on the NWT D Stage 1 project FID is publicly available on the Department of State Growth website in the FID Assessment Report.
- Due to the commercially sensitive nature of some of this information, it has been redacted from the FID Assessment Report.
- In the interests of transparency on the Project Marinus FID, the Treasurer and I recently wrote to the Public Accounts Committee to offer for the unredacted FID documents to be provided to the PAC on a confidential basis (and not for public release).

### **If asked – on the Financial Model update**

- FID was taken with the benefit of a financial model that was prepared with the best information available at the time. An update will occur ahead of Financial Close.
- The review is focused on refining key inputs and assumptions around construction costs, revenue forecasts, financing costs, and timing of returns to the State.

- This work will ensure that the project remains financially robust and aligned with TasNetworks' broader network planning and regulatory obligations.

**If asked – combined cost for Project Marinus (Marinus Link and NWTD)**

- The combined cost for Project Marinus (Marinus Link and NWTD) is estimated to be approximately \$5 billion, this comprises of the \$3.9 billion estimate for Marinus Link and \$1.138 billion for the NWTD.
- It should be noted that these costs are in 2023-24 dollars and will not be the nominal dollar out-turn cost of the project at commissioning.

**If asked – customer cost impacts (inclusive of Marinus Link)**

- The estimated annual customer costs from Stage 1 of Project Marinus, as detailed in the *FID Assessment report - Addendum (31 July 2025)*:

Project scope	Tasmanian Residential Bill impact	Tasmanian small business customer	Tasmanian Major Industrial customers
Project Marinus transmission cost	\$107	\$384	\$29 million (in aggregate)
Transmission costs post grant	\$93	\$333	\$24 million
Wholesale electricity reduction	(\$91)	(\$229)	Not relevant as MIs are contracted for long-term electricity prices
<b>Net impacts</b> <i>(transmission cost increases minus wholesale electricity price reductions)</i>	<b>\$2</b>	<b>\$104</b>	<b>\$24 million</b> (noting Government has committed to offsetting this cost for this customer class)

## **If asked – Contingencies for Delays**

- This is perhaps a question best put to TasNetworks at GBE Scrutiny. However, my expectation is the project is rigorously oversighted by the Board and is delivered on time and within budget.

Released under RTI

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# Budget Estimates 2025-26

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## Corporate Briefs

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Output Group: Corporate Briefs

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# Organisational Realignment – Department of State Growth (including Realignment and Hiring Freeze)

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## Talking Points

### Realignment

- From June 2024, the Department undertook a two-phased functional realignment across the Department of State Growth with a transparent consultation process for all staff.
- The change was driven by:
  - The need for evolution to meet requirements of government and Tasmanians. We needed to consider how to structure ourselves for efficient and effective outcomes.
  - To better align work and capture synergies and rebalance the breadth of each Group's remit.
  - Two 2024 machinery of government changes which saw complex functions added to the Department: Forestry, Planning and Housing policy.
- Phase one, which realigned the top level of the Department, commenced in June 2024 and consultation lasted three weeks.
- Phase two, which saw each Deputy Secretary realign functions within their own Group, commenced in August 2024 and further consultation was undertaken for various periods (at least two weeks).
- The realignment concluded at the end of 2024 and implementation of the new organisational structure continues to progress.

### ***If asked: are there job losses resulting from the realignment?***

- The realignment proposal was separate from any ongoing requirements to deliver the government's whole-of-state-service efficiency dividend.

- As a Department we committed that the realignment proposal would not result in any job losses, and it did not.
- In the intervening period, Government announced the refocusing of the State Service and vacancy freeze.
- In implementing Government's updated fiscal strategy the Department has had to consider all new staffing decisions through this new lens.
- Some elements of the realignment relating to senior roles were reconsidered as a result.
- Instead, Deputy Secretaries continue to consider other ways to ensure workloads are manageable and that we deliver for government and community.

***If asked: How are you approaching workforce management under Government's vacancy freeze?***

- At State Growth we have lifted all workforce management decisions (including things like acting and higher duties arrangements) to at least Deputy Secretary level.
- State Growth has established a Workforce Management Committee to consider workforce decisions escalated by Deputy Secretaries through the new lens.
- State Growth has not defined essential and non-essential roles.
- We take a principles-based approach to making decisions and ask the following questions when making workforce management decisions:
  - Does the function or role relate to the delivery of an election commitment or priority project?
  - What is the financial and budgetary impact (including agreements with the Commonwealth Government)?
  - Is there a legal, regulatory, or policy risk?
  - Are there risks to the safety of the community or staff?
  - Can we still deliver our core minimum operational support services to enable the functioning of the Department?

- Could we better utilise our current skills and experience or provide opportunities to develop our people?
- What are the alternatives to hiring we could consider, such as:
  - task reallocation or reprofiling of the function or role
  - process improvement, or efficiencies through digital transformation
  - manageable reductions in output/service delivery levels
  - extension of timelines, or
  - economies of scale through shared services.
- The Department continuously reviews and evolves its approach to workforce management as our environment and priorities change.

Released under RTI

## Background

- In summary, the Department is structured around six (6) groups reporting to the Secretary: Economic Development; Strategy, Housing, Infrastructure and Planning; Creative Industries, Sport and Visitor Economy; Transport; Renewables, Climate and Future Industries Tasmania (ReCFIT) and Resources; and Business Services (plus the Office of the Secretary).
- These new Groupings were the result of the 2024 functional realignments. Changes were as follows.
  - Culture Arts and Sport Group became Sport, **Creative and Visitor Economy Group**
  - Resources, Strategy and Policy Group (+Infrastructure) became **Strategy, Infrastructure and Planning Group**
  - Transport and Infrastructure Group saw Transport and Infrastructure separated becoming **Transport Group**, with some of Infrastructure Tas moving into Strategy, Infrastructure and Planning Group
  - Business and Jobs Group became **Economic Development Group**.
  - **ReCFIT (Renewables, Climate and Future Industries Tasmania)** became ReCFIT and Resources.
  - **Business Services** title remains unchanged.
  - A dedicated **Office of the Secretary** was established by combining secretary support staff and the Secretariat.
- Through the realignment, consultation and opportunities for feedback were extensive. Overall, the feedback indicated that the realignment made sense and staff felt positive about the consultation approach undertaken.
- The Executive engaged with employees, receiving both formal and informal feedback. We received:
  - 54 pieces of feedback via an online form.
  - Approximately half of the feedback was anonymous.
  - 18 additional people emailed their thoughts directly to me as Secretary.
- From August to December, Phase 2 of the realignment involved Deputy Secretaries reviewing internal structures to optimise synergies. This process included further consultation with staff.

## Attachments

1. State Growth Realignment – Change and Consultation Proposal 24 June 2024
2. State Growth Realignment – Consultation and Decision Report

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## Budget Estimates 2025-26

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Minister for Infrastructure

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Output Group: Capital Investment Program (CIP)

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### Capital Investment Program (CIP) – Delivery Challenges and Smoothing Funding Reprofile

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#### Talking Points

- There are a range of challenges that are impacting on the delivery of a number of road and bridge projects within the capital investment program (CIP).
- These challenges impact Tasmanian and Australian Government funded projects, as well as jointly funded projects.
- These issues include:
  - Australian Government environmental approvals
  - Tasmanian Government adopting of AS4000 contract terms
  - TasNetworks service relocations
  - Design consultant capacity
  - Caretaker delays.
- In addition, with the Bridgewater Bridge project opening to traffic on 2 June and only the finishing touches remaining, the overall annual CIP budgets are naturally reducing in the forward estimates to reflect the completion of Tasmania's largest ever transport infrastructure project.

#### Environmental Approvals

- The Australian Government assessment under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC) is increasingly more onerous and prolonged with few statutory timeframes to complete assessments.

- The Midland Highway Final Stages EPBC referral has now been under assessment for over 2 ½ years.
- In July 2025, the Australian Government issued an Approval which, for the first time, included post-approval conditions (62 of them) which effectively further extends the approval process with no clear timeframe for conclusion and subsequent timing for the release of a construction tender or start of works.
- These new post-approval conditions, if included in other outstanding EPBC referrals will result in further significant delays in delivery of the infrastructure program.

### TasNetworks relocations

- Delays in finalising TasNetworks relocation and re-designs to minimise TasNetworks impacts for many road and bridge projects is impacting the timing to deliver these projects or causing construction delays on site after tender award.
- Delays relate to:
  - finalising designs and costs
  - securing necessary landowner agreements which have impacted the scheduled delivery of up to five projects in excess of \$90 million
  - programming TasNetwork construction crews to complete the work after the final design is approved.
- In consultation with TasNetworks the department is continuing to explore opportunities to provide for compulsory acquisition of TasNetworks easements to increase the certainty of road and bridge project delivery timeframes and minimise further delays.

## Design consultant capacity

- The design consultant's capacity to manage the development of tender ready designs is being impacted by a combination of factors, some of which are detailed above in relation to environmental approvals, stakeholder engagement and service relocations.
- The department is continuing to work with consultants to mitigate and manage risk of individual project delays noting the combination of factors leading to delays over the past 12 to 18 months is having an adverse impact on some consultants' capacity to deliver when they have multiple projects

## Caretaker period

- The department was subject to an approximately 3 month caretaker period between June and August 2025 as a result of the July 2025 State Election.
- Throughout the caretaker period, the department was not able to progress some stakeholder engagement activities that were originally planned during that time.
- This saw delays to project progression for up to 3 months largely associated with stakeholder engagement and acquisition activities across a number of projects.

## Smoothing – Funding Reprofileing

- \$2 billion has been invested in the transport infrastructure over the last four years as shown in the table below:

	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>Total</b>
<b>Roads &amp; Bridges</b>	\$370m	\$356m	\$320m	\$282m	
<b>New Bridgewater Bridge</b>	\$37m	\$214m	\$224m	\$198m	
<b>TOTAL</b>	<b>\$407.0m</b>	<b>\$570.0m</b>	<b>\$544.0m</b>	<b>\$480.0m</b>	<b>\$2.0b</b>

- The forward estimates in the 2025-26 budget papers have been reprofiled to establish a smoother investment profile and more

consistent industry expectations compared to what was shown in 2024-25.

- As a result, \$285 million has been pushed beyond the forward estimates into future years as shown below:

Financial year	25-26	26-27	27-28	28-29	Total
<b>FY25-26 Budget Paper</b>	402.05m	414.6m	421.46m	423.6m	1.66b
<b>FY24-25 Budget Paper</b>	566.75m	518.78m	437.46m		
<b>Variance</b>	164.7m	104.18m	16.0m		<b>284.88m</b>

- The spend for the Capital Investment Program in the financial year 2024-25 was \$496.1 million which is \$122 million less than last year's budget estimate of \$618.3 million for the reasons outlined above.

**Actuals – Financial Year (actual expenditure)**

Title	2023-24 <i>(1 July 2023-30 June 2024)</i>	2024-25 <i>(1 July 2024-30 June 2025)</i>
CIP	\$549.56m	\$496.1m

**Budget – Financial Year**

Title	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
CIP	\$402.05M	\$414.6M	\$421.46M	\$423.6M

## Background

### *Environmental Approvals*

- It is now 2 ½ years (December 2022) since the Department of State Growth referred the Midland Highway Final Stage to the Australian Government for *Environment Protection and Biodiversity Conservation Act 1999* (EPBC) assessment.
- The initial departmental assessment of the EPBC Act indicated a non-controlled action would be the likely result with the construction tender advertising scheduled for early to mid-2023.
- Advice received from the Australian Government in March 2023 was contrary to the initial assessment noting a decision was imminent and it had been assessed as a controlled action.
- The advice included a request for further information (RFI) which required substantially more work and extensive resources (time and cost) to complete.
- After multiple meetings with the Australian Government and engagement of further sub-consultants, the RFI was finally deemed as suitable for further assessment in October 2024.
- Further reviews, meetings and subsequent information were provided to the Australian Government until July 2025 when a final Approval and conditions were issued.
- The final approval conditions included the requirement for a Protected Matters Management Plan (PMMP) to be prepared for Australian Government approval post EPBC approval and prior to works commencing.
- The requirement to submit a PMMP has never previously been discussed nor a condition included in previous approvals.
- Further, the approval condition that the PMMP must be approved by the Australian Government effectively further extends the approval process with no clear timeframe for conclusion for construction tender advertising nor start of works.

### *Industry rejection of new AS4000 Contracts*

- The Tasmanian Government's proposed contemporised AS4000 contract terms (replacing the old AS2124 contracts) were rejected by industry requiring the following construction contracts to be re-tendered:
  - Midway Point Park & Ride - \$2.4 million
  - Frankford Main Road / Chapel Road. Harford and Pipers Road / Waddles Road, Karoola – Junctions Upgrades - \$2 million
  - Great Eastern Drive – Apsley Package - \$18.7 million.
- Several other projects being prepared for tender later in 2024 were also changed back to AS2124 contract terms, requiring time and cost variations for consultants to redraft.

*Tas Networks relocations.*

- Delays in finalising Tas Networks relocations designs and securing necessary landowner agreements has delayed the following projects:

<b>Project ID</b>	<b>Tas Network's Issue</b>	<b>Comments and Impacts</b>	<b>Time Delay (est.)</b>
Illawarra Road Upgrade - Stage 2	Design and delivery delays	Misalignment with program of road works causing delays to the construction.	7 months
Tasman Highway & Sheffield Main Road – Road Safety Program	Extended lead time for the design and again for relocations.	Impacting program, causing overall project delays.	2 months
Zeehan Highway - Henty Main Road to Murchison Highway	Inadequate resourcing of the design team	Design delays add risk and/or delays to the project delivery.	12 months (on-going)
Bass Highway - Morris Road and Tollymore Road	Delays in design and scheduling relocation works delays. Late advice on need for access tracks	Wayleave easement negotiations failed resulting in cancellation of tender advertising.	6 months
Coal Creek Bridge Replacement	Scheduling delays	Wayleave easement negotiations failed resulting in cancellation of tender advertising.	6 months

*Design consultant capacity and caretaker delays*

- The department is continuing to work with consultants to mitigate and manage risk of delays.
- Delays with stakeholder engagement activities have affected the following projects:
  - West Tamar Highway intersection upgrades through Trevallyn and Riverside
  - Exeter pedestrian improvements along West Tamar Highway
  - South Arm Highway duplication Pass Road to Oakdowns Parade
  - Rokeby parks and ride.
- Delays with acquisition have impacted the following projects:
  - Stanley Highway upgrade
  - Tasman Highway South East Traffic Solution (SETS)
  - Bass Highway Wynyard to Marrawah intersection updates.
- The caretaker period has now concluded and the department is back to business as normal to minimise the impact of any delays to ensure projects get finalised as soon as practical to proceed to stakeholder engagement, final design and tender.

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## Budget Estimates 2025-26

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### Minister for Infrastructure and Transport

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Output Group: 2 - Infrastructure and  
Transport Services

Output: 2.3 Passenger Transport

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## Half Price Fares – Election Commitment

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### Talking Points

- From 1 July 2025 to 30 June 2026, all public transport bus and ferry fares continue to be halved.
- This is an extension of the half price fares initiative that ran from 1 June 2024 to 30 June 2025.
- Half price fares apply on general access services, fare-paying student services, the Derwent River Ferry and Area Connect regional public bus services.
- All fare-paying passengers benefit from the fare reduction, regardless of fare type or service used.
- Commercial services such as Ridesharing, taxis, Skybus, and the Bruny Island Ferry are not included in the fare reduction.

### Impact of Half Price Fares

- The Tasmanian Government halved fares to:
  - provide cost of living relief
  - reduce congestion
  - attract new public transport users.
- While boarding data from Metro Tasmania (Metro) shows that half-priced fares did not initially have a significant impact on the number of boardings on Metro services, the initiative has provided Tasmanians with cost-of-living relief.

- There is also evidence that the half price fares initiative is starting to encourage more Tasmanians to use public transport within our urban areas.
- Recent Metro boarding data show that Metro passenger numbers have increased by 8.4 per cent statewide in the period January 2025 to June 2025 when compared to the same period in the previous year.
- In Burnie, Metro passengers have taken advantage of half price fares, with passenger numbers increasing over 30 per cent between April and June 2025, when compared with the same period in 2024.
- The half price fares initiative has been very popular outside the urban area, where some longer distance services have seen increased patronage during the half price fare period. This has been observed especially during peak commuting times.
- For example:
  - Tassielink (which operates service in Evandale, Cressy, the East Coast, the Tasman Peninsula, Campania, the Huon Valley and the West Coast) reported a 21.2 per cent passenger number increase from January 2025 to June 2025 for all of their services, when comparing with the same period in the previous year.
  - Since May 2025, all Tassielink services, except the Burnie to Strahan service, have increased passenger numbers by over 50 per cent, when compared to the same period in 2024.
  - Passenger numbers on the Burnie to Strahan service have also increased during the same period, but not to the same extent.

## Funding

- \$14 million was allocated to fund this initiative from 1 June 2024 to 30 June 2025, with the funding being utilised to support public transport operators and offset the lower fare revenue collected.

- State Growth committed to ensuring that operators were fairly compensated and not financially disadvantaged by offering half price fares.
- School bus operators retain 20 per cent of their collected fare revenue, noting that the total collected is quite low on these services, while general access operators retain 1.5 per cent.
- Non-Metro Tasmania school and general access bus operators receive monthly top-up payments reimbursing them for all the fare revenue they did not collect and retain due to half price fares.
- Metro has a unique independent contracting model whereby it retains 100 per cent of the fare revenue it collects.
- Since June 2024 Metro has been provided with monthly top-up payments for lost fare revenue to ensure Metro is not negatively impacted financially due to half price fares.
- For the 2024-25 financial year \$8.71 million was expended on this commitment. This includes payment to operators for the 1 June to 30 June 2024 expenditure of this initiative, which was paid in the 2024-25 financial year.
- For the 2025-26 financial year \$9.489 million has been budgeted for this commitment. This is made up of:
  - \$4.25 million new funding in the Extend Half Price Bus Fares budget initiative
  - \$2.6 million of new funding in Output Group 2.2 Road User Services
  - \$2.639 million funding rolled over from the 2024-25 Half Price Fares Initiative in Output Group 2.2 Road User Services.
- Tasmanian public transport services are subsidised by the Tasmanian Government. The proportion of the subsidy varies, but prior to the introduction of half price fares, the average is around 85 per cent of the fare value.

- Fare revenue (typically about \$17 million per year) also contributes to the cost of providing services.

Released under RTI

# Financial Data

## Actuals – Financial Year (actual expenditure)

Title	2023-24 (1 July 2023-30 June 2024)	2024-25 (1 July 2024-30 June 2025)
Half Price Fares	\$0	\$8.71 million

## Budget – Financial Year

Title	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
Extend Half Price Bus Fares	\$4.25 million	N/A	N/A	N/A
Output Group 2.2 Road User Services	\$5.239 million	N/A	N/A	N/A
<b>Total</b>	<b>\$9.489 million</b>	N/A	N/A	N/A

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**Minister for Business, Industry and Resources**

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Output Group: 2 – Infrastructure and Transport Services

Output: 2.1 Infrastructure Strategy and Delivery

## **Sale of Wilkinsons Point**

### **Talking Points**

- The Tasmanian Government remains committed to partnering with private enterprise to unlock investment, create jobs and drive economic growth in the State.
- The investment will unlock the economic potential of Hobart's northern suburbs and deliver over \$1 billion in economic activity to the region.
- The project will deliver new opportunities for local suppliers, create jobs during construction and operating phases, and activate the northern suburbs corridor to expand the ferry network to further benefit the connectivity of the suburbs.
- The Crown Land at Wilkinsons Point has not been sold. The parties have not yet agreed on the masterplan, so it follows that the parties have not progressed beyond Stage 1 of the land sale process.
- If the proposed sale was to proceed, it could potentially enable the development of a multi-use retail precinct, a family resort and a hotel complex.
- There are two key focus areas in relation to the negotiations of the land. One is to protect the interests of the Crown by ensuring that sufficient land is retained in Crown ownership for MyState Bank Arena, a ferry terminal and associated access and car parking requirements, and any required road upgrades.
- The second is to ensure that, to activate Wilkinsons Point, the minimum reasonable and necessary costs are incurred by the government.

- The proposed sale stems from 2020 when the government entered an arrangement to negotiate the sale of land and development of Wilkinsons Point as part of bringing a National Basketball League (NBL) team, the JackJumpers, to Tasmania.
- As part of this process, the government is ensuring that any sale agreement ensures that sufficient Crown land remains available for the current and future needs of the MyState Bank Arena, transport upgrades (ferry terminal, park/sail and ride and the long-term widening of the Brooker Highway) and provides public access and amenity.
- I want to say again the negotiations have not settled on the land available to be sold or the purchase price. This cannot occur until the masterplan is agreed – which has not occurred.

## **Tasmanian Audit Report**

- The Auditor General published a report on the proposed sale of Wilkinsons Point land in September 2025.
- This report found several shortcomings in the advice provided to supporting the Government's decision making, and issues with the process and governance arrangements that were followed.
- However, it is pleasing that the audit also identified that since mid-2024 State Growth has made improvements in their advice, process and governance surrounding this specific project.
- State Growth has applied those improvements to other projects as part of their continuous improvement program.
- In 2020 the government's focus was to support the Tasmanian economy during the COVID-19 pandemic. Usual government processes were highly disrupted, and the department was focused on high priority relief packages.
- One of the COVID-19 stimulus packages was the creation of the JackJumpers and the initial scoping and costs for development of Wilkinsons Point.

- Some processes were set aside during this once in a generation situation to keep Tasmanian safe and ensure our economy continues.
- The department is following the legislative framework and the department is still at the first step of that land sale process. Being, there is no binding sale agreement in place and negotiations continue.
- State Growth acknowledges the conclusions of the report. In particular, the need to ensure that the state service works together to provide frank, fully informed and timely advice.
- Steps have already been taken to ensure that our state servants continue strive to make a difference by faithfully delivering the government's commitments while providing frank, impartial and timely advice consistent with their obligations under the *State Service Act 2020*.
- State Growth has agreed to the recommendations which relate to it including:
  - ensuring comprehensive advice is given to government before implementation
  - developing a framework to reduce risks relating to similar transactions
  - updating its Conflict of Interest policy – which has already been completed.

Released under RTI

**If asked, given the process failures identified in the report, does the Government still intend to proceed with the sale, as stated in the Government's media release of 23 February 2025 that "the Government has agreed to sell the Crown Land at Wilkinsons Point to the LK Group at a value determined by the Valuer-General?"**

- The process issues identified in the Auditor General's Report relate primarily to preliminary negotiations that began in 2020.
- Since the commencement of the Secretary in late 2023, new processes have been adopted and the Department have been following the required process to sell land.
- The negotiations to potentially sell Wilkinsons Point remain at early stages and not progressed beyond Stage 1.
- There are a significant number of negotiations to be considered between the parties before the government will be able to consider a draft sale agreement and decide regarding any formal offer to sell Wilkinsons Point.

**If asked, are you satisfied that the sale can legally proceed, in light of the process failures identified by the Auditor-General?**

- The sale can legally proceed subject to the Government continuing to negotiate the terms of a proposed sale agreement and a decision being made by government to sell the land under the required legislation.

**If asked, will you commit to not proceeding any further with the proposed sale until it can be demonstrated that the application of a legitimate land disposal process and that any sale is in the best interests of Tasmanians?**

- Before the land disposal process can be considered, the first step is for the master plan to be finalised and agreed. Before the master plan is finalised the Department of State Growth will work with the Department of Treasury and Finance to commission an economic analysis of any

proposed development and/or sale. The Government remains committed to ensuring a positive outcome for Tasmanians.

**If asked, why was the valuation report provided to the proponent?**

- The functions of public servants, activities undertaken and authority exercised by them, flow from powers of the relevant Minister in legislation, under appropriate delegation. As noted in the report, under our system of government, the Minister can direct public servants to take specific actions.
- The Code of Conduct for Ministers, April 2024, identifies the limitations on a Minister's power to direct a public servant. Ministers must not by their decisions, directions or conduct in office encourage or induce public officials to break the law, or to fail to comply with a code of ethical conduct applicable to such public officials.
- Ministers are to respect the apolitical role of the public servants. While, as the report notes, Ministerial staff cannot direct a public servant in the conduct of their duties, in their role as advisors to Ministers those staff are appropriately involved in discussions between Ministers and public servants, and a conduit for Ministerial feedback to departments.

Released under RTI