PUBLIC

THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON CARETAKER CONVENTIONS MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON MONDAY 27 JULY 2026.

Treasurer

The Committee met at 1.00 p.m.

CHAIR (Ms Badger) **-** Welcome to today's hearing of the House of Assembly Select Committee on Caretaker Conventions. Thank you for your attendance.

We have myself, Tabatha Badger, as Chair; Mr Dean Winter as Deputy; and online we have Mr Craig Garland and Mr Marcus Vermey. Could I please ask each of you, perhaps starting with yourself, Treasurer, to state your name and the capacity in which you are appearing before the Committee?

Mr ABETZ - Treasurer, Eric Abetz. On my left, Gary Swain, the Secretary of the Department. Dean Burgess on my right, whose exact title is Deputy -

Mr BURGESS - Deputy Secretary Economic and Financial Policy.

Mr ABETZ - There we go. Anton Voss -

Mr VOSS - Executive Director, Project Marinus Whole-of-State Business Case.

CHAIR - Fantastic. Can I please confirm that you have received and read the guide sent to you by the Committee Secretary?

WITNESSES - Yes.

CHAIR - Thank you. For everybody except yourself, Treasurer, who does not need to be sworn in, we'll just let you all know that the hearing is covered by parliamentary privilege, allowing individuals to speak with freedom, without fear of being sued or questioned in any court or place out of Parliament. This protection is not accorded to you if the statements that may be defamatory are repeated or referred to you outside the parliamentary proceedings. This hearing is public; the public and media may be present. Should you wish for aspects of your evidence to be heard in private, you must make this request to the committee at the time.

Mr GARY JOHN SWAIN, SECRETARY, **Mr DEAN ANTHONY BURGESS**, DEPUTY SECRETARY ECONOMIC AND FINANCIAL POLICY, AND **Mr ANTON BERNARD VOSS**, EXECUTIVE DIRECTOR MARINUS TRANSITION AND STRATEGIC ADVISORY, DEPARTMENT OF TREASURY AND FINANCE, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Thank you all. Treasurer, do you wish to make a short opening statement?

Mr ABETZ - Yes, and emphasis on short, Chair. Thank you very much. As the Committee would be aware, I wasn't Treasurer during the 2025 caretaker period that is the subject of this Inquiry. I'm appearing today in my capacity as the current Treasurer, but alongside Treasury officials.

Treasury has provided a written submission to the Committee setting out its role during the caretaker period and the matters in which it was involved. That submission notes Treasury's role was primarily advisory and administrative in nature, undertaken as part of the ordinary business of Government. Treasury considered and provided advice on matters that arose during the caretaker period within its areas of responsibility.

The submission also notes that whole-of-Government guidance on the caretaker conventions was provided by the Department of Premier and Cabinet (DPAC), while responsibility for observing the conventions rested with the Government, relevant agencies and entities, consistent with the published caretaker guidelines.

Given that I was not Treasurer at the time, Treasury officials are the best placed to assist the Committee on Treasury's advice, actions and records from the period under review. I expect the Committee's questions will be directed primarily to those matters, but of course, I'm at the table as well and open for questions.

CHAIR - Thank you very much. Just to start super broadly for the Department, can you talk us through any special internal processes that Treasury may have? It's quite a unique department when it comes to the caretaker conventions and powers that you have in terms of distributing public funds, if required. Can you tell us whether you have any specific measurements or thresholds when it comes to decision-making that Treasury has an internal guideline for during caretaker conventions or whether you assess each request as it comes up.

Mr SWAIN - Each request as it comes up, but I think it's probably, like many departments at the beginning of the caretaker period, there will be a communication from me, as Secretary, to the whole agency. We'll attach the caretaker convention guidelines to that just to raise awareness. We set up an internal process where, if there is any doubt or confusion, people are empowered to talk to either their managers or the Office of the Secretary, so there's an escalation path internally to seek clarity. We in turn may then seek clarity from DPAC, who has overall carriage for the caretaker convention within the State Service.

CHAIR - Thank you for clarifying that.

Mr WINTER - Thanks everyone for being here. I want to start with TT-Line. There's two specific issues in your submission, one being TT-Line and one being Marinus, which we'd like to get through in the short time that we have. In your submission, you've outlined the timeline specifically around the TT-Line decision, which is the solvency concerns raised by the Auditor-General and then the extension of the borrowing limit. Perhaps, Treasurer, through you, Mr Swain might like to just give us an overview of what occurred during that time, particularly as it concerns the caretaker conventions.

Mr SWAIN - Yes, thank you. Through you, Treasurer: Can I just note, for full disclosure to the Committee, I was actually on leave between the dates of 25 June [2025] and 31 July [2025], during that period. So, I was there for part of the caretaker period, then came back for the end of it before the -

Mr WINTER - Sure. If Mr Burgess is better placed, that's fine.

Mr SWAIN - No, I just wanted you to - so, some of this is firsthand and some of this is second-hand from advice I've received in the Department. Your question was around the timeline of -

Mr WINTER - You provide in your submission an overview. I was just giving you an opportunity to perhaps explain to the Committee particularly that decision to extend the credit limit, but also what advice that Treasury provided to the then-Treasurer around the caretaker requirements.

Mr SWAIN - Okay. So, as you know, I wear two hats. I'll try and keep the TASCORP hat separate, but there was some advice that, in the normal course of business, went from TASCORP to the then-Treasurer, which then came to Treasury because it sought a guarantee. And we have an internal protocol - because I have a conflict - that advice from Treasury is signed off by Dean, typically in his role as Deputy Secretary.

The TASCORP advice recommended, or indicated, that there would be a request for a guarantee from an incoming Treasurer, so there was explicit acknowledgement in that position that the caretaker convention ought to be respected, and that at that time it seemed possible to defer the issue until a new government came in.

Then the Auditor-General, subsequent to that advice from TASCORP, had raised some concerns publicly about solvency, which then led to meetings between Treasury and the Auditor-General, and Treasury and the Treasurer at the time, and some advice being provided to the Treasurer about supporting the increase to the guarantee earlier than had been requested by TASCORP -

Mr WINTER - Is that the advice on 25 July [2025]?

Mr SWAIN - Yes, that's right.

Mr WINTER - That item in your submission says:

> Treasury's advice noted the caretaker arrangements that applied at that time.

Are you able to provide that advice to the Committee?

Mr SWAIN - Yeah, that would be - can I just look at that advice and remind myself what it says?

Mr WINTER - Sure.

Mr SWAIN - I don't see any difficulty in providing the advice. I don't think it said anything that hasn't come out of these discussions, but I just need to work through the advice.

Mr ABETZ - Can we take that on notice, then?

Mr WINTER - Sure.

Mr BURGESS - What we can say, if I may, Treasurer, is that the recommendation to increase the borrowing limit was subject to consultation with the relevant opposition spokesman, and the advice had a separate section dealing with the application of the caretaker conventions to that position.

Mr WINTER - Are you able to tell the Committee exactly what that advice was?

Mr BURGESS - So, it set out, basically, the obligations under the caretaker conventions, you know, right from first principles. So, you should avoid making those decisions if you can. If it is not possible to defer the commitment for legal, commercial or other reasons, it says the Minister, after agreement with the Premier, should consult with the relevant opposition spokesperson. Then it went on to say that Treasury considered that any Government support provided to TT-Line, including an approval to increase the borrowing limit during the caretaker period, would be subject to the caretaker conventions.

Mr WINTER - In terms of Treasury's view, would the Treasurer informing the Opposition after the decision was made constitute consultation?

Mr BURGESS - If I may, through you, Treasurer, I think the way Treasury approaches these matters is to point out the obligations upon the Government in relation to caretaker conventions and then it's ultimately a matter for the Government to decide how it satisfies those obligations.

Mr SWAIN - Through you, Treasurer, that's exactly right. So, we have - actually before this and separate to this, in relation to a separate matter, sought SG advice that clarified that exact point, that the caretaker convention - you know, it's a political convention that manages the interactions between political parties. We support its application, but ultimately it's for the government of the day as to how it interprets and implements.

Mr WINTER - Just to be clear though, so the then-Treasurer Barnett was provided with clear advice that he should consult before the decision was made?

Mr SWAIN - I believe that is so.

Mr WINTER - We now know that that didn't occur; he simply phoned the Opposition after the decision had been made. Do you agree that that's breached caretaker conventions?

Mr SWAIN - I'm not making a comment on whether he - you know, the basis on which he took or didn't take that advice; I think that's a matter for him.

Mr WINTER - Your understanding of - in 2.5 in the caretaker conventions outlines that if circumstances require the Government to make a major policy decision during caretaker period that would bind an incoming government - I think we would all agree that that was the case here - the relevant Minister, after agreement with the Premier, would usually consult with relevant opposition spokespersons beforehand, but the requirement does not require the government to obtain an endorsement. So, as we find the facts, Treasury's provided advice to the then-Treasurer that outlines that consultation needs to occur before a decision is made, and yet the [then-]Treasurer signs off anyway and then phones the [then-] Shadow Treasurer and informs him of the decision. Is that incorrect?

Mr ABETZ - Their your assertions, and I don't think it's fair for Treasury officials to be asked to comment on those.

Mr WINTER - Perhaps you would like to comment then, Treasurer. Do you think that there was a breach in caretaker convention from what you understand?

Mr ABETZ - No, I don't, but I'm not going to comment on other people's decisions because I'm not fully appraised of what was part of that discussion at the time.

Mr WINTER - You were a shareholder Minister at the time, though, as Minister for Transport.

Mr ABETZ - Yes, I was.

Mr WINTER - Presumably you were involved in these discussions as well. Were you aware of the advice?

Mr ABETZ - No, it was the Treasurer's role in relation to the financial side and therefore I didn't have anything to sign off on to - if I can use that, is that sort of a technical term, whatever it is - but I was not engaged in making a decision in relation to that.

Mr WINTER - Were you aware of the Government's obligations to consult with the Opposition before a decision like this was made?

Mr ABETZ - Look, I'm aware of the conventions, but I'm not going to comment on other people's adherence or otherwise, other than I have confidence in my colleagues.

Mr WINTER - It's pretty cut and dried is it not? I mean, we know what the caretaker conventions are. They're spelt out very clearly. We've got the evidence that says that on 25 July [2025] the decision was made. We now understand that after that decision was made, the [then-] Treasurer then contacted the Opposition to tell the Opposition what was happening rather than having consulted. Do you not accept that this is a clear breach of the caretaker conventions?

Mr ABETZ - You appear to be giving evidence now as opposed to asking questions and yes, I have nothing further to add.

CHAIR - I've got questions around Marinus. In terms of the advice that Treasury provided on the Whole-of-State Business Case - so obviously the Government had committed to releasing that Whole-of-State Business Case a month before making a final investment decision. So, it was on the 25th of July [2025] that Treasury provided advice to the [then-] Treasurer about, you know, an approval for Treasury to make and to have a briefing on the Whole-of-State Business Case and to provide the unredacted documents - I assume this is intended to be to Members of Parliament, as happened - but then Treasury also provided advice to the [then-]Treasurer on the 29th of July [2025], with a Cabinet minute drafted for the [then-] Treasurer seeking Cabinet's approval for the future public release of a redacted version of the Whole-of-State Business Case.

Can you talk us through the advice that you provided to the [then-] Treasurer and to Cabinet on that Whole-of-State Business Case - it not being released, to begin with, to the

Tasmanian public and then why it was so late in the piece that that advice was given to Cabinet that it had to be redacted? Through you, Minister.

Mr SWAIN - Perhaps if I can start off and then give to Anton. Anton can talk to the details better than I can, but the key thing to understand about the Whole-of-State Business Case: it was very much a document that provided insights and analysis into the complexity that was the proposed investments made up around the Marinus Link. So, what it did, in effect, was very much inform and - you know, it was a key contributor to the Government forming its policy position in relation to Whole-of-State Business Case, but also in negotiations particularly with the Commonwealth. It didn't have, kind of, prescriptive recommendations, but it did say under these circumstances, Marinus works better for Tasmania than these, and this is a better outcome for Tasmania if you can get to this point than this point. That was a really key - now the Whole-of-State Business Case was independent advice of Treasury, so we took a very principled approach to that through the preparation of the Whole-of-State Business Case. It wasn't shared with the [then-] Treasurer of the day until it was finished, and I had that discussion with the [then-] Treasurer about the need to - that the Government had committed that it would be independent Treasury advice, which meant that if the Government made comment or feedback on it back to the agency, it would no longer be independent advice.

So, there's a particular context around the Whole-of-State Business Case and that timing that this very, very complicated piece of advice arrived to the Government in - I think it was late April [2025], but Anton might correct me - for it to digest and it really indicated the basis on which Marinus would be a good investment for Tasmania, which then informed really quite intricate negotiations with the Commonwealth.

CHAIR - Before we go to Anton, back to that bit of the question, can I just seek clarity then? So, we had the Energy Minister come in for a hearing already and he explained that it was not released to the public and then heavily redacted so that the Federal Government could not look, quote, 'under the hood' of Hydro. Is that then - just to clarify - a decision based on advice from Treasury and not a decision that the Energy Minister made?

Mr SWAIN - Treasury gave advice through the governance process that applied that we shouldn't provide commercial data into the public arena or to the Commonwealth because it would prejudice those negotiations. I mean, there's a philosophical element to this as well, that in other states they've sold their electricity businesses, which meant that if a generator in another state was going to potentially get a benefit from an investment that was partly supported by Commonwealth involvement, the Commonwealth Government wouldn't be able to take that into account in formulating its negotiating position. So, Treasury took the view that that shouldn't really be at play in relation to the Whole-of-State Business Case. But the Commonwealth didn't agree with that point, which meant that they would very much like to see the information that was in the -

CHAIR - I suppose there are two pools of public money, but yeah, sorry, through you, Minister, if we can go to Mr Voss.

Mr VOSS - Yeah. Thank you, Chair. Yes, as Gary said, the Whole-of-State Business Case was provided well before the election was called to the Government for their consideration.

CHAIR - Yes.

Mr VOSS - I think my recollection is that the then-Treasurer - I think he wrote to Ms [Ruth] Forrest [MLC] as the Chair of the Joint Select Committee on Energy Matters, about provision of an unredacted version to that Committee. The election obviously held that up and subsequently that Whole-of-State Business Case and all the Financial Investment Decision (FID) materials have been provided to that Joint Committee fully unredacted.

So, going back to Gary's point around what the exercise was. When we did the Whole-of-State Business Case, it was prepared as a Treasury document and Treasury advice to the Government; it wasn't prepared in the context of this will be a public document, it was primarily provided as advice on a very important decision that Government had to make. And as part of that, obviously the Government had made a commitment around public release. We had to work through what that might entail and we spoke to all the Government Businesses and the Australian Government, Victorian Government and the Clean Energy Finance Corporation (CEFC) via the Australian Government as well, and asked them around areas that they would be concerned about being publicly released on the basis of commercial confidentiality.

Some of them still had, you know, processes involved with regard to tendering processes or what have you, and they came back to us through that process with suggested redactions to the Whole-of-State Business Case, which is primarily what you see in the current public version on Treasury's website. So, the Government had no involvement in the redactions. They didn't go through the document, they were not involved in it in that sense. It was all feedback that we got from the Government Businesses or the Australian Government or the Clean Energy Finance Corporation.

As Gary said, there's another overlay there with regard to the negotiation that was happening also with the Australian Government. So, as you're aware, the Tasmanian Government was discussing with the Australian Government around assistance. Part of that discussion was informed by the Whole-of-State Business Case. That discussion - my recollection is - commenced well before caretaker.

Mr WINTER - Is this assistance on North West Transmission?

Mr VOSS - Yeah, this is around the $346 million is what ultimately was provided from the Australian Government. That discussion commenced well before the caretaker period in the election commenced. Certainly, at officer level it had, that was through the Department of State Growth at the time.

Mr WINTER - The assistance, is that also around the treatment of the GST?

Mr VOSS - My recollection is that was an important part towards the end with regard to the - Dean was more involved in that than I was - but once they'd worked through that, there was going to be some form of deal happening and there was going to be some contribution by the Australian Government, then part of the process there was to work through the GST implications thereof. So that was part of it. But ultimately the release of the Whole-of-State Business Case publicly was up to the Government as to the timing. They did that. As I said, there was a range of issues around its redaction. It wasn't just about the Hydro part, but that was definitely part of it. I was involved in discussions with the Australian Government myself where they were seeking that information and it was part of the negotiation with regard to the

$346 million that the Tasmanian Government ultimately got. They were keen to see the benefits to Hydro, which you can understand from their perspective in a negotiating sense.

The redactions more broadly also covered things like the financing rate for the North West Transmission distribution project from the Clean Energy Finance Corporation is a very discounted rate. They were not at all keen for that number to be public. They obviously do a whole range of deals across the country on a whole range of other transmission infrastructure with a whole range of other governments. So, they were very keen for the Tasmanian rate not to be put forward. That's an example of some of the sensitivity from the various businesses. And as I said on the basis of that, we put up to the Government a redacted version in the circumstance that they wished to release the Whole-of-State Business Case.

CHAIR - Yeah, absolutely. Thank you and that's obviously what the Liberal Government, prior to caretaker conventions, had committed to. And one part of caretaker conventions is also, you know, providing the transparency to the general public on these things. So, there was an expectation that it would be released. Just to clarify, through you, Treasurer, in no way did the Treasury Department recommend to the Government about when or if the Whole-of-State Business Case should be released publicly, redacted or otherwise?

Mr VOSS - Ultimately, the decision was the Government's decision as to release it or not. My recollection is we did have some discussions around - right at the end there was the $346 million deal that was reliant on it being signed as Federal Funding Agreement (FFA), which is public on the Australian Government's relevant website. That hadn't been signed. That was all around the same time as the FID decision, so there was a whole range of documents through that period and contracts and that was one of them. So, yes, part of it was that exercise.

Mr SWAIN - Yeah, we did - I mean, there was some timing consideration. So once that deal had been done, then it was purely a matter for the Government in terms of the disclosure. When the negotiations were live, we were having discussions about the need not to put that commercial information into the public arena at that time. So, there was really a couple of months when there was negotiations going on before and after the election was called, but they heated up after the election; that happened to coincide with some critical commercial dates around contracts where the Commonwealth was really wanting to get all over the Hydro - understand all the Hydro numbers, but it was still - there was a period when that was particularly problematic. Once the actual deal was resolved, then it wasn't as sensitive as obviously during the negotiation. So, the Government, once it's made its FID decision, the deal had been done by then, pretty much.

CHAIR - Yes, I guess that's just not what the commitment, therefore the expectations, were prior to that happening. In terms of that final decision, we understand that that was expected - election or otherwise - expected to be possibly a little bit earlier in July [2025]. Obviously, we were in caretaker mode at the time. I understand from, I think, the energy hearing[1], that a decision was successfully delayed for some time because the Victorian Energy Minister was away for a week. I'm just curious, obviously the Victorian Government, the Federal Government that are also partners in this are subject to caretaker conventions at various times. They understand the significance of this decision, as well as obligations under caretaker conventions. Do Treasury have any understanding of why they wouldn't have been amenable

[1] Hearing of the House of Assembly Select Committee on Caretaker Conventions, Monday 15 June 2026, https://www.parliament.tas.gov.au/__data/assets/pdf_file/0024/107439/Transcript-of-Evidence-HA-SC-on-Caretaker-Conventions-Mon-15-June-2026.pdf.

PUBLIC

to hold off on this decision any further, or what's your view on that? If we can wait for the Victorian Energy Minister, we could have waited a couple of days to get out of caretaker convention, would be the general thought.

Mr SWAIN - I mean, I can't express a view on that directly, but I could say that at the end of the day there were commercial judgments that had to be made by all three governments about the risk of not going to a financial investment decision, in terms of those key contracts that were trying to be bedded down and some of them had conditionality in them, so I can't speak for the other - the governments; but I would say it's sometimes, in my experience, the case that larger states, and particularly the Commonwealth, are not always coherent in their approach. They can say, 'This is a big issue for us and we won't be doing something during caretaker', that doesn't mean they might not have a very strong view that Tasmania should do something during caretaker.

Mr WINTER - I'm sure Treasury is always consistent, though.

Mr SWAIN - Try.

Mr WINTER - I just wanted to go to, again, through Marinus. Thanks for raising that issue, Chair. Again, your submission, which is very comprehensive and we appreciate that, you outline a number of policy decisions that are going on during the election period itself. At what point did Treasury provide advice, if at all, to Government around when it should commence its consultation with opposition parties? The reason I ask is, in the submission you're talking about - for example, Mr Voss spoke about the engagement around the North West Transmission and GST, which all occurred well before the briefings occurred. Did Treasury ever suggest to the then-Treasurer or Energy Minister that they should commence consultation with opposition parties at that time?

Mr BURGESS - If I may, Treasurer, just on the GST letter: I'm not sure that actually reflects the decision of Government. The letter was a letter to the Commonwealth Treasurer saying, in relation to this agreement, we are seeking your commitment that you - and the Commonwealth Treasurer is the only person who can do this - will write to the Commonwealth Grants Commission (CGC) and exempt this from the GST calculation.

Mr WINTER - Sure. Perhaps the broader issues are, though, did Treasury ever express a view that opposition parties should be consulted before they were?

Mr VOSS - My recollection was Treasury wasn't involved in choosing the timing or otherwise of the consultation period. As you recall, Mr Winter, I believe you were there, Treasury participated in the briefing with various Members of Parliament and some incoming Members of Parliament, I think, in the case of Mr [Peter] George [MP], and we focused pretty much exclusively on the Whole-of-State Business Case part, and ReCFIT dealt with the broader FID decision, which took into account a range of other things, but had information from the boards and various other things at that point. I think as Gary and Dean said, other than sort of generic advice around caretaker briefings and pointing out, as you've done, you know, section 2 of the document, we weren't providing specific advice on what they should and shouldn't do. Ultimately, that's a decision for the Government to make. You just have to make sure they're aware, and they're aware, so -

Mr WINTER - It was claimed in correspondence from the Premier to opposition parties and crossbenchers that the Government required sign-off from opposition parties in order for Marinus to be signed off on. The opposition parties declined to do that. Then the Premier said that he was going to seek legal advice. What advice, legal or otherwise, did Treasury provide during that time about whether indeed the Premier did require sign-off in order for Marinus to be agreed?

Mr ABETZ - Treasury doesn't provide legal advice, I assume.

Mr SWAIN - No. I don't think we -

Mr WINTER - I said legal advice or other - any advice at all? Did you ever provide advice to the Premier that he required sign-off to -

Mr VOSS - Not to my knowledge.

Mr SWAIN - No.

Mr VOSS - We would have left all those matters to -

Mr SWAIN - We would have just operated off the wording of the convention, as you've -

Mr WINTER - Was your understanding that the Opposition needed to sign off in order for Marinus to go ahead?

Mr SWAIN - I will just go back to that section 2 of the caretaker convention, which is clear: it talks about consultation, not agreement.

Mr WINTER - It is clear, and that's kind of the issue, isn't it; because we had the Premier of Tasmania walking around for a week, putting in writing, telling the Energy Minister of Australia, the Prime Minister of Australia, that he required sign-off, and yet everyone, it appears, that we've spoken to, including the Energy Minister, Department of Premier and Cabinet, yourself, seems to understand he didn't. Do you have any idea where the Premier got that idea from?

Mr SWAIN - I would be speculating.

Mr ABETZ - Well, he can't. Yes, that's speculation.

CHAIR - I'm just conscious of time as well. It is now 1.30. I just want to double check that no-one online had raised their hand or had anything following that that I'd missed?

Mr GARLAND - No.

Mr VERMEY - All good.

CHAIR - Fantastic. Alright, thank you all very much for appearing today. I just have to read you the statement after evidence. What you have said to us here today is protected by parliamentary privilege. Once you leave the table, you need to be aware that privilege does not attach to comments you may make to anyone, including the media, even if you are just repeating what you what you said to us today. Do you understand that?

WITNESSES - Yes.

CHAIR - Fantastic. Thank you.

The witnesses withdrew.

The Committee adjourned at 1.32 p.m.