



PREMIER OF TASMANIA

The Hon Dean Harriss MLC  
Member for Huon  
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Huonville TAS 7109

Email: dean.harriss@parliament.tas.gov.au

Dear Mr Harriss *Dean*

Thank you for your letter of 30 November 2025 outlining your position on the Macquarie Point Multipurpose Stadium and the current State Budget. We appreciate your ongoing support for securing a Tasmanian AFL and AFLW Team and your acknowledgement that this dream will not be realised without a commitment to a new stadium.

We appreciate that a new stadium is a significant investment for the State of Tasmania however it is the right investment in Tasmania's future. It delivers on the dreams of generations for a Tasmanian AFL and AFLW team that will build community cohesion and increase the participation in sport of young people in Tasmania. It will attract new families to Tasmania, and keep our young people and families here, helping our population to grow sustainably.

We understand that, beyond construction, the direct economic benefits of the stadium are difficult to quantify. However, we have heard from many about how the stadium, as community infrastructure, will be the catalyst for growth across our economy, including supporting our tourism industry in the quieter winter months. We have heard about the significant increase in business tourism which will invest directly into the Tasmanian economy. We have heard about the growth in professional sports administration and allied health, providing new opportunities for young people to pursue rewarding careers locally. Finally, we have heard from promoters that are confident that this new stadium will attract high-calibre artists, allowing Tasmanians to enjoy these experiences closer to home, rather than having to travel interstate.

The State Government acknowledges that we must deliver a pathway to a sustainable budget for Tasmania. Over the past few years, the State has invested heavily in protecting Tasmania and its community from the impacts of COVID and other global economic insecurities, which means that the growth in operational expenditure has outstripped growth in revenue. This cannot continue. We have this challenge before us, regardless of whether we build a stadium. We acknowledge that the debt servicing costs for the stadium will need to be met but this addition to the task is more than justified by the social and economic benefits that the stadium and AFL Teams will deliver.

We are confident that the Stadium, with the AFL and AFLW Teams will stimulate growth in the Tasmanian economy and lead to increased revenue to the State, including increased tourism

contributing to higher employment (and higher payroll tax), increased consumption (and increased GST revenues), and increased development (which leads to higher land tax). Increased employment also contributes to increased home purchases (and conveyance duty).

Thank you for outlining the specific commitments that you are seeking from Government. We can agree on most and have suggested alternate pathways delivering similar outcomes in areas where we may differ. In the main, the Government agrees that the next few years will require a significant focus on budget sustainability, including careful and considered action from the Government, with the support of members of Parliament. I greatly appreciate your willingness to directly call for action on budget sustainability and to hold the Government to account on this difficult task.

We have enclosed a detailed response to all the commitments that you have sought. We confirm that the State Government's commitments detailed in this response have been unanimously endorsed by the Parliamentary Liberal Party. Importantly, the Government will commit to reducing Public Non-Financial Corporations' Net borrowings between 2026-27 and 2028-29 by a cumulative total of \$500 million.


Finally, we note your awareness of Ms Bec Thomas MLC's letter of 29 November 2025 and the Government's response, which we have shared with you with permission from Ms Thomas. In your consideration of this response, we ask that you also take into account the commitments we have made to Ms Thomas. The Thomas and Harriss commitments, together, stand as significant and strong economic, governance, oversight, community, and integrity safeguards for the benefit of the Tasmanian Community.

Thank you again for your ongoing commitment to the Tasmanian people and for your efforts to ensure that the Macquarie Point Multipurpose Stadium is delivered in a way that minimises risks for, and maximises benefits to the Tasmanian people.

Yours sincerely



Jeremy Rockliff MP  
**Premier**



Eric Abetz MP  
**Treasurer and  
Minister for Macquarie Point Urban Renewal**

**DEAN HARRISS MLC SAFEGUARD COMMITMENTS**

<b>Proposed Safeguard</b>	<b>Response</b>
<p>Accepts the findings of the Eslake Report and the Pre-Election Financial Outlook Report that the Budget is unsustainable and requires immediate and sustained repair.</p> <p>Agrees to implement the Eslake Report recommendations in full, starting with the 2026-27 Budget. That includes:</p> <ul style="list-style-type: none"> <li>• Evaluating the efficiency and effectiveness of services to ensure users and taxpayers are getting value for money rather than throwing money at failed systems;</li> <li>• Raising additional own-source revenues, by identifying prior to the 2026/27 budget areas in which additional revenues will be raised and the expected amounts noting own-source revenues have fallen to less than 30% of total revenues and far below the Government's own fiscal target;</li> <li>• A new approach to infrastructure spending, with government as well as government owned business projects selected on merit based on robust cost-benefit analysis;</li> <li>• A return to an 'underlying' net operating surplus within four years and a clear and full detail of how this will be achieved through increased revenues and reduces spending;</li> </ul>	<p>The State Government accepts the findings of the Eslake Report and the Pre-Election Financial Outlook Report (published by the Secretary, Department of Treasury and Finance) that the Budget is unsustainable and requires immediate and sustained repair.</p> <p>The State Government is committed to returning the State Budget to a sustainable budget footing and is preparing a new Fiscal Strategy alongside and aligned to the Financial Sustainability Report (FSR) which is currently being prepared by the Department of Treasury and Finance and due for publication in February 2026. Preparation and consultation on a new Fiscal Strategy informed by the FSR is a key step in preparation for expenditure and revenue policy decisions in the 2026-27 State Budget.</p> <p>The State Government agrees to implement all recommendations of the Eslake Report, with the exception of the report's specific recommendations for new and increased taxes, and reducing infrastructure spending to the lower level recommended by Mr Eslake, noting that the Government has accepted Treasury's recommendation for a lower reprofiling of the infrastructure budget and forward estimates in the 2025-26 Budget.</p> <p>Noting your requests, the State Government agrees to:</p> <ul style="list-style-type: none"> <li>• Evaluate the efficiency and effectiveness of services to ensure users and taxpayers are getting value for money, as part of the Government's operating expenditure and grants expenditure review prior to the 2026-27 Budget. This is the desired intention of the Efficiency and Productivity Unit (EPU). The Government will also</li> </ul>

- Reducing the ratios of net debt and net financial liabilities to gross state product to below the corresponding averages for all states and territories within five years; and
- Reducing the ratio of interest payments plus defined superannuation benefit payments to less than 7% of revenues within five years.

- commit in the assessment of new funding requests to evaluate the efficiency and effectiveness of existing related expenditure or require the requesting entity to identify low priority or low value program(s) for cessation to ensure additional funding requests are not additive or worsen the overall budget position without offset.
- Increase own source revenue, by identifying prior to the 2026-27 budget, areas in which additional revenues will be raised and expected amounts of those additional revenues for the 2026-27 Budget.
  - Require cost-benefit analysis to be included in all major infrastructure investment business cases to be considered by Government on a merit basis.
  - Affirm the Treasurer’s existing public position of achieving peak debt within four years (which goes to addressing underlying net operating outcomes);
  - Commit to reducing Public Non-Financial Corporations Net borrowings between 2026-27 and 2028-29 by a cumulative total of \$500 million (broadly equating to the Mac Point borrowings of \$490.7 million as predicted in the 2025-26 Budget through to commissioning).
  - Set targets for reducing ratios of: net debt and net financial liabilities to gross state product; and a ratio of interest payments plus defined superannuation benefits to State revenue in the new Fiscal Strategy. The new Fiscal Strategy will be provided for consultation and feedback from the Multi-Partisan Budget Consultation Panel.

<p>Agrees that to provide independent oversight of progress on budget repair, Saul Eslake will be commissioned to report to Parliament against progress in each Budget from 2026-27 within 3 months of the annual budget being delivered.</p>	<p>The Secretary of the Department of Treasury and Finance will appoint an independent public finance and economic expert through a competitive procurement process to report to Parliament on the State Government's progress in delivering on the State Fiscal Strategy in each Budget from 2026-27. As this is likely to be a significant financial appointment, an open competitive procurement is recommended.</p> <p>The State Government will release financials on a monthly basis to enable full transparency and accountability on the Government's fiscal performance.</p>
<p>Acknowledges the Integrity Commission's 2022 findings that there are currently no mandatory regulations, legislation or policies about how Tasmanian Ministers manage grants – including those they pledge during an election campaign and introduces legislation by April 2026 to:</p> <ul style="list-style-type: none"> <li>○ replicate in Tasmania the management features of Commonwealth grant programs, where the rules apply to Ministers and other public officers – not just the public service;</li> <li>○ create specific rules around making and authorisation of election commitments;</li> <li>○ ensure the rules apply to ad hoc or discretionary grant commitments;</li> <li>● the requirement that Ministers must take advice from the public service before approving most grants;</li> <li>● if the Minister's decision diverges from public service advice, they must record the reason for that in writing;</li> </ul>	<p>The State Government acknowledges the Integrity Commission's 2022 Report findings and will continue to work to improve the approval, management and authorisation of Government Grants and Grant commitments.</p> <p>All Accountable Authorities are required to comply with the Financial Management Act 2016 (FMA). Treasurer's Instruction FC-12 issued pursuant to the FMA – Grant Management (effective 1 July 2019) applies to all Accountable Authorities requiring them to establish and maintain policies, procedures, controls and systems for the management of grants and grant programs. Additional guidance is also provided in the Department of Treasury and Finance Best Practice Guide for the Administration of Grants 2013.</p> <p>The Premier's Discretionary Fund (as titled since 1 July 2011, previously the Premier's Sundry Grants) is a discretionary program maintained to allow the Premier to meet funding requests of up to \$10,000 to provide limited financial assistance to groups or individuals. These payments are designed to support valued community and cultural activities with national,</p>

- includes specific rules for Ministers approving a grant for their own electorate; and
- Ministers must provide a statement that they have not approved grant expenditure unless they are satisfied that it is an 'efficient, effective, economical and ethical' use of taxpayer funds'.

statewide or local significance. This program is funded under Output 2.1 Management of Executive Government Processes. Details of all payments made pursuant to the Premier's Discretionary Fund are routinely disclosed on the DPAC Routine Disclosure webpage.

The State Government acknowledges it is timely to review current best practice rules and guidelines for the making and management of Government Grants.

The State Government agrees to introduce legislation to amend the Financial Management Act 2016 to incorporate the sentiment of section 71 of the Public Governance, Performance and Accountability Act 2013 (Cth) (Approval of Proposed Expenditure by a Minister) as recommended by the Integrity Commission to increase transparency, accountability and outcomes focus.

The State Government agrees to prepare and implement updated mandatory grant rules and guidelines modelled on the Commonwealth Grants Rules and Guidelines (as applicable) or best practice State or Territory Grants Guidelines by December 2026. These rules will include compliance mechanisms and apply to Ministers and ministerial staff; grant commitments made during an election period; ad hoc and discretionary grant commitments; and the Premier's Discretionary Fund.

The Government has requested that the Department of Premier and Cabinet, through its Efficiency and Productivity Unit in conjunction with the Department of Treasury and Finance, conduct a review of Government Grants expenditure, in the lead up to the 2026-27 Budget and to provide

<p>advice to Government relating to efficiency, effectiveness and value for money.</p>	<p>Further agrees that the Budget of the Integrity Commission will be increased to an average of the per capita funding of all state and territory integrity and anti-corruption commissions, starting from July 1 2026.</p> <p>Agrees that outstanding recommendations of the 2016 Cox Report on the Integrity Commission will be implemented by June 30 2026.</p> <p>Agrees to restore the funding of Audit Tasmania to a level required to enable Audit Tasmania to undertake at least six (6) performance audits per annum.</p>
<p>Agrees that the Budget of the Integrity Commission will be increased by \$500k per annum in the 2026-27 Budget and forward estimates, with the \$500k amount to be indexed from 2027-28 for the remainder of the forward estimates.</p> <p>The Government will prioritise the delivery of outstanding agreed recommendations of the 2016 Cox Report, with the majority of the recommendations to be included in a Tranche 2 bill by May 2026, with final recommendations (more technical and further consultation required) to be tabled by October 2026.</p> <p>The Government will review the level of resourcing for the Tasmania Audit Office in the lead up to the 2026-27 budget and ensure that funding over the forward estimates supports at least six (6) performance audits per annum.</p>	