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Submission to the Premier's Economic and Social Recovery Advisory Council
Phase 2: Public Consultation and Submissions

Investing in a Resilient, Inclusive and Sustainable Tasmania

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Recommendations

That the Premier's Economic and Social Recovery Advisory Council's (PESRAC) two-to-five year COVID-19 pandemic economic and social recovery plan:

1. Presents, or reiterates the need for government to develop and present, a clearly articulated vision for a resilient, inclusive and sustainable Tasmania that has addressing intergenerational disadvantage at its core
2. Identifies the need for a Pandemic Recovery Action Plan to invest in community resilience building by identifying and addressing key societal structural fault-lines
3. Includes a clear Pandemic Recovery Action Plan Implementation Criteria and Evaluation Matrix
4. Recognises that for many Tasmanians, pre-COVID conditions were not working for them, with many struggling with entrenched inequalities and intergenerational disadvantage
5. Recognises that a key component of any successful immediate, interim and long-term recovery plan is a clear vision statement reinforcing the key principles of inclusivity for all, equity, resilience and sustainability, as fundamental goals which we cannot afford to compromise upon.
6. Provides a clear transition plan that maps out the recovery trajectory, that systematically both identifies key fault-lines, and details disadvantage and inequalities remedial action. There needs to be a clear articulation of the trajectory of, and linkages between, Tasmania's initial response, post-pandemic recovery and long-term regeneration.
7. Recognises the need to decouple Tasmania's long-term recovery from a solely twentieth century 'bricks and mortar' reliance, and prioritises emerging innovative sectors, including digital communications, renewables, and flexible service delivery compatible with a zero-carbon and circular economy.

Introduction

This submission to the Premier's Economic and Social Recovery Advisory Council's (PESRAC) second and final phase of its terms of reference to provide advice to the Tasmanian government on strategies and initiatives to support the state's short to medium, and longer-term recovery from the coronavirus pandemic, recognises the Council's current focus is upon practical measures to be delivered over a two-to-five year timeframe.

Further, in recognition of PESRAC's stated preference for short, succinct and practical submissions from the public, as well as the Council's guidance that it is not its role to recommend specific projects or funding requests, this submission will instead focus on systemic approaches considered necessary to inform and direct a successful and sustainable broad recovery process for Tasmania and Tasmanians.

However, this phase two is also a key opportunity to address concerns arising from the Council's Interim Report delivered to the Premier in July 2020. Specifically, that despite its stated intent to begin the process of addressing structural reforms needed, it was unclear how the construction heavy, and 'build our way out' approach of the interim report would deliver these reforms. Instead there are very real concerns the approach of the Interim Report – if extended into being the sole long-term approach - risked entrenching current highlighted structural fault-lines, and failed to seize the 'opportunities' presented to rest Tasmania onto a more inclusive, resilient and sustainable footing.

We need to collectively focus on ensuring we avoid perverse policy outcomes, no matter initial good intentions.

It is within this context that this submission will focus upon the following:

1. The need for a clearly articulated vision for a resilient, inclusive and sustainable Tasmania that has addressing intergenerational disadvantage at its core;
2. Any Pandemic Recovery Action Plan needs to identify and address societal structural fault-lines; and
3. Include a clear Pandemic Recovery Action Plan Implementation Criteria and Evaluation Matrix.

As such, the main body of this submission does not seek to contribute to specific economic or funding considerations, but instead discusses the need to ensure the Council's Final Report considers the need for a clear contextual framework for its recommendations.

Included as an addendum to this submission is a section that follows on from and updates the submission made in July 2020 to the first stage of PESRAC consultations – focusing on the social and economic impact of poker machine harm to the Tasmanian community in the context of COVID-19 response and recovery.

I present the issue again in this submission as an example of a demonstrated social and economic vulnerability that existed in Tasmania prior to the COVID-19 crisis, which has seen an exacerbation of impact as a result of the circumstances of the crisis, and which will remain a distinct fault-line at risk of further rupture in the event of future crises or shocks.

However, it is an issue which we continue to have a uniquely straightforward opportunity to address in this state through evidence-based responsible policy making. This submission calls on PESRAC to provide forthright advice to the government to pursue this opportunity in order to deliver increased resilience through positive outcomes in health, mental health, homelessness, criminal justice, family support, education, employment and the state's economic performance.

1. Vision for a Resilient, Inclusive and Sustainable Tasmania

Rahm Emmanuel's use of the expression "don't waste a crisis" during the 2008 global financial crisis, urging public and private sectors to re-evaluate their then state and identify potential new approaches previously not considered a priority or achievable, is as applicable now as it was over a decade ago.

Internationally and nationally we are seeing a consensus of calls across communities, public and private sectors to think beyond just returning to things as they were prior the coronavirus pandemic. People are wanting to use this unforeseen enforced 'suspension of normality' to stop, re-evaluate and most importantly reimagine our societies and economies.

It is well researched and documented that pre-COVID there were growing and hardening inequities globally and locally, between the haves and have-nots, posing serious and alarming ramifications for social cohesion, health and economies. Policy makers, community and private sector leaders were all aware of the warnings of these inequities and their potential for long term damage and escalation in the face of known, but vaguely distant, future threats such as climate change. The sudden and unexpected, unprecedented real threat presented by the COVID-19 pandemic has served to throw those societal fault-lines, such as entrenched generational disadvantage, marginalisation, and systemic bias into sharp relief.

For many Tasmanians, pre-COVID Tasmania is not a place to which they want to return, partially or fully.

For these members of our Tasmanian community, 'back to normal' risks being a sentence, possibly reimposed even more harshly. It risks them being relegated to legitimised marginalisation, disenfranchisement, struggle and poverty. This is not a matter of hyperbole, but of simple fact. And one that I urge PESRAC to keep front and centre as much as possible when developing its two-to-five year plan for Tasmania's future.

As has also been widely observed by commentators and policy makers, the pandemic has highlighted the positive reforms that can be implemented, and swiftly, where there is a clear will.

This 'can do' attitude needs to not be allowed to dissipate through the justification of 'back to normal', but be harnessed and channelled into a conscious and coherent rebuilding of an inclusive, resilient and sustainable Tasmania.

What does a post-pandemic Tasmania look like?

The first step needed is to identify and define what a 'rebuilt Tasmania' looks like. A key component of any successful immediate, interim and long-term recovery plan is a clear vision statement that doesn't just make generalised lip-service to the fundamental principles of inclusivity for all, equity, resilience and sustainability, but clearly states these as fundamental goals which we cannot afford to compromise upon.

Additional to such a vision statement needs to be a clear transition plan that maps out the praxis from here to there, that systematically both identifies key fault-lines, and details remedial action. There needs to be a clear articulation of the trajectory of, and linkages between, Tasmania's initial response, post-pandemic recovery and long-term regeneration. It also needs to be an equally clear how this trajectory also addresses disadvantage and inequalities as part of the recovery process.

Further, there needs to be an inbuilt mechanism by which implementation of the transition plan can be assessed and evaluated. This requirement will be discussed in part three of this submission.

As previously stated, a meaningful post-pandemic Tasmania rebuild requires existing systematic fault-lines, and intergenerational disadvantage patterns to be clearly identified and challenged. To do otherwise, or to seek to merely paper over these fault-lines, inevitably will undermine efforts to secure our business confidence, maintain employment and education access, while also boosting and protecting our health care system.

This submission strongly advocates that we pro-actively plan to build a resilient, inclusive and sustainable Tasmania.

An inclusive Tasmania means we need to not only ensure no Tasmanian falls between the gaps due to age, gender, religion, ethnicity, sexual orientation, or physical disability, but are also provided the same opportunities to live their best life possible and achieve their potential.

A resilient Tasmania is one which has invested in sufficient future-forward infrastructure and other social measures that we are best prepared to weather equitably any future and unpredicted mass disruption on a state-wide scale. A resilient Tasmania fosters local innovation, particularly in new digital technologies and energy efficiency technologies.

The threshold test for a resilience plan is whether we have invested wisely in measures that, should our economy ever be paralysed again, or the island be isolated again from standard national and international trade and services, Tasmanians can still access affordable housing, heating, nutritious food, and equitable health, education and other community support services while also supporting job-providing and income generating sectors including the arts, hospitality, carers and service providers, as well as local businesses. If any future plan proposed can not further the delivery of this resilience scenario, then such a plan risks being a band-aid papering over the cracks rather than a substantial solution.

A sustainable Tasmania is one that protects its natural assets and people, and builds upon its strengths cleverly ensuring that which we rely is not depleted, and that which we can afford to share is value-added.

A post-pandemic sustainable Tasmania is one that tackles head on the challenge of climate change and the synergies in opportunities for both addressing social inequities and protecting our environment. It prioritises support for local innovation and entrepreneurship by recognising the potential for, creates space, and provides logistical support for, local solutions to common challenges.

It also involves active recognition of the role played by the scaling-up of social protections in providing all Tasmanian with the capacity to participate in local economies and communities.

Building a Socially, Economically and Ecologically Resilient Tasmania

It is worth noting internationally regions such as Europe, Asian countries such as South Korea, as well as organisations such as the OECD are emphasising that successful post-pandemic transitions are those which plan to refocus to low and zero-carbon economies and socially sustainable infrastructure.

A June OECD report states:

For the economic recovery from the COVID-19 crisis to be durable and resilient, a return to ‘business as usual’ and environmentally destructive investment patterns and activities must be avoided. Unchecked, global environmental emergencies such as climate change and biodiversity loss could cause social and economic damages far larger than those caused by COVID-19. To avoid this, economic recovery packages should be designed to “build back better”. This means doing more than getting economies and livelihoods quickly back on their feet. Recovery policies also need to trigger investment and behavioural changes that will reduce the likelihood of future shocks and increase society’s resilience to them when they do occur.¹

Further,

Central to this approach is a focus on well-being and inclusiveness. Other key dimensions for assessing whether recovery packages can “build back better” include alignment with long-term emission

¹ OECD, *Building Back Better: A Sustainable Resilient Recovery after COVID-19*, June 2020; pg 2.

reduction goals, factoring in resilience to climate impacts, slowing biodiversity loss and increasing circularity of supply chains. In practice, well-designed recovery policies can cover several of these dimensions at once, such as catalysing the shift towards accessibility-based mobility systems, and investing in low-carbon and decentralised electricity systems.²

This same report emphasises the fundamental principles required to underpin any meaningful ‘building back better’ post-pandemic plan:

A central dimension of building back better is the need for a people-centred recovery that focuses on well-being, improves inclusiveness and reduces inequality. To improve public support, recovery policies need to be measured on more than just economic growth and total job creation. Emphasising other elements that improve well-being, such as income, job quality, housing and health is important to achieve this (OECD, 2020). More specifically, where stimulus packages target environmental objectives, a focus on people’s well-being is also crucial to cement the social and political acceptance of environmental measures (OECD, 2019). Even before the crisis, the impact of environmental policies on inequalities among and within countries, and between genders, was a mounting key concern in several regions, and this is even more critical in the current context. Means for ensuring that environmental measures are socially inclusive include making taxes and subsidies progressive (supporting the most vulnerable) and preparing the workforce for the green transition, for example by adapting and adopting “Just Transition” principles refocused for an era of economic crisis and recovery (OECD, 2017).³

Subsequent OECD reports since June also stress the need for recovery plans to focus on the “quality” rather than “quantity” of debt and investment, including by investing in quality jobs, green and digital transformations, public health and education systems. These studies stress the importance of taking into account the need for ‘Just Transitions’ towards climate and digital-proof economies, through investment in skills development and education, social dialogue and collective agreements, and through public investment via transition funds and appropriate industrial policies.

Additionally, while investment is needed to transition to zero-carbon economies and sustainable infrastructure, these reports also emphasise the need for conditions on employment and social justice to be incorporated, particularly in any government assistance to the private sector (see Attachment A).

There is much talk in Tasmanian policy circles of ‘future-proofing’, yet disturbingly many of these efforts still reflect twentieth century priorities. PESRAC has an opportunity to help redirect and reshape Tasmania’s understanding of ‘future-proofing’, or ‘future-driving’ as we transition to a zero-carbon economy.

For example, the state government has released the Tasmanian Renewable Hydrogen Action Plan, seeking to drive clean hydrogen projects for export and domestic use. It has also been announced that a new process is underway to assess the feasibility of building locally replacement Spirit of Tasmania ferries. Progress is also underway on developing domestic Derwent River ferry transport options.

It would further Tasmania’s sustainability, renewable energy and innovation expertise and reputation if those Derwent River ferries and new Spirit ferries were required and/or encouraged to be fuelled by hydrogen. The United Kingdom, France and Norway currently have hydrogen-fuelled passenger ferries in use.

Currently a key block to utilising hydrogen in our transport sector is the lack of hydrogen refuelling infrastructure. According to a recent COAG Energy Council Issues paper, international market creation is being led by a combination of government targets and private-public investment partnerships.

² Ibid: pg 2.

³ Ibid: pg 5.

There may be potential for PESRAC to encourage local innovation efforts in developing clean hydrogen transportation and refuelling, including fuel cell development efforts. Just as key 'shovel-ready' construction projects were recommended to be brought forward to stimulate local economies and employment, there is scope to bring forward, and provide equivalent financial support and investment prioritisation of such renewable infrastructure.

By pulling the 'clean hydrogen for Tasmanian passenger transport' lever in relation to the current Spirit and Derwent River ferry proposals, the state could provide an investment in both supporting local innovation, and potentially provide an expertise asset available for 'export' interstate and internationally.

Whether the above hydrogen example is considered feasible or not, the point here is the need to decouple Tasmania's long term recovery from a solely twentieth century 'bricks and mortar' reliance. Instead we must bring forward and prioritise emerging innovative sectors, including digital communications, renewables, and flexible service delivery compatible with a zero-carbon and circular economy.

2. Action Plan Needs to Address Societal and Structural Fault-lines

As discussed above, the pandemic did not strike a previously robust and socially just economy, with many of the challenges facing Tasmania today predating COVID-19's arrival.

PESRAC has a key role to play in determining whether we exacerbate those social challenges moving forward, entrenching widening gaps in access to opportunities and outcomes. Or whether it encourages strategic 'pulling of policy levers' to driving a shared prosperity.

It is beyond the scope of this submission to identify and discuss every area requiring, and deserving of, concerted structural reform. Others with expertise in those areas will hopefully have either raised concerns and proposals through the PESRAC workshops process and/or the submissions option. Instead I will focus on a few key areas of concern.

Involvement of the Tasmanian Aboriginal Community

Tasmania must continue to do its fair share of heavy lifting in addressing Closing the Gap and other social justice issues for the Tasmanian Aboriginal community. We know Tasmanian Aboriginals are over-represented in our judicial and court system, and face steep health, education, housing and employment challenges. The Tasmanian Aboriginal community faces extreme entrenched and generational disadvantage across every aspect of their lives.

South Australia, for example, has created the role of an Aboriginal Commissioner for Children and Young People, in part to implement Closing the Gap commitments, and working towards ensuring there is a considered and wholistic incorporation of Indigenous considerations throughout policy development and implementation.

Similarly, the PESRAC Final Report needs to demonstrate how issues and challenges faced by the Tasmanian Aboriginal communities have been considered and integrated throughout all policy discussions and recommendations.

Housing

Tasmania's lack of affordable housing was urgent prior to COVID-19, with rising homelessness, increasing waiting lists for public and social housing, and low- and middle-income households experiencing affordability problems.

The New South Wales Productivity Commission has recognised the risks that a heavily capitalised housing market poses in weighing down the economic recovery from the shock of the coronavirus pandemic.⁴ With the wind-back of government supports such as JobKeeper and JobSeeker, the conclusion of explicit protections such as eviction moratoriums, and the post-pandemic employment precarity being experienced in many industries, often by female and younger workers, housing affordability and accessibility challenges will become further amplified.

Beyond the household impact, this becomes a structural challenge for the recovery of the economy because the success of our housing system underpins economic productivity, stability and inequality.⁵ Ever-rising house prices, excessive rents and insecure tenure are fundamentally damaging to children's educational attainment and prospects, and to adults' access to training and employment opportunities. While we celebrate more Tasmanian young people remaining in the state as tertiary students in the coming year(s), we know they will be faced with barriers in attaining affordable housing.

⁴ The Conversation, *After COVID we'll need a rethink to repair Australia's housing system and the economy*, Sept 2020: pg 1

⁵ *Ibid*, pg 2

And yet, we are already seeing locally skyrocketing house prices being celebrated in the midst of our post pandemic recovery, with Hobart median house prices now exceeding Adelaide, Perth and Darwin, and just shy of Brisbane.⁶ This does not bode well as it plays out alongside the roll-back of supports and protections. While it indicates the building of wealth for those with housing assets, it also represents higher mortgages and, even with record low interest rate, lower household spending for those newly entering home ownership. Additionally, it contributes to a tighter rental market, driving up rents and driving towards a likely return to rising homelessness in months to come.

It is particularly important to be informed by and act on greater insight delivered during the COVID-19 crisis through targeted research in the housing area, such as that undertaken by the Australian Housing and Urban Research Institute (AHURI). Its recent report, *Marginal Housing during COVID-19*, presents evidence that in the Hobart market in particular, the impact of whole properties entering the short-term stay market had kept vacancy rates very low, thereby inflating rental increases in recent years.⁷ Consideration of better targeted, effective regulation of the short term stay market to moderate and shape its impact on housing affordability and availability is well-indicated.

The disruption of the pandemic crisis and ensuing extraordinary measures to protect access to housing for all members of the community invites contemplation of structural review of those tax settings, at both a state and federal level, that have led to the precarity of affordability and the growing divide between those who are property owners and those who aren't – a divide that is increasingly becoming a generational issue. Tax reform is an important lever for making our housing system fairer and more efficient, and PESRAC has to opportunity to encourage the state government towards bold structural reform on this front.

Addressing and solving housing affordability is likely to be the single most important factor in guaranteeing the economic, educational, employment, health and well-being outcomes for our state. This is especially true when the possibility of future disruptive health or economic events are contemplated. This submission calls on PESRAC to give primary priority to recommending to government a strategic and comprehensive suite of policies which aim beyond mere improvement, and instead genuinely commit to addressing and solving housing affordability in Tasmania. Partial efforts and token gestures, such that we have seen to date, are at best playing catch-up, but fall far short of delivering transformative change.

Insecure and undervalued work

Employment security, and the pandemic's exposure of the extent and ramifications of the casualisation of our workforce nationally and locally has been widely documented. Given this, it is surprising, and worrying, to note the absence of the range of unions representing Tasmanian workers from the listed invitees to the PESRAC stakeholder workshops which form a substantial part of the Council's phase 2 workplan. Equal consideration needs to be applied to the lived experience and conditions of Tasmania's workers as it does to employers' experiences.

Back in May 2020, the Australian Council of Trade Unions (ACTU) released its 8-point plan for rebuilding jobs and the economy post the COVID-19 health crisis. Again, it stresses the need to avoid assumptions about 'returning to business as usual', highlighting the devastating impact upon individuals, local and regional economies, and public confidence of the high levels of insecure and casual employment across key industries include retail, hospitality, tourism, entertainment and the Arts. The ACTU also places aviation in this category, a sector which may have more relevance to a national recovery effort than that contained in PESRAC's brief.

This submission contends that insecure work is a key fault-line which needs to be addressed as part of delivering a resilient, inclusive and sustainable Tasmania. PESRAC needs to give serious consideration to identifying the appropriate policy levers at the state government's disposal to deliver the goal where

⁶ <https://www.themercury.com.au/realestate/spring-selling-season-a-roaring-success/news-story/71d947ee91f5966d57ffc87dd08daf92>

⁷ AHURI, *Marginal Housing during COVID-19*, December 2020: pg 32

“permanent roles are the norm and employees are entitled to at least a living wage, paid leave, public holidays, occupational health and safety protections and collective bargaining.”⁸

Gender Inequalities

An October OECD Ministerial Council report entitled, “A Strong, Resilient, inclusive and Sustainable Recovery from COVID-19, and in which the “we” included ministerial representatives of Australia, states:

Promoting a jobs-rich recovery, we will emphasise education and effective active labour market policies, including reskilling and upskilling of workers towards new and sustainable activities... We will make every effort to protect our workers with adequate social protection and to promote a recovery that does not leave the most vulnerable behind. We recognise the importance of working in cooperation with social partners in the recovery. We recognise that women are serving in vital roles in our economies and in the frontlines of this pandemic. We will empower women as key drivers of our economic recovery by striving to remove the legal, regulatory, and cultural barriers to their full economic participation, recognising the importance of gender equality as part of a broad-based recovery.⁹

The commitments at the international level to addressing the pandemic’s impacts upon women and girls may provide important policy recognition and frameworks at the macro level but, sadly, have yet to make any real difference on the ground.

There is growing consensus that the pandemic has left women, more than men, economically disadvantaged through unemployment, underemployment, reduced incomes, increased work insecurity, greater household and family demands, and increased risk of domestic violence.

ABS data released in November this year reveals a 7% drop in the 2020 number of women enrolled in Australia’s tertiary sector, universities and some vocational courses, compared with 2019 date – a reduction of 86, 000 women. For the same period there was a drop in male enrolments of 21, 200 equating a 2% reduction. This highly gendered pandemic impact upon education and training risks calcifying a pre-existing fault-line.

While it is recognised universities are a federal responsibility, this provides an indicative example, which has real flow on ramifications for Tasmania. The state government needs to proactively establish a program monitoring the uptake, or otherwise, by Tasmanian women and girls across schooling, tertiary education, training, reskilling and upskilling opportunities. Incentives and other appropriate response mechanisms need to be developed, also in partnership with the private sector.

The PESRAC Interim Report did recommend that the state government work to maintain women’s employment parity across the state sector and also in senior executive positions, which is commendable. However, pay parity is just as important when seeking to address entrenched gender inequalities as part of a just transition towards a more resilient, inclusive and sustainable Tasmania. There are potential levers the state can explore here, such as incorporating this as a requirement for any business or sector receiving any public grants, subsidies, or access to any other public resources.

Further, there must be recognition, and proposals to address, the fact that women of colour and other ethnicities, religions, and sexualities, are potentially at even further risk of marginalisation than that experienced by women of a Caucasian background. The PESRAC Interim report was unable to address this significant structural fault-line, but it will require addressing in any meaningful recovery plan moving forward.

⁸ ACTU, *Rebuilding jobs and our economy beyond the COVID-19 health crisis*, May 2020: pg 3.

⁹ OECD 2020 Ministerial Council Statement, *A Strong, Resilient, Inclusive and Sustainable Recovery from COVID-19*, 28-29 October 2020: pg 2

The 'pink recession' requires more than pathways into non-traditional, and therefore potentially hostile, workforces such as construction.

PESRAC is encouraged to examine initiatives implemented interstate to address the structural inequities facing women. For example, in New South Wales' (NSW) recent state budget, a \$10 million investment to assist women find employment was announced. This program is intended to provide grants of up to \$5000 to assist women find work. Women can apply for the grants through Service NSW, and, importantly, be assigned a co-ordinator to help and support them return to the workforce.

The NSW government will provide up to \$5000 for training and support; \$500 for textbooks; up to \$2000 for technology and office equipment; \$3500 for childcare (including before and after school care); and \$500 for transport. These are practical measures that women can access as soon as the programs are in place.

Again, while recognising it is beyond PESRAC's scope to designate funding allocations to specific initiatives, these examples serve to highlight a range of possible practical support measures that could make a real difference to addressing equality and inclusiveness challenges facing many Tasmanian women and girls.

In general, the 'pink recession' must not be allowed to become entrenched and glossed over.

This submission calls for PESAC to consider recommending the State implement a Gender Impact statement as an automatic component of the development of draft Bills and policy for Cabinet approval, just as there currently is an economic impact assessment. Additionally, there should also be a Gender impact statement accompanying future State Budget and Fiscal Statement Updates.

According to national political commentators, gender responsive budgeting *"could make a substantial contribution, documenting the extent to which investment in childcare and other services is more likely to create jobs, and jobs for women, than spending on construction."*

Further, it is worth noting that almost half of the 37 countries in the OECD now have some form of gender budgeting. The former head of the International Monetary Fund has also declared it good budgeting and policy practice.

There is also scope for PESRAC to lead by example by recommending that any implementation and evaluation matrix developed for the two-to-five year recovery plan also incorporates gender impact indicators, plus impacts for women of colour, as a standard criteria against which all recommendations, where applicable, are assessed.

3. Learning from the Unprecedented Pandemic Experience – Implementation and Evaluation Matrix

Investing in Community Trust in Transparency and Governance

The provision of a transparent and rigorous implementation and evaluation mechanism against which the state's recovery plan progress can be assessed and measured is a key element of building community trust and resilience.

The October 2020 OECD Ministerial Council Statement also acknowledges the importance of developing an indicator evaluation mechanism by which to measure progress of recovery efforts. It recommends the development, for OECD purposes, of an "indicator dashboard", which additional to traditional GDP and employment factors, would also include, *"environmental and social dimensions related to sustainability, inclusion and well-being, in line with the Sustainable Development Goals."*¹⁰

It would be an extremely valuable addition to the PESRAC Final Report if it included a proposed implementation matrix, or 'indicator dashboard' by which Tasmanians could periodically see and evaluate implementation of recommendations against a consistent set of criteria and any short-term to long-term goals each recommendation is intended to deliver. This implementation and evaluation matrix could also provide the framework to also include any subsequent government funding allocations as the report goes through those approval stages.

The above OECD Ministerial Council statement refers to the United Nations Sustainable Development Goals. Australia is a signatory to the 2015 UN Sustainable Development Goals, and as such they may also provide appropriate and useful criteria to be incorporated into any Tasmanian Recovery Plan implementation and evaluation matrix.

Any such implementation evaluation indicator system should also come with a requirement, and commitment, that period evaluation reports, whether annually or bi-annually, to be independently assessed, ie by the Auditor-General, or a purpose specific community-based committee consisting of appropriate independent representatives from the social services sector, UTAS, as well as the Auditor-General.

The provision of such an evaluation tool and ratifying mechanism, or even recommendation that one be developed by government, would be an investment in growing community trust in our governance systems. There is an opportunity, and responsibility, to build on the trust Tasmanians have already demonstrated in government acting in the interests of the broader community upon good independent advice at the height of the pandemic crisis.

This public trust deserves to be both rewarded and consolidated. This requires evident integrity of process and transparency, especially where public resources may be provided to support private entities and endeavours, or particular sectors who are the beneficiary of government grants and contracts.

Further, any two-to-five year plan will inevitably span state election campaigns. Additional to holding elected representatives and public officials to account, an independent assessment and ratification mechanism of a rigorous progress evaluation matrix will be an investment against the recovery plan becoming unnecessarily and negatively politicised.

¹⁰ Ibid: pg2.

4. Conclusion

To conclude, I urge the Council to ensure its two-to-five year plan proposal to government builds upon the community's goodwill and strengths, while delivering an aggressive Action Plan to tackle the systemic and structural inequalities the COVID-19 pandemic has thrown into sharp relief since March this year.

Tasmanians deserve a Plan which clearly recognises that the pre-COVID 'normal' was not working as we deserved, and that now we have a once in a lifetime opportunity to reset and proactively determine Tasmania's 'new normal'. As such the PESRAC two-to-five year recovery plan has the potential to place us firmly upon the trajectory to deliver a real resilient, inclusive and sustainable Tasmania.

To do so, it needs to acknowledge, identify and provide a clear map by which to address systemic inequities and entrenched intergenerational inequities.

Further, we need to move beyond last century's reliance upon a 'bricks and mortar' Great Depression style of crisis response. Instead we need to foster forward-thinking local innovation and expertise while developing a robust circular economy and investing in social resilience.

A key lesson learned from this unprecedented experience is how suddenly a global disrupter can occur. Similar future massive disruptions cannot be ruled out. Propping up a few isolated sectors will not address institutionalised fragmentation or structural fragility, and nor will it protect us from future disruptive events, whether health such as a pandemic, or economic as we experienced in 2008. Instead we require a comprehensive and coherent recovery reset, ensuring that all investment efforts and policy levers prioritise building a resilient, inclusive and sustainable Tasmania.

5. ADDENDUM: Mitigating Impact of Poker Machines as a Fault-line

I provided a submission in July to the first stage of PESRAC consultation (provided again here as Attachment B) which focused on the urgent need to mitigate the impact of the re-opening of gaming rooms at a time of heightened vulnerability in the community, including the evidence that significantly elevated levels of harm were expected to result.

I present the issue again in this submission as an example of a demonstrated social and economic vulnerability that existed prior to the COVID-19 crisis, which has seen an exacerbation of impact as a result of the circumstances of the crisis, and which will remain a distinct fault-line at risk of further rupture in the event of future crises or shocks.

However, it is an issue which we continue to have a uniquely straightforward opportunity to address in this state. As such, this submission calls on PESRAC to provide forthright advice to the government to pursue this opportunity and, in doing so, deliver positive outcomes for Tasmania in health, mental health, homelessness, criminal justice, family support, education, employment and the state's economic performance.

In the five months since reopening gaming rooms, poker machine losses in Tasmania have been significantly up compared to the same months in 2019. (see Attachment C for tables with state-wide figures and LGA breakdowns)

The **\$74,593,458** lost to poker machines in Tasmania from 26 June – 31 October 2020 (likely to have reached \$90 million at the date of this submission), is delivering comparatively very little economic value to our state or for hard-working, struggling local businesses.

These massive losses come at a time of great personal and economic stress due to COVID-19; the presence of such stresses is a known risk factor for developing pokies addiction.

With losses elevated so significantly and evidence indicating around 50% of losses are from people with a gambling addiction, we know there must be an increased level of harm in the community. This will have an enduring effect as more Tasmanians develop a problem with pokies at this vulnerable time and carry that forward.

Access to superannuation lump sums and increased Centrelink payments such as JobKeeper and JobSeeker, means that many households had greater access to discretionary income in recent months. We could expect the use of stimulus money on pokies to exhaust over time and see losses lessening, however the legacy of those newly-developed gambling problems will continue to harm Tasmanian families, businesses and communities.

Once stimulus funds are expended, poker machine addictions that have been recently triggered and entrenched will begin to drive those affected to much more harmful attempts to procure funds to use in the machines – entering into or increasing personal debt, selling assets, borrowing from family and friends, drawing on business funds, embezzling from employers, and engaging in criminal behaviour.

It is the escalation of these harms that we can expect to see in Tasmania in coming weeks, months and years, even as the quantum of monthly losses to pokies recedes from the extreme spikes of the months after first re-opening.

Spending on poker machines is a very poor form of economic stimulus - spending in virtually any other part of the economy, and certainly other non-pokies parts of the hospitality industry, will deliver more jobs and better economic benefits for local business and our state economy. For example, \$1 million spent on poker machines delivers three jobs; \$1 million spend on food service delivers 20 jobs.

The decision to switch poker machines back on at a time of increased vulnerability does not fit with the government's claims that the health, safety and well-being of Tasmanians is its top priority and that decisions being made are 'safe, sensible, and in the best interest of our State'. There was clear evidence that reopening gaming rooms would be detrimental to Tasmanian families, small businesses and the state economy, but it was done despite the clear evidence and without any additional or targeted support or education measures.

The government has dismissed the harm of the recent spikes in poker machine losses despite its own research identifying it as the most harmful form of gambling in our state. No additional investment, support or public education messaging was provided by the government to prepare the Tasmanian community before switching poker machines back on in June, nor since as we have seen extreme spikes in losses occur.

In contrast, the government has provided clear public health messaging during the COVID-19 crisis that focused on the risks of increased use of alcohol and other drugs. Yet the main coronavirus website had no mention of the risks of gambling harm and did not include any gambling assistance contact details in the list of mental health and well-being services available to support Tasmanians.

Given the latest figures on pokies losses, it is clear that smaller, regional areas are being especially impacted. Yet there is no indication that the government is doing anything to identify, understand and act on the devastating harm that is likely occurring in some of our most vulnerable regional towns.

For example, in the Dorset municipality losses in October 2020 of \$163,183 were up 67% on October 2019. There are three venues with poker machines in the Dorset municipality, with a total of 45 machines. These figures indicate that Scottsdale, a town of around 2300 people and 30 poker machines, lost \$108,780 in the month of October alone – a figure that is highly alarming from both a social and economic perspective. [see further details in tables in Attachment C]

While the fifth Social & Economic Impact Study (SEIS) is underway and will examine to some extent the impact of COVID-19 on gambling behaviour and spending, its results will not be known and reported on until June 2021. Previous practice demonstrates that despite investing in this regular local research, the findings of the SEIS reports have never informed this government's policy approach to poker machines.

Indications are that the government intends to follow that pattern and ignore the results of the current SEIS, with confirmation during Budget Estimates in November 2020, that the reform of poker machine licensing arrangements and major changes to the Gaming Act will be brought to Parliament in the first half of 2021, prior to the SEIS report being completed and considered.

In the context of PESRAC's role to advise on mitigation of the social and economic impacts of the pandemic and opportunities for economic and social renewal, this submission calls on the Council to explicitly encourage government to act now to:

1. Investigate and assess the use of poker machines in regional towns experiencing significant spikes in losses
2. Provide an additional, tailored public education campaign state-wide about the heightened risks in using poker machines at this time in the context of COVID-19.
3. Provide a new, targeted, proactive outreach support program to connect with those who are newly gambling on poker machines or have resumed problematic gambling on poker machines and their families.

4. Commit to legislating evidence-based, expert recommended harm minimisation measures as part of major changes to the Gaming Act and licensing arrangements, including:

- \$1 maximum bet limits (instead of \$5)
- 6 second spin speeds (instead of 3 seconds)
- \$1000 maximum jackpots (instead of \$25,000)
- Midday-midnight gaming room opening hours (instead of 8.00am-4.00am)

*Note: evidence demonstrates that each of these measures would have virtually no impact on the gambling behaviour or experience of people using poker machines recreationally.

Attachment A:

[OECD, *Making the Green Recovery Work for jobs, income and growth*, 6 October 2020](#)

Attachment B:

Webb_Meg_MLC_Submission to PESRAC Phase 1_July 2020

Attachment C:

Poker Machine Data Update December 2020

References:

[ACTU, *Rebuilding jobs and our economy beyond the COVID-19 health crisis*, May 2020.](#)

[OECD, *Making the Green Recovery Work for jobs, income and growth*, 6 October 2020](#)

[OECD, *2020 Ministerial Council Statement, A Strong, Resilient, Inclusive and Sustainable Recovery from COVID-19*, 29 October 2020](#)

[OECD, *TUAC 2020 Ministerial Council Meeting Statement*, 28-29 October 2020](#)