

**Thursday 24 May 2018**

The Speaker, **Ms Hickey**, took the Chair at 10 a.m. and read Prayers.

**STATEMENT BY SPEAKER**

**Official Photograph**

**Madam SPEAKER** - Honourable members, we have a photographer present in the public gallery for the purposes of taking the official Chamber photo.

**QUESTIONS**

**Child Protection - Total Support Services**

**Ms WHITE question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.03 a.m.]

When were you briefed about very serious allegations made about the for-profit provider, Total Support Services, which has been contracted by your department to care for Tasmanian children in out-of-home care? What did you do about these allegations after you were briefed to ensure the safety of these children?

**ANSWER**

Madam Speaker, as I have mentioned in here before, I will not comment on the individual circumstances of children or young people or their families in cases of this kind in this place. We know unfortunately that there will always be a need to bring some children into out-of-home care and when we do bring children into care we seek the most appropriate placement for that child's individual needs and circumstances. Many of the children we are referring to have experienced significant trauma in their lives and have a range of complex behavioural health and disability needs that cannot be met in family-based care arrangements. For these individuals specialist providers are used to respond to their individual therapeutic needs.

Total Support Services is one of a number of providers used to provide a range of services to children in need. Due diligence processes are undertaken with all providers of out-of-home care services and where concerns are raised regarding a child in care, there are well-established processes to assess those claims and prioritise the safety of those children.

Under the Children, Young Persons and Their Families Act, every adult in Tasmania has a responsibility to take steps to prevent the occurrence or further occurrence of abuse if they suspect, on reasonable grounds that a child is suffering or likely to suffer abuse.

I take this opportunity to strongly urge anyone with information regarding an allegation of abuse of a child in care -

**Ms WHITE** - Point of order, Madam Speaker. I go to standing order 45 and relevance. The question I asked the minister was regarding whether he had taken action once he was briefed on these very serious matters. He has not answered that question.

**Madam SPEAKER** - I will allow the minister to finish his answer. I am sure he is getting to that point.

**Mr JAENSCH** - Madam Speaker, I strongly recommend anyone with information regarding an allegation of abuse in care to report that through the official channels to the child safety notification process so that it can be appropriately responded to and assessed.

As I understand, there has been a briefing on some concerns associated with this provider. I understand that full investigations have been undertaken. I believe there are reports of further allegations in the media. Again, I urge anyone who has information relevant to the safety and wellbeing of a child to report to the appropriate authorities without delay.

### **Child Protection - Total Support Services**

**Ms WHITE question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.07 a.m.]

Madam Speaker, the question is again to the minister for child safety services.

**Mr BARNETT** - Point of order, Madam Speaker. All the ministers in this place should be referred to by their correct title. The title referred to is not the correct title. I ask you to draw the member's attention to the correct title.

**Madam SPEAKER** - Could you please do that, Leader of the Opposition?

**Ms WHITE** - Can I ask the minister as to how he would like to be referred. What is the appropriate title by which I am to address you, minister?

**Mr Jaensch** - I am the Minister for Human Services if it is a human services matter.

**Ms WHITE** - Less than two years ago, your department was forced to launch a wide-ranging investigation after for-profit provider, Safe Pathways, was found to have seriously neglected 12 Tasmanian children in its care despite being paid thousands of dollars each week to provide care. Why was another for-profit provider, Total Support Services, subsequently contracted by your department last year which is now at the centre of very serious allegations involving exposing very vulnerable children to inappropriate discipline?

### **ANSWER**

Madam Speaker, I thank the Leader of the Opposition for her question. As I said in my previous response, in the unfortunate circumstances where children need to be brought into care and where they have special, complex behavioural health and disability needs, specialist providers are used to respond to those cases for a shorter or longer period. There are due diligence processes undertaken with all providers of out-of-home care services. We take great care in ensuring that we are putting

kids in safe hands. We use a range of criteria to assess them and they are well-understood and well-established processes.

I do not believe that the for-profit or otherwise business model of those service providers is one of those criteria.

### **Child Protection - Total Support Services**

#### **Ms O'CONNOR question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.09 a.m.]

Can you confirm the details of an alarming allegation of failures in duty of care of another for-profit provider to which your Government has handed over the care of highly vulnerable children? The allegation made by both a social worker and a departmental source is that Total Support Services is exposing children with disabilities who are on care and protection orders to inappropriate discipline resulting in escalating behaviours that had contributed to the hospitalisation of a teenager in its care. As you know, minister, this follows the scandal surrounding another for-profit provider, Safe Pathways. We now know the former manager of Safe Pathways is working with Total Support Services.

In your previous answer you said 'full investigations have been undertaken' - correct me if I have misheard that. What is the result of that investigation? How many vulnerable children are with Total Support Services and why is your department still contracting for-profit providers to care for at-risk young people?

#### **ANSWER**

Madam Speaker, I thank the member for her questions, which started with, 'Can I provide the details of allegations of abuse?'

**Ms O'Connor** - Can you confirm the details.

**Mr JAENSCH** - Can I confirm the details of allegations of abuse of children in care? I can confirm that I have heard reported allegations relating to a provider of care. It has been in the -

**Ms O'Byrne** - You do not have briefing on this?

**Ms O'Connor** - You said there was a briefing; a full investigation had been undertaken.

**Madam SPEAKER** - Order; it is a very serious issue.

**Mr JAENSCH** - media today. What I referred to earlier is that I am advised there has previously been care concerns raised, investigated and dealt with regarding Total Support Services, which did not result in children being removed from their care. I am happy to seek confirmation from my department and to correct that response if it is in error. Today, with media reports of allegations of other cases of abuse or concerns raised, I do not know the details of the cases that have been reported in the media beyond what I have heard in the media.

I urge anyone who has information that goes to the safety and wellbeing of children in care, or whose welfare needs investigation, to provide as much information as they can to the appropriate authorities as soon as possible.

The member stood up and asked me to provide details of the reported allegations -

**Ms O'Connor** - Confirm.

**Mr JAENSCH** - I cannot at this point confirm the details of those allegations. I will reiterate I will not be commenting on the details of individual circumstances or investigations in this place.

### **Wages Policy**

**Mr BROOKS question to TREASURER, Mr GUTWEIN**

[10.13 a.m.]

Can the Treasurer please update the House on the Government's wages policy and if he is aware of any alternative policies?

**Mr O'Byrne** - This should be a good bit of fiction. Here we go.

### **ANSWER**

Madam Speaker, already the puppet masters are pulling the strings. We will see this happen on a few occasions as we work our way through this. I thank the member, Mr Brooks, for his question on this very important issue. We have a few people interested in this as well.

**Mr O'Byrne** - Show them some respect. Why don't you do that?

**Mr GUTWEIN** - From the outset I put on the record my appreciation for the hardworking professional and dedicated public sector in Tasmania. Overall the State Government employs 30 000 people.

**Mr O'Byrne** - They make you say that, don't they.

**Mr GUTWEIN** - Here we go. Mate, you are going to put on a show today because they are here in the gallery, we know that. You are just showing off.

The Government's view is that our public servants deserve to be paid well and we do pay them very well, especially in comparison to the private sector. In Tasmania the average wage in the private sector is around \$70 000. However, the average wage of public servants is around \$110 000 - \$40 000 more than the average wage of most other Tasmanians. In the main our public servants do fantastic work and we firmly believe that our hardworking public servants deserve a pay rise. That is why we factored into the upcoming budget pay increases of 2 per cent each and every year.

What is often overlooked is that the vast majority of public servants receive additional pay rises as well after every 12 months of continuous service. The longer they stay in the public sector the further they progress through the pay scales and the more they earn. This means that most public

servants are getting pay rises between 3 per cent and 5 percent already, which is well above the rate of inflation and very competitive with other states and territories around the country.

The Government's wages bill in the 2017-18 Budget including superannuation was nearly \$2.7 billion. It is the Government's biggest single expense. If you are going to be serious about budget management, about confidence, you have to be serious about wages. If wages increase by just 1 per cent more than what we budgeted for it will cost tax payers an extra \$27 million each year, with a compounding impact in the fourth year of more than \$100 million each and every year. While we have repaired our finances and balanced the budget, a \$100 million hit to the budget in the forward estimates would have a significant impact.

I was asked if there were any alternative policies. There used to be. Labor used to have a wages policy. Guess what it was? A policy to cap wages at 2 per cent. A 2 per cent wage policy was what they had on the other side.

Madam Speaker, they want us to behave like Western Australia did, when their economy was running well a few years ago. Spend big on wage agreements with no thought to what comes next. We will not put Tasmania into Western Australia's current position of begging from the Commonwealth or trying to take from states who have better managed their finances. Labor disgracefully wants to put Tasmania into that position. We will not do that. Our wages policy is a sensible 2 per cent per year and as I pointed out, the vast majority of public servants receive increases of between 3 per cent and 5 per cent per year in total. Labor will do and say anything that the unions tell them to do.

**Mr O'Byrne** - You are just talking about your office, mate.

**Mr GUTWEIN** - We knew that you would attempt to perform this morning. The question to Labor is, what is their wages policy now? Is it 2 per cent? Is it 5 per cent? Is it 8 per cent?

**Members** interjecting.

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### **Recognition of Visitors**

**Madam SPEAKER** - Order. While I remind the respectable politicians in this parliament to behave, I draw your attention to special guests in the gallery. These are legal studies students from Elizabeth College. We welcome you to the Parliament of Tasmania.

**Members** - Hear, hear.

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**Mr GUTWEIN** - Thank you, Madam Speaker. As I was saying, what is their wages policy? I suspect that their policy is anything that the unions tell them it is. That is what their policy might be. Everybody understands that when Labor and the Greens are in government they will spend like there is no tomorrow and it is left to the Liberals to fix the mess. That is exactly what has happened, but I can tell you we will not undo all of the good work. We fixed the mess the last four years and we will not be taking the state back to the dark old days of Labor and the Greens.

## **Child Protection - Total Support Services**

**Ms WHITE question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.19 a.m.]

When were you made aware that inappropriate discipline against children in Total Support Services care led to one teenager being hospitalised? Has that allegation been investigated and have you been briefed by your department about it?

**ANSWER**

Madam Speaker, I thank the member for her question. I am going to be as careful as I can with words here, as you should be also. We are dealing here in reports of allegations of concerns regarding individuals. I received a briefing last night that the media was raising a story regarding a series of allegations, some of which my department had previously been aware of and investigated and resolved to their satisfaction, and others which they were not aware of the detail -

**Ms O'Byrne** - Are you saying the department wouldn't know if an extremely vulnerable child was hospitalised?

**Madam SPEAKER** - Order.

**Mr JAENSCH** - and when they were briefed they were already actively investigating to understand more detail surrounding those reported allegations of concern.

I am awaiting more detail on that and I urge anyone who has information that may relate to concerns for the safety of a child to bring it forward. I want to send a message as well because in the last couple of months we have been getting reports of allegations of concern and fragments of information that have been brought forward in the media and in this place around the safety of children. What I say to anyone in possession of any information that goes to the safety and wellbeing of children is to, please - under our laws - report this to the Child Safety Service. There is a number that I am happy to have published here. Notifications can be received at any time and if they contain any information that assists us to prevent there being harm to a child it is their responsibility under Tasmanian law to bring it forward. I cannot stress how important that is.

I cannot stress how anxious I am that there may be members of the media, members of the Opposition, members of even my own departmental staff, who have information they believe is associated with kids and their safety and are not making it fully available to the people responsible for investigating it. It is very important that anybody who has that information, under our legislation, is providing it to the people whose duty it is follow it up.

## **Child Protection - Total Support Services**

**Ms O'CONNOR question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.22 a.m.]

The ABC reports that your office was alerted to these allegations on 15 May, yet you say the first you heard was in a briefing last night. Can you confirm that your office was made aware of these allegations from journalists' queries on 15 May? Further, we have found an employee review

online for workers at Total Support Services, and an employee who was employed up until early August last year when Total Support Services started taking on children with disabilities under care and protection orders describes Total Support Services as totally unprofessional, with unqualified management, a poor workplace culture, no training of new staff, job changes without notice and not paid, poor people skills amongst management, and very little induction or managerial support.

First, can you confirm that your office was made well aware of these allegations over a week ago and, second, are you aware of how apparently poor management is at this organisation?

## **ANSWER**

Madam Speaker, I meet and have discussions with my department on a range of matters every day. My recollection is that the interaction I had with the department last night made reference to a previous care concern that had been raised regarding this provider and investigated and resolved to the satisfaction of the department. There was reference in the briefing last night that the ABC was intending to report allegations of further incidents or concerns that the department had no detailed knowledge of but was actively investigating. I again encourage and urge anyone who thinks they have information they are very concerned with that there may be a child at risk, to report that information to the appropriate authorities. Anybody who has information and anybody who is a mandatory reporter must definitely do that.

Regarding staffing concerns and others, I have said that when we engage specialist providers, due diligence processes are undertaken through established procedures by the department and in the case of this provider and its current operations, they have met those requirements in order to be engaged -

**Dr Woodruff** - No, they didn't.

**Mr JAENSCH** - If you have other information that goes to the safety of this operator, please provide it. This is what we need to do.

**Dr Woodruff** - It is online.

**Madam SPEAKER** - Order.

**Mr JAENSCH** - If anybody has information that goes to the safety and wellbeing of children, which is of paramount importance, bring it forward as a matter of urgency because the safety of children is our top priority.

## **Child Protection - Total Support Services**

**Ms WHITE question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.25 a.m.]

How many children currently, as of today, are in the care of Total Support Services and how many children have been removed from Total Support Services' care?

## **ANSWER**

Madam Speaker, I do not have a summary of the number of children currently in care under Total Support Services. I am advised that no children have been removed from their care in relation

to specific care concerns that have been formally notified and previously investigated. This is separate from the other reports of allegations of concerns of care in the media today and which are currently being investigated. I undertake to provide the number of children in the care of Total Support Services as soon as I am able.

### **TasTAFE - Independent Audit Results**

**Mr SHELTON question to MINISTER for EDUCATION and TRAINING, Mr ROCKLIFF**

[10.27 a.m.]

Can the minister please update the House on the independent audit being undertaken at TasTAFE?

### **ANSWER**

Madam Speaker, I thank the member for his question. The Government's priority continues to be on the future of TasTAFE. As the House is aware, a comprehensive independent audit on the operations of TasTAFE has been undertaken in response to the Integrity Commission report tabled last year. I received a final copy of the report from TasTAFE board chair, Mike Blake, yesterday after it was signed off at a TasTAFE board meeting on Tuesday. Today I am tabling the independent report in full, ahead of schedule. I thank the auditors, WLF, for their diligence and the TasTAFE staff for their professionalism through what has been a very difficult time for the organisation, but also a productive time, as longstanding issues have now been identified and are being rectified.

The audit report tabled today covers nine topics: recruitment and selection; use of government credit cards; travel and entertainment; personal benefits; conflicts of interest; procurement of contract and consultancy services; remuneration; human resources policies and procedures; and misconduct systems. Advice from the independent auditors which is included in what is being tabled today indicated that the three remaining topics - delegations policy and procedure framework and employment induction - were sufficiently addressed in the preceding nine topics. Now the report is finalised and all recommendations have been accepted we can continue down the path of a brighter future for TasTAFE and the audit report has laid a path for ongoing, continuous improvement.

Recommendations have been coordinated by a project team within TasTAFE with oversight by a steering committee reporting to the TasTAFE executive and board. I am pleased to note that the board intends for all recommendations to be substantially implemented by December 2018. Some recommendations have already been implemented and have resulted in positive changes, including ethics training for all managers, the establishment of centrally managed registers in relation to conflicts of interest and gifts and benefits, updating of human resource policies and procedures and updating purchasing and procurement policies and guidelines.

The new chair of the board, and former auditor-general, Mr Mike Blake, is doing an excellent job leading the board in prioritising the implementation of the audit. In the new CEO, Ms Jenny Dodd, we have an outstanding leader who, in only a short time, has made a big impact at the organisation. It is clear that significant improvements have been made, standards have been raised, and the measures necessary for continuous improvement are mapped out for all to see in the full audit report released today.



TasTAFE has a bright future ahead. Not only has this Government guaranteed funding to TasTAFE, we have a new focus on the organisation's connection with industry and the community. In the last few weeks I have consulted with the community and industry leaders on the \$7 million Trades and Water Centre of Excellence at Clarence and also on the \$5 million Agricultural Centre of Excellence at Burnie. The \$3.5 million commitment for expansion of Drysdale in the northern Hobart suburbs and as part of the Devonport living city, will start to take shape across the next few months and again strengthen TasTAFE community ties.

This side of the House joins Tasmanians who want to see a positive future for TasTAFE. We have released the audit in full and are getting on with the job of implementing the recommendations. Further, our election commitments will ensure TasTAFE continues to provide skills for our growing workforce in a thriving economy, a future that is bright under the Hodgman Liberal Government.

### **Child Protection - Total Support Services**

**Ms WHITE question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.31 a.m.]

How many placement breakdowns have there been involving children at Total Support Services?

#### **ANSWER**

Madam Speaker, I thank the Leader of the Opposition for her question. I will inquire of my department if they can give me any information regarding placement breakdowns at Total Support Services.

**Ms O'Byrne** - Will you report back to the House today?

**Mr JAENSCH** - I will bring that information as soon as I get it at my first opportunity.

I will add to my previous answer where I undertook to find out how many children are currently in the care of Total Support Services. In my briefings I have been advised there are currently three children in the care of Total Support Services.

### **Child Protection - Total Support Services**

**Ms WHITE question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.32 a.m.]

At what point were you made aware the general manager of Total Support Services was previously employed by Safe Pathways? Why didn't this fact ring alarm bells for you and your office?

#### **ANSWER**

Madam Speaker, from my briefings about this provider, yesterday and previously, there was information that a former manager of Total Support Services had been formerly employed by Safe

Pathways. I understand that person is no longer a manager at Total Support Services. Therefore it has not been a factor in the current issues that have been raised.

## **Gender Equality**

### **Mr SHELTON question to MINISTER for WOMEN, Mrs PETRUSMA**

[10.34 a.m.]

The Hodgman Government has a vision for a more inclusive Tasmania that empowers women and girls. While action taken over the last four years has moved Tasmania closer to this objective, gender inequality still occurs. What can we, as a Government, do to help address this issue?

### **ANSWER**

Madam Speaker, I thank the member for his question. Since 2014, the Hodgman Liberal Government has been committed to making Tasmania a state where all people have equal opportunity to participate in Tasmania's social, political, economic and cultural life. A person's gender should not be a barrier to opportunity or participation.

The Hodgman Government has led by example and delivered a number of firsts for women as we continue to strive for gender equality. Women have been elevated to a number of key roles, including Tasmania's first female Speaker of the House of Assembly, our first female Governor, our first female Chief Magistrate, the first Minister for Women since 2006, and Tasmania's first nation-leading family violence action plan Safe Homes, Safe Families.

Notwithstanding all the good work already being done, gender inequality still persists in our community. We must continue to address this. Therefore I am proud today to launch our new Tasmanian Women's Strategy 2018-21.

The new strategy has the vision for Tasmanian women and girls to live in a safe community, have access to equal pay, resources and opportunities and to be treated with equal respect and fairness. Our objective under the strategy is to empower and support women and girls to reach their full potential to participate in and contribute to the economic, social, political and cultural life of the community. All women and girls have a right to financial security and independence, be safe at home, at work, at their place of study and in the community, equal opportunities in leadership and participation and to access information and services to make informed choices about their health and wellbeing.

To achieve these principles our new strategy focuses on four identified strategic priority areas of action: financial security; leadership and participation; health and wellbeing; and safety. The strategy has been developed following extensive consultation with nearly 1400 people participating in a survey, as well as 13 in-depth written submissions received, 11 from Tasmanian women's organisations and two from individuals.

The four priority areas were identified through our community consultations and also in line with the work and learnings from successful initiatives undertaken by the Australian Government, other state and territory governments, the Australian Human Rights Commission and UN Women. The priority areas are all connected. Taking action under one priority area can have positive outcomes across one or more priority areas.

The Tasmanian Women's Council will assist the Government to meet the strategy's objective and will actively monitor its implementation alongside a Tasmanian women's strategy group to ensure that there is an integrated and coordinated approach to implementing the strategy. As many of the levers that affect outcomes for women lie within the jurisdiction of the Australian Government through COAG and other inter-governmental forums, the Tasmanian Government will continue to be a strong advocate and negotiator for joint national strategies.

The strategy also celebrates what we have achieved under the Tasmanian Women's Plan 2013-18. It builds upon the Government's existing inclusion initiatives and calls for a united approach from the Government, private and community sectors, as well as the wider community to work together in Tasmania's quest to achieve gender equality. It outlines why we need gender equality, provides a snapshot in key facts on women and girls in Tasmania, and outlines what the Government is doing and what we can do together. Action plans will also be developed for each of the priority areas, with the first one to have a focus on financial security.

As the strategy is a living document, over the next three years the Government will work with Tasmanians from all sectors and walks of life to identify priorities, review progress, develop new actions and consolidate and strengthen existing activities.

The Hodgman Liberal Government firmly believes that gender equality is critical to reducing economic disadvantage, enhancing economic growth and democratic governance, increasing the wellbeing of women, girls and their families. We will do everything in our power to make this a priority and the new women's strategy we are releasing today is a critical step in this process.

### **Child Protection - Total Support Services**

**Ms WHITE question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.39 a.m.]

Total Support Services staff have been accused of using heavy-handed and physical restraints against very vulnerable Tasmanian children with disabilities, and employing workers without adequate training to look after these children. Can you confirm the Government was warned, either through your office or the office of the former minister, Mrs Petrusma, about contracting a for-profit provider before Total Support Services was contracted?

### **ANSWER**

Madam Speaker, I thank the Leader of the Opposition for her questions. The first one was asking me to comment in detail specific allegations of harm to children, which I would not under any circumstances be commenting on here.

**Ms White** - I didn't ask that question. I asked if you were warned about contracting for-profit providers.

**Mr JAENSCH** - No, the first question you asked was whether I could confirm. The later question asked if I had been warned about the dangers of engaging a service provider because they were a for-profit provider. I have not received a written warning to me in any briefings that I can recall that the nature of a provider being for profit would be a reason not to engage them. That is

not something I can recall from any briefings that I have received but I am happy to check my records to see if that was the case.

**Ms O'Byrne** - You will come back and report to the House?

**Mr JAENSCH** - I will check my records to see if I have received any advice.

### **Mining Sector Developments**

**Mr BROOKS question to MINISTER for RESOURCES, Mr BARNETT**

[10.42 a.m.]

Can the minister advise the House on the recent positive developments in the mining sector and in particular, can the minister advise on the impact of the uplift in Tasmania's mining heartland of Braddon?

### **ANSWER**

Madam Speaker, I thank the member for his question and his strong support for jobs and development in the electorate of Braddon and across the state of Tasmania. I note the dismay of the member for Denison, the Leader of the Greens, that we are having a question about good news regarding the resources sector, because this is obviously not pleasing to their ears.

The mining and mineral processing sector is a key pillar of the Tasmanian economy and we are proud of it and are backing it. The mining and mineral processing sector employs 6300 across the state and the numbers are growing. It is a \$1.53 billion industry for Tasmania and makes up 55 per cent of our exports. This is a very good record. The contribution is substantial but it is improving. You can see that much of this is occurring particularly in the electorate of Braddon, the north-west and the west coast. Confidence is up, production is up, and royalties are up. This is very encouraging.

I have some more news to advise the House today and that is that one of Braddon's and indeed Tasmania's largest mines, Savage River, is growing job numbers and entering an exciting new phase of exploration activity. As a result of increased operations the workforce at Grange Resource's Savage River and the associated Port Latta operation has jumped from 484 FTE positions in January last year to 538 FTE positions, an increase of 12 per cent or 54 jobs over that time. That means there are more Tasmanians in work and their families are benefiting particularly on the north-west coast in the Braddon electorate.

Even more pleasingly, Grange advise that they are continuing to build their workforce and are planning to invest in the order of \$28 million in further upgrades across their business. It is very positive news because next week we have the fiftieth anniversary celebrations of the Savage River operation and we are looking forward to that in Burnie. Most exciting of all is Grange's announcement of a \$10 million investment in the first stage of a feasibility study and exploration that may lead to the accessing of an ore body through underground mining. This is a major and significant development because a move underground could underpin the future development and life of the mine and provide added certainty and opportunity for hundreds of families in the Braddon electorate.

This \$10 million exploration program at Savage River follows a remarkable upturn in Tasmania's exploration activity. I am delighted to announce today that the latest figures from the ABS for the December 2017 quarter shows a 23.7 per cent increase in spending over the previous quarter and more than a 140 per cent increase over the December quarter of a year prior. This is good news. Mining and mineral processing and exploration is on the up in this space.

This is all on the back of the recent announcements about the reopening last year of Henty Gold Mine, and the Premier and I were there together with the workers and colleagues of the west coast; last year's sale of the Avebury nickel mine to a Tasmanian-based company; the granting of a mining lease for Stellar Resources not far from Zeehan; the \$9.5 million government support and investment at CMT in Queenstown to help bring forward the potential restart of the iconic Mount Lyell Mine; and our recent policy announced during the 2018 election of \$2 million to support exploration on a dollar-for-dollar basis to build on this success and underpin the future of the industry.

There is a lot of potential in mining and mineral processing and we are on the up. The confidence is up and it underscores the Government's decision during the four years of the Hodgman majority Liberal Government to move MRT - Minerals Resources Tasmania - to Burnie, the heartland of Braddon and the mining and mineral processing sector - and unfortunately opposed by the Labor Party. They opposed it in the heartland of the mining sector, so what is their position? Despite the opposition from the Labor Party, we made that happen. We have delivered. Mining and mineral processing needs to be supported by a member such as Brett Whiteley, the federal Liberal candidate for Braddon, who will stand up for the electorate of Braddon and who has delivered, is capable, has the experience, has the runs on the board and will fight like billy-o for the people of Braddon, for jobs and for development.

They will not get caught up in another Labor-Greens coalition. We have the Leader for the Opposition here, Rebecca White, and the Deputy Leader for the Labor-Greens Opposition, Cassy O'Connor, opposing, wanting more lockups, creating more lockups of another 10 per cent of the state. Mining will be locked up, forestry locked up, recreational land users - that is the Labor-Greens approach. We are on track, we are on the way and we need Brett Whiteley, Liberal member candidate for the electorate of Braddon.

### **Salmon Farming and the Woodchip Industry**

#### **Dr WOODRUFF question to PREMIER, Mr HODGMAN**

[10.48 a.m.]

Yesterday Tassal made an unequivocal statement of concern about the controversial new woodchip port proposed for Dover. They said that the health of their fish is paramount, they have concerns from a biosecurity perspective and the two operations could not coexist within the proposed footprint. Huon Aquaculture is already on record expressing their concerns about the woodchip facility. Aquaculture employs some 330 people in Dover today but the developer's CEO, Danny Peet, confessed to a public meeting last year that his private business would only provide at best a handful of local jobs. Further, woodchips are a low-value product and one of the most automated, noisy and environmentally damaging industries. It is directly at odds with the beauty of Port Esperance and Tasmania's clean, green image.

With Tassal and the logging developer now officially opposed to each other, which one will your state Government back, the fish or the chips?

## **ANSWER**

Madam Speaker, it is a great new world in which we live, one where it would seem that the Greens are now apparently strong supporters of Tasmania's salmon industry and one of its great companies, Tassal. Think of the work that has been done by the member who asked the question to damage the industry, to damage Tassal and its brand and to affect the workers of Tassal over the last four years; now claiming to be a strong supporter. I am not sure that Tassal or the salmon industry will welcome that.

The question also highlights the hypocrisy of the Greens, who are often demanding that due process be allowed to occur. That is what will and should happen in this case. That should be for the planning approvals authority to make a decision when the proponent is able to lodge its DA and to progress its proposal without support of the State Government, I hasten to add, but to do so in a way that is unencumbered by political persuasion of bias, or in a way that should prevent the proponent from being able to work with others who might be impacted by the proposal. My understanding is that Tassal has met, or will meet, with the proponents about these matters. I trust them to use their best endeavours to negotiate any matters of interest.

Needless to say, we maintain very strong support for both the salmon industry and the forest industry. The economic growth that our state is enjoying was not enjoyed under a previous Labor-Greens government. I assure you, given the very strong opposition from the Greens, not helped by a wishy-washy Labor Party, very closely wedded to the Greens, they have not enjoyed the strong support that they will get under this Government. We will continue to work with them to ensure that their industry can grow, and will grow, sustainably. We have provided more capacity for them to do so. We have also made more provisions and this is another great irony in this debate. It was the Liberal Government that brought in strengthened regulatory requirements, empowered the EPA to protect our environment and lifted penalties for any breaches against the environmental laws. Another great irony in this is that the Liberal Party has been the great defenders of not only the industry, but also our environment.

## **Child Protection - Total Support Services**

**Ms WHITE question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.53 a.m.]

We know that Safe Pathways was paid as much as \$9000 a week for each child in its care, and those children were given as little as \$100 a week and denied basics like shoes and underwear before the neglect scandal was exposed in late 2016. How much was Total Support Services paid to care for each of the very vulnerable Tasmanian children it was employed to provide care for?

## **ANSWER**

Madam Speaker, I thank the Leader of the Opposition for her question. I will ask my department if they can provide me with that information. I am going to be careful not to bring information here which may identify children in care or their circumstances. Some people over that side will understand why I need to take care with this. I urge you also to be taking care.

**Ms White** - We all understand.

**Mr JAENSCH** - As per the privacy obligations under our Children, Young Persons and their Families Act it is inappropriate to discuss these individual matters, particularly if there are matters which may be subject to investigation and follow through. All allegations are always fully investigated. Professionals who provide services to children and families in Tasmania are mandatory reporters of child abuse under the act. If anyone has concerns for the welfare of a child they should call the Child Safety Service on 1300 737 639. Urgent notifications can be made at any time.

**Members** interjecting.

**Madam SPEAKER** - Order. Can I ask for some decorum here? This is a very serious issue that you have raised and please allow the minister to answer it.

**Mr JAENSCH** - Thank you, Madam Speaker. If the Leader of the Opposition or any other member of this House has knowledge or information that can assist the investigation of these allegations they should, under our law, provide it. I urge Ms White, if she has any information, rather than alluding to it, to report it, to make a notification under the system and let our system do its job of following up these allegations, to investigate them and ensure the safety of children in our care.

### **Child Protection - Total Support Services**

**Ms O'CONNOR question to MINISTER for HUMAN SERVICES, Mr JAENSCH**

[10.55 a.m.]

In response to your answer, can you confirm that when the ABC alerted your office to these allegations that they were taken very seriously? Was there a notification made by your office about potential risk to these children?

**ANSWER**

Madam Speaker, I thank the member for her question. I am advised that the formal notifications that have been received with detail have been investigated fully through the normal processes. If the ABC advises an office of its intention to report on an allegation of concern, our first obligation is to try to substantiate the details of that case so it can be investigated.

**Members** interjecting.

**Madam SPEAKER** - Order. Let the minister finish his statement.

**Mr JAENSCH** - I understand that process is ongoing by the department to whom notifications are normally made.

**Ms O'CONNOR** - Point of order, Madam Speaker. Relevance, standing order 45. The minister needs to tell the House whether his office reported the allegation as it is required to under law.

**Madam SPEAKER** - Ms O'Connor, my advice is that the minister has completed his answer.

### **Health Services in Braddon**

**Mr SHELTON question to MINISTER for HEALTH, Mr FERGUSON**

[10.57 a.m.]

Can the minister please update the House on the record investment the Hodgman Liberal Government is making into health services in Braddon?

### **ANSWER**

Madam Speaker, I thank the member for his question. I am very pleased to talk about the important investments we have made into the north-west community in the electorate of Braddon. I have been very pleased to be able to spend time in the community, visiting the North West Regional Hospital and recently with the Premier at the Mersey Community Hospital. I have been to those places several times in recent weeks, speaking with the staff and patients and families who are very grateful that we have secured funding and services and we are excited for their future.

Through the One Health System process, we consulted very closely with the whole community about what they wanted to see, about their vision, their hopes for services in the region and we listened to clinicians who said, 'Thank goodness somebody is finally listening to us about the concerns we have for the sustainability and the safety of some services that needed to change.' We took the hard decisions that had been avoided previously and we provided the funding to provide much better health services.

There were some tough calls but we are now seeing the benefits of those safer, more sustainable services and, more importantly, having a government that is in charge that has the Budget in shape where we can continue to deliver more and more funding.

The people of the north-west spoke very loudly at the 3 March election. That is why I am so pleased that at that election we were able to take a comprehensive plan for health services in the north-west to the people. Compared with the Labor Party, the people spoke loud and clear. It received overwhelming endorsement of the community. Even Labor's second, third, fourth, fifth, sixth and seventh version of their health plan did not get them over the line. It was cooked up overnight no doubt and Ms White, who said that her number-one priority was health was not able to say where a single extra bed would be provided. It was an absolute dud. I am sorry but you need to hear a bit about your health failure.

I am pleased that we can say we put a \$79 million plan to the people of Braddon, more beds, services and increased staffing over the next six years, and that is exactly what Braddon deserves. There will be eight new beds at the North West Regional Hospital and we are currently completing the new pre-admission clinic which is now under construction.

We have just finished the new maternity clinics at the Mersey. The Premier, the Prime Minister and I, together with Brett Whiteley, were able to be there to sign the new health agreement. We met the staff. What is more, we are doing things that the O'Byrnes would have dreamed of, but they were too busy shutting down things. They were too busy sacking people. We are employing them. We are now building a rehabilitation ward at the Mersey Community Hospital. I saw it under



construction and in our plan we are funding those extra beds as well. Unlike Labor, we are able to say where our beds will be opened.

I am also pleased to say the Community Rapid Response Service, which has been so important in the community of Launceston as a pilot, is going to be rolled out into the north-west. This is good news for older, frail, aged, chronically unwell people who only have the emergency department to go to. Instead, we will go to their homes. The O'Byrnes cut that hospital-in-the-home service when they were in power with the Greens.

We are also going to fix the air conditioning as well. We know Ms White hates King Island because she refused to go there during the election campaign. The Premier went there and we are going to roll out stage 2 of the King Island Hospital redevelopment. That is going to be fantastic. It is very clear that Braddon needs champions such as Jeremy Rockliff, Adam Brooks, my good friend for Braddon, Mr Jaensch, and Brett Whiteley.

Unlike Labor, who just fly in their opposition MPs with their fake monopoly money because you cannot even bank, because they are in opposition, the Prime Minister has been making real commitments to the community, which is why I was so pleased to be there with the Premier, the Prime Minister and Mr Whiteley recently.

It has to be said as well that we owe a debt of thanks to the Tasmanian Liberal senators, especially Senator Duniam, and Brett Whiteley for helping to secure the \$730 million Mersey Community Hospital deal. I remind members that Ms White said we should accept \$60 million. Labor said \$60 million would do the job. This is the party that sold the Mersey for \$1 to get it off the books.

As I close I will make the quick point that we have secured a \$2.3 billion deal from the Commonwealth under the National Health Agreement and the Labor Party will not -

**Time expired.**

## **SITTING DATES**

**Mr FERGUSON** (Bass - Leader of Government Business - Motion) - Mr Deputy Speaker, I move -

That the House at its rising adjourn until Tuesday 12 June next at 10 a.m.

**Motion agreed to.**

## **MATTER OF PUBLIC IMPORTANCE**

### **Jobs in North-West Tasmania**

[11.14 a.m.]

**Mr BROOKS** (Braddon) - Mr Deputy Speaker, I move -

That the House take note of the following matter: jobs in north-west Tasmania.

This is a really important issue because, at the end of the day, if people do not have jobs they will go elsewhere and look for them, as we saw under the Labor-Greens disaster that Tasmania was subjected to from 2010 to 2014 and then started to recover once a majority Hodgman Liberal government was re-elected by the community to start standing up for them. That is what we did. We will not apologise for standing up for people's jobs. We have seen continued growth and employment in the north-west - more jobs, more investment, more outcomes, and more exciting announcements, in stark contrast to what we saw under the Labor and Labor-Greens disaster for the economy and for young people's jobs across the north-west and across the state.

There are more opportunities in the north-west now. The region's economy is growing and jobs are created from Smithton to Strahan. It is a really exciting time and as we saw with the latest announcement of a new timber mill, the Hermal investment, it is exciting that the forest industry now has confidence to reinvest and go back to work. That industry was shut down by the Labor and Greens anti-everything brigade, that are still anti-mining and anti-jobs, but we stood up to them and the disastrous forestry sell-out abandonment bill they put through this place. We tore that up and now we are seeing trucks back on the road, people back at work, people doing work in the forestry industry, and that is a good thing, something that was opposed by all of those opposite and shame on them.

We are seeing confidence continue to grow in business. Under the leadership of the member for Franklin, Mr O'Byrne, whose sole responsibility as the minister for economic development was economic development, he had that upside-down and managed to deliver no economic development but economic failure. That is what we saw. We saw the David 'O'Bourne' legacy in the economy. That is all we saw, but we know also that the 'O'Bourne' ultimatum is coming as well. It is very exciting, the David 'O'Bourne' ultimatum for the chair right there. The Leader of the Opposition better watch out because Mr 'O'Bourne' had his legacy and now the ultimatum is coming. It is going to be interesting to see what the 'O'Bourne' ultimatum is going to include with the Leader, the Deputy Leader and the Leader of Opposition Business. We know what is coming. We know what is going on over there. It is going to be interesting.

**Mr Ferguson** - What was the 'O'Bourne' legacy?

**Mr BROOKS** - Economic ruin for the north-west - jobs destruction, the sell-out of industry, of mining, of forestry, sacking police, sacking nurses. We have even employed more nurses and police because we have fixed the budget, something you on that side failed to do, could not do, could not understand, could not manage and continue to have no plan for Tasmania's future. That is why when the people had their say at the last election; over 50 per cent of the primary vote was for a majority Hodgman Liberal government - unprecedented. Up in Braddon it was close to 60 per cent. We hear, as always, the anti-everything brigade, the Labor-Greens Opposition, continuing on from their days when they were in government wanting to rewrite history, but the people of Tasmania know what happened.

There are more teachers, more nurses and more people employed not only in Tasmania, but in the north west of Tasmania. There has been record investment in all of those key portfolios and the reason we can do that is because we can count and we know if you spend more than you earn it is bad for the economy, something those opposite never seem to understand. It is also because our economic growth has delivered additional revenue to the state that we have reinvested into those important areas such as health, education and infrastructure.

Regarding tourism, you would think the anti-everything brigade over there would surely support it, but when we announced the refurbishment of the *Spirits of Tasmania* under the excellent minister for infrastructure at the time, Rene Hidding, those opposite whinged and complained about it. They did not want it and said it was a waste of money. It has proven to be a cracker: a cracker for not only the north-west but Tasmania. It created jobs, and it continues to create jobs from that investment. We will continue with the replacement of the *Spirits* because the model that the honourable Mr Hidding implemented, completely different to a David O'Byrne legacy that he left us where he wanted to turn it into a shipping line, created a circumstance where people are now coming to Tasmania more than ever. We have fast-tracked a replacement of the *Spirits*. No doubt those opposite will probably whinge about that as well because that is all they do.

That is all we saw in the federal election too. We had Brett Whiteley, a great Liberal candidate, wanting to stand up for Braddon compared to the whingeing Justine Keay who continued to be a fraud on the electorate that everyone knew she was. It was proven that she was a fraud and that is why she got booted out.

**Members** interjecting.

**Mr BROOKS** - Yet again those opposite will continue to whinge. That is all they do. That is all they are good at. Why don't they have a look at their record, try to learn from it and then maybe they might get the trust of the people back one day. Until they write some policy, but they are too lazy to do that, they should just stay over there and keep carping on and whingeing and mumbling about whatever it is they are rabbiting on about.

We have work to do and we will continue to work for, and deliver for, the community, continue to build jobs and back business and back investment unlike the lot on that side.

[11.21 a.m.]

**Dr BROAD** (Braddon) - Mr Deputy Speaker, is this what it has come to. Seriously? The member for Braddon, Mr Brooks, has been giving that same speech for eight years now except for the minutes in time that he was a minister and he probably had a couple of things to talk about in terms of his portfolio. Then he slipped straight back into it. Here we have the people of Braddon being represented by a member who stands up here and gives the same speech day after day after day. That is seriously poor value for the people of Braddon.

Mr Brooks, the member for Braddon, talks about history. Well, there is a bit of history here. There is no doubt that the north-west economy has been going through a transition for a long time. There have been a number of large-scale closures going way back to the acid plant, to Tioxide, to the paper mills in both Burnie and Wesley Vale, and there is no doubt that there has been a transition in the economy on the north-west as the world has changed.

The member for Braddon, Mr Brooks, is also crowing about the Hermal Group's proposal for a cross-laminated timber facility at Hampshire. What the member for Braddon fails to acknowledge are the steps in the process which have created an opportunity for a company like Hermal to come in and invest and create what we hope will be a significant plant, a world first on the north-west coast. How has that happened? For a start you had to have a company in control of the plantation. This is what you will not hear, especially from the Minister for Resources: Hermal will not do any production with timber that is not plantation and is not FSC certified. How is that the case?

Now we have the company of Forico, through the investment of new forests, that bought the former Gunns' plantations and got those plantations FSC certified. Because the forest industry has transitioned from where it was to where it is now, we have the circumstances where a company like Hermal can come and make this investment. Hermal is not interested unless it is FSC certified and plantation-based.

We have the member for Braddon talking about the north-west economy. Tasmania is an export-orientated economy. There is no doubt about it. Today, we had the Minister for Resources highlighting the fact that half of our exports are in minerals. In an export-orientated economy, mining is dependent on a couple of things. It is dependent on mineral prices and it is dependent on the relative price of the Australian dollar versus the US dollar. A bit of history here: the Liberals cannot take credit for the Australian dollar. When Labor came in in 2010 the Australian dollar was sitting at 80 cents, a little bit under 80 cents, and in less than a year it skyrocketed to record highs of \$1.10. This put all our export-orientated companies under pressure, especially in the north-west economy which is heavily reliant on exports. It also put companies like Simplot under pressure because our potato chips could be out-competed by dumping from the US, for example. The excess potato production from the US could be dumped into the Australian market at a relatively lower price and the Australian dollar meant that companies like Simplot were seriously considering their options. In fact, we lost McCain in Smithton and there was extreme pressure on north-west businesses due to the high Australian dollar.

The Australian dollar stayed well above the dollar mark for pretty much the whole time until 2013. This had a significant impact on the north-west economy and put huge pressure on north-west businesses. It had zero to do with the government there at the time.

From 2013 to 2014 the dollar started to recover comparative to the US dollar and sat on around 80 cents until we got to early 2014 and we saw a significant drop. The luck that the Liberal Government had is incredible. There is no doubt that the Australian dollar crashed from 80 cents down to where it is now, down to 75 cents approximately where it has sat for the last four years. This has nothing to do with the Government, but it has everything to do with the north-west economy.

The north-west economy has benefited from this precipitous drop in the relative exchange rate from the US market. There is no doubt there was huge pressure on north-west businesses. This also coincided with the 2010 to 2014 period when there was a huge credit crunch across the world as a result of the global financial crisis, which led to the collapse of companies like Gunns, and the collapse of the managed investment schemes in plantations.

We have seen a huge recovery, which has zero to do with whoever is in government and has a lot to do with things that are out of our control, like the US exchange rate.

What the member for Braddon also fails to acknowledge is the really significant work that both federal and state Labor did in investing in the north-west economy to help it transition from where it was to where it is now. As part of the \$100 million Tasmanian Jobs and Growth Package, companies like Tasmanian Pickled Onions, Costa Berry Exchange and Britton Timbers all received money. Haulmax advanced manufacturing business was funded and Huon Aquaculture received money for its smoking facility at Parramatta Creek. Caterpillar with its advanced manufacturing development got money. Tasmanian Irrigation - the Dial Blythe Irrigation Scheme was funded out of this pot of money, enabling the expansion of Costa at Howarth. That would not have been

possible without the Dial Blythe Irrigation Scheme and \$9 million of that scheme's money came out of the Tasmanian Jobs and Growth Plan.

**Time expired.**

[11.28 p.m.]

**Ms O'CONNOR** (Denison - Leader of the Greens) - Mr Deputy Speaker, I do not often find myself agreeing almost completely with the member for Braddon, Dr Broad, but in this instance I am prepared to make an exception. The money that he was outlining there is money that was provided as a result of the hard work that went into the Tasmanian Forest Agreement.

**Mr Ferguson** - Thank you. That was what I was asking Dr Broad and he did not answer.

**Ms O'CONNOR** - No, you did not ask Dr Broad that. You described it as 'sorry money' when it was an investment in transition for the north-west coast of Tasmania.

**Mr Ferguson** - I asked him what it was conditional on. He would not say.

**Ms O'CONNOR** - No, it was conditional on economic and social change that improves the lives of the people of the north-west of Tasmania. The perversity of you trying to make something out of an investment in transition when the Liberals in opposition and in government, and indeed Labor in opposition until we were in government with them, was quite happy to pump around a \$1 billion into subsidies into the native forest logging industry between 1997 and 2008, according to Associate Professor Graham Wood from the University of Tasmania. You can try to make a big deal of that, Mr Ferguson, but -

**Mr Ferguson** - I think it is an important point. Thank you for making it.

**Ms O'CONNOR** - Well, up in the Derby bike trail, again a massive success. It puts us on the global map, brings riders here from all over the world: Tasmanian Forest Agreement money.

**Mr Ferguson** - The federal Liberal government allowed the money to continue despite walking away from the TFA.

**Ms O'CONNOR** - Let us be really clear about the reason we are having this matter of public importance debate. It is because there will be a by-election in Braddon. Desperate to promote their recycled, twice-rejected candidate, Brett Whiteley, the Liberals are bringing on this debate. They need to give Mr Brooks something to do and here we are having this discussion.

The statistics do not lie. I thank Dr Julian Amos, who provides statistics coming out of Tasmanian information to all parliamentarians, for the latest set of condensed statistical facts. If you have a look at the mining sector, employment by industry sector as at November 2017, the mining sector had gone backwards from February 2013. Tasmania's jobs growth is in the caring sector. That is where there are enormous opportunities for young people on the north-west coast to go into employment: in the aged and disability and health caring sector.

Where is this Government's plan? Instead of these cheap politics where you talk about the mining boom, which is not happening - and you raise people's hopes with dodgy operators like Shree and Venture - why isn't this Government investing in skills and training opportunities for young people on the north-west coast to get into these growth sectors of the economy?

The north-west coast of Tasmania is a place of incredible beauty and community heart. Any responsible government would recognise that the future of the north-west is not in cheap politics, is not in backing in the boom and bust mining industry every step of the way, no matter how dodgy some of the operators are; it is investing in the skills and training of young people in growth sectors such as the caring sector. It is also in recognising how important the brand is to the north-west of Tasmania, the Tarkine brand, the Tarkine itself - not the so-called Tarkine, the Tarkine; a place that is known and recognised as an area of extraordinary wilderness and cultural value.

If you look at the document that was prepared during the Tasmanian Forest Agreement, on high-conservation areas and high-conservation-value forests, it talks about some of those values that are allowing small to medium businesses on the north-west coast of Tasmania to leverage off the wilderness brand.

We will never ever give up on the fight to protect the Tarkine. It will be to the benefit of the north-west of Tasmania and to all of Tasmania if we can look after that beautiful place. Some of the values of the Tarkine are that it contains the largest single tract of temperate rainforest in Australia. It has 198 000 hectares in total of rainforest, the same rainforests in conservation area and regional reserves that this resources minister, under this Liberal Government, wants to let the loggers into. It has more than 60 species of threatened plants and animals. It contains the northern-most limit of Huon pine and a high diversity of tall wet eucalypt forests including large contiguous areas of *Eucalyptus obliqua*.

It contains diverse vertebrate fauna, complex and diverse invertebrates fauna, incredible coastal features, such as Sandy Capes' dune field and the Arthur River Estuary, a dolomite karst system in the Trowutta-Sumac and Black River regions, karst land forms, and as we have discussed in this place before, Aboriginal cultural heritage that is recognised as one of the richest archaeological sites in the world. It is recognised by the Australian Government that the Tarkine region of Tasmania contains some of the world's most important Aboriginal heritage. That little strip along the coast is on the heritage register. It contains some of Tasmania's unique and significant wilderness areas and some of our most remarkable landforms.

A government that understands economics, understands that economic diversity is critical to ensuring long-term jobs. It understands that if you have a good brand that is growing the region's agricultural sector and tourism economy, that is where you focus your effort. A government that understands economic diversity is critical. It is making sure young people are being led into career pathways where the jobs of the future are.

For young people on the north-west coast of Tasmania, who for too long have been the political football of majority governments who pump up the boom and bust industries and play politics, the best we can do for them is to give more to public education, more to TasTAFE and guide them into the caring industries and the brand-based industries.

**Time expired.**

[11.35 a.m.]

**Mr HIDDING** (Lyons) - Mr Deputy Speaker, I am delighted to speak about the wonderful Braddon electorate on the north-west coast of Tasmania including across the west coast as well. They are all part of the important Braddon electorate.

There should not be a by-election going on in Braddon. It should not be necessary. It is destabilising and it is expensive. It would have been far better if the person who had to resign her seat had done the right thing in the first place. Then, in the second place, when she realised -

**Dr BROAD** - Point of order. Standing Order 142(e) - digress from the subject matter under discussion.

**Mr DEPUTY SPEAKER** - The member has only just started his contribution. It is always a wide-ranging contribution. I am sure he will address the specific issue in due time.

**Mr HIDDING** - What is important to the north-west coast is stability in their representation. A member who, when she understood that not only was she not qualified when she became a candidate, she was not qualified then, she should have done what everybody else did and gone at the right time. They all should have done.

The north-west coast and west coast of Tasmania is a wonderful engine of the Tasmanian economy. There are great reasons why voters at this next by-election should vote Liberal. Not only do they have a proven candidate in Brett Whiteley who fights for that area -

**Members** interjecting.

**Mr DEPUTY SPEAKER** - Order.

**Mr HIDDING** - What they get with Brett Whiteley is a federal government that is completely committed to Braddon. In one of the worst train-wreck radio interviews I have heard, Justine Keay was being interviewed -

**Members** interjecting.

**Mr HIDDING** - Yes, I am talking about jobs that Justine Keay did not deliver. When she was asked in a radio interview what had she done for the Braddon electorate since she was elected she was not able to say. That was very awkward.

As a result of a strong majority government for the last four years, and for the next four, Braddon has jobs growing and developing in advanced manufacturing, in a forest industry that is getting confidence back to invest and develop. We have wonderful tourism development - the *Spirits of Tasmania*. New vessels are now being ordered years ahead of schedule. The *Spirits of Tasmania* will ensure that visitors will drive into the regional areas. You ask Smithton and Strahan what happens when recently the sailing was stopped because of the floods. They were telling us a couple of years ago that it was like someone turned off the tap. It underpins the tourism industry in Braddon. Two new ships will take that tourism bonus to the north-west coast to the next level.

Not only have we supported advanced manufacturing through the Elphinstone group of companies, Penguin Composites and those kind of wonderful, world best practice companies that work out of the north-west coast, we have also done a very practical matter and that is to order 100 new buses to be built in Tasmania. Guess what? They are being built by a north-west company for a Queensland company. This Queensland company is genuinely looking at having all their buses for all around Australia built in Burnie. That is how good they are. They are benchmarking their own factories against the one at Wynyard.

We have the first one or two buses now on the road and they will come in regular fashion now until they get to the 100 brand-new, outstanding buses being built by Tasmanians. They are not just assembled like they used to be at Kingston with the Ansair organisation when a chassis, engine and parts would arrive and it was almost like putting a Meccano set together. These buses are a monocoque construction that do not require a separate chassis and other than the engine and drive line, are almost entirely manufactured in Wynyard.

**Ms O'Connor** - That is some of your best work, I have to say.

**Mr HIDDING** - Thank you. Just to finish on the 100 buses, let me tell you what we have also done. In anticipation of when battery power gets sorted, these buses are designed for a slide-out of the very clean Euro 6 diesels and a slide-in of a battery solution, and I look forward to the day that is possible. Not only do we support advanced manufacturing in Braddon, we actually order our own buses and we brought that about. We will comply with the Disability Discrimination Act in time, when there was simply no possibility of that happening under the previous government.

This is a government that delivers in Braddon. The federal government delivers in Braddon as well. There was the recent announcement of the Cradle Mountain investment, a wonderful investment that underpins and future-proofs Cradle Mountain and Dove Lake. What it is doing is taking the motorcar out of one of the most beautiful places in the world and that is a good thing to do. If that technology and kind of thinking works in Cradle Mountain, why would it not work elsewhere in Tasmania?

**Time expired.**

[11.42 a.m.]

**Ms DOW** (Braddon) - Mr Deputy Speaker, I thank the member for Braddon, Mr Brooks, for raising this very important matter of jobs in Braddon. There is great potential for jobs growth in the north-west through our traditional and emerging industries, across education, tourism, advanced manufacturing, forestry, mining, energy, and in health and community services.

There is an air of change in the Braddon community, with greater emphasis on the importance of education, skills and training, research and development, and value-adding being driven by the introduction of associate degrees at the University of Tasmania and changes in our traditional industries. This change has been led by industry, community leaders and the University of Tasmania and is in response to changes in demand, markets and the global economy.

I acknowledge that the economy in Braddon has improved, Mr Brooks, but there is much more work to be done. Examples of economic growth in the forestry sector have been influenced by changes in markets and FSC certification and, by investment by companies in research and development and new product development, and changes in advanced manufacturing through significant job losses. In my previous role I worked very closely with local industries around moving through that and looking at new opportunities for those companies and supply chain manufacturers, which indeed was led by industry and I acknowledge supported by government and opposition.

Mr Brooks denigrates the achievements of Labor over many years and during its time in minority government. I offer a different perspective. I look at our legacy, which arguably has attributed to improvements in Tasmania's economy through irrigation schemes, the Tasmanian Forestry Agreement, the *Spirit of Tasmania*, Ten Days on the Island, substantial investment in local



government infrastructure in local communities, and the funding that was provided to support the transition in regional economies that others have spoken about.

I am very proud to be part of Labor's new team and to have a role in the shadow cabinet focused on economic development, particularly in regional Tasmania. In the lead-up to the last state election one of Labor's key economic commitments was to create eight industry advisory councils to better match the work of industry and the community sector to that of government. This is particularly important in the electorate of Braddon. We will be inviting stakeholders from across industry, unions, education, community services and all levels of government to participate in a form of these councils to ensure that local voices are heard and partnerships are formed. We want to hear ideas for growth and workforce requirements, the challenges that industry faces and what infrastructure is required for future investment.

Another example of one of our key election priorities was the provision of a welding simulator at TMEC, a centre of manufacturing excellence based in Burnie, to enable more apprentices to gain the skills they require to work in the advanced manufacturing sector and to allow those industries and companies to enter new markets.

As I travel around my electorate meeting with stakeholders, Mr Brooks, common themes emerge. They include a greater investment in health services, access to training and skills, the need for greater investment in tourism product development - particularly to make people turn right, Mr Hidding, when they get off the *Spirits* - and access to a skilled workforce in those industry sectors that are growing. This is particularly evident on the west coast of Tasmania.

Prosperity and economic growth is not mutually exclusive for the wellbeing of our communities and our ageing population needs to be planned for. You cannot have a strong economy without a healthy, educated and inspired people. With growth comes the responsibility of government to plan effectively for change for those members of the community not directly benefiting from the growth others are experiencing. Labor is prepared to plan for the future and indeed has a plan to invest in our people through access to knowledge, skills and training to ensure the growth and competitiveness of our industries and the development of new industries in our state.

Mr Brooks espouses his government's economic record -

**Mr DEPUTY SPEAKER** - Order. I need to inform the whole House that when addressing another member you must use their correct title. You can refer to them as the member for Braddon or the member who resumed their seat, but the only time you should use an individual's name is when you wish to identify that person from another member of that same electorate.

**Ms DOW** - I apologise to the member for Braddon. I did not know that. Thank you for clarifying, Mr Deputy Speaker.

The member for Braddon, Mr Brooks, espouses his government's economic record and to reiterate his comments previously in the House earlier this week, you need a strong economy to provide social services and investment in communities. The member for Braddon omits the fact that these services and industries provide employment in Tasmania and are important industries that will aid in population growth and skills shortages in the state. They will also aid in the wellbeing and health of our communities.

The member for Braddon can dwell on the past, but we are looking to the future, working with industry and our community to advocate for need and to look for more additional opportunities for employment growth. As a local member for Braddon, I am committed to doing that. In my previous role I worked very closely with industry and am looking forward to doing that in this new role.

This matter of public importance, let us be clear, is about the Liberal candidate for Braddon, Mr Whiteley, not the Liberal member for Braddon, Mr Brooks. I have worked very closely with the previous member and current candidate for Labor in Braddon, Ms Justine Keay, and she has worked very closely with the local community, meeting with them, listening to them and advocating strongly for the needs of Braddon in Canberra. I support her wholeheartedly in her quest to be re-elected as the member for Braddon.

[11.49 a.m.]

**Mr FERGUSON** (Bass - Minister for Health) - Mr Deputy Speaker, in the minute remaining I thank everyone who has spoken. That was a very thoughtful contribution by the member for Braddon, Ms Dow, but unfortunately she has been painted into a corner by the Labor legacy of job destruction in the north-west coast, aided and abetted by federal Labor, including Ms Keay. It is only a Liberal government that will stand up for Braddon.

**Time expired.**

**Matter noted.**

#### **ADDRESS-IN-REPLY**

**Resumed from 23 May 2018 (page 88)**

[11.50 a.m.]

**Mr HODGMAN** (Franklin - Premier) - Mr Deputy Speaker, as I was saying yesterday, the election result was a very clear endorsement of this Government delivering on what we promised over the last four years but also the plan we took to the election and the very strong team we have to deliver it. A majority government was elected to provide stability, certainty and to get on with the job and that is what we are doing.

Yesterday I pointed to the fact that Tasmania is now a very different place to what it was four years ago. When it comes to economic and social indicators, the contrast between now and 2014 is striking. It is very important for government to manage our budget well and to support strong economic growth, as we have done. I believe most Tasmanians recognise that without that, we are not able to build a better health system or to invest more in our schools and our police service and provide more homes for people who need them.

I also made it clear our plan has the key objectives of returning the benefits of a strong economy and a balanced budget into improving essential services like health, education and public safety, to keeping cost of living pressures down, to making our communities safer and being able to invest in the infrastructure our growing state needs.

Over the last four years my Government has shown a strong commitment to improving education results for our kids; to fixing a system that was previously failing them and to investing in teachers and support staff and the schools they work in to best support them to achieve our vision

to be better than the NAPLAN standards and to meet national benchmarks in reading, writing, maths and science. We will continue to invest significant levels of funding in our education system. It is one of the best things that any government can do and that includes new teachers and other vital school staff. There will be more support for the early years, greater mental health support in our schools and we will continue our major policy commitment of extending our schools to offer years 11 and 12, giving students and their families choice and the best chance to get ahead in life, no matter where they live.

The Opposition continues to pick at our policy. They say their policy is to review it. I ask them to consider this: 38 schools have now extended. They want to be part of the program and five more are preparing to do so next year. The program is working. There has been a 58 per cent increase in enrolments since 2014. Under Labor and the Greens, retention rates were the lowest of any state and going backwards. Completion rates for year 12 were the lowest. Under our Government, TCE attainment is 10 per cent higher than it was under the previous government. Retention rates are up almost 6 per cent from when we came into office. The direct retention rate, tracking individual students from years 10 to 12, is the highest on record.

Extending our high schools to provide the choice for kids who might otherwise leave the education system is very important, especially for the 688 students who have enrolled at the 38 extension schools. We are backing these reforms with the commitment of \$45 million over four years to support our schools with capital works, to support our educators and to develop courses for students in their community that fit. We are employing 358 more staff in our school system, 250 teachers, and an additional 80 teacher assistants. We are targeting additional resources into the key areas of literacy, numeracy and early years education.

It was clear from the election that health services are very important to the Tasmanian people and improving the health system is a priority. Despite the Opposition's claim it was their priority, the Tasmanian people voted for the Liberal majority Government to continue the work we have started and to deliver the coherent plan to take health services to the next level and to suit the needs of our community.

From the somewhat alarming disintegration of the Labor policy over the course of the election campaign, its various and radically changing forms, it was a clear demonstration that Labor simply could not produce a plan that stacked up to improve our health system. Increasing demand on the health system is an issue affecting the entire country. That demand here will be met with an additional investment of \$757 million more into our hospitals and our health system over six years. It is the biggest boost ever to health care in the state's history, building on the record in our most recent Budget, a clear demonstration of our commitment to keep improving our health system and to deliver the health services Tasmanians need and deserve.

This funding will open and fully staff an additional 298 new hospital beds across the state which is 20 per cent increase in capacity. There will be 250 beds at the new Royal Hobart Hospital once the rebuild that this Government not only started, but will complete, next year. It supports the extra 40 beds at the LGH and a new ward to be built on the site; an extra eight beds and new health services on the north-west. To deliver this massive new increase in resources we will employ 1332 new full-time equivalent health and hospital staff. There will be 802 more nurses, 158 more doctors, 128 more allied health professionals and 182 more operational staff who will provide critical support to those on the front line of health. It is estimated that within the next six years 30 000 more Tasmanians will be able to be admitted into our hospitals each year.

We are also investing in important hospital facilities across the state in regional areas like St Helens and King Island. Working alongside the Commonwealth, we have secured the future of the Mersey Hospital which will continue to be an important part of Tasmania's health network.

We are increasing our paramedic capacity, including an extra 42 paramedics to improve services, especially in regional areas with 24-hour coverage, a new ambulance station at Glenorchy and one at Burnie. A stronger budget means that we can invest more into new out-of-hospital services, new alcohol and drug rehabilitation beds, in-home and community health care supports and, importantly, new community mental health beds and supports. We are investing \$95 million more to deliver more beds and better services, new facilities, as well as employing the staff needed to open 25 beds to support the Royal, and new adolescent units in Launceston and Hobart. We are employing more than 125 new frontline staff. As the minister for Health has reminded me, that is four times the amount of budgeted funding into mental health services than was provided under the former Labor-Greens government.

Importantly, we have developed new strategies and support programs through Rethink Mental Health and suicide prevention strategies.

**Ms White** - People need that support now, not in six years time. You have conned Tasmanians. You should be ashamed of yourself.

**Mr DEPUTY SPEAKER** - Order.

**Mr HODGMAN** - The Labor Party had a health policy that went from being six years to five years to four years, to three years to one year. It did not stack up. Our plan does and it will deliver the health services that Tasmanians need.

Keeping Tasmanians safe is a priority. We will recruit an additional 125 police officers to keep our communities safer, remembering Labor cut 180 police officers during the term of the last Labor-Greens government. We will increase penalties for those who endanger people in their community. We will back our communities and law-abiding citizens and victims, not offenders. We will build the infrastructure our prison service needs to ensure that those who need to be incarcerated can be in purpose-built facilities for them, and the valued prison service staff and correctional officers who work there.

Combating family violence will remain a top priority. All 23 actions under the \$26 million Safe Homes, Safe Families family violence action plan are underway. We will continue to take a responsive, evidence-based approach and will soon be developing the next stage of our plan, our five-year action plan, which will be prepared over the coming months and commence in July 2019.

With the increased demand, which we anticipated as our action plan is implemented, we have responded with additional resources: \$1.5 million, which will increase support for the Safe At Home Co-ordination Unit; an additional family violence prosecutor; more counselling and support services; a new legal practitioner in the north-west and an additional court liaison officer for the south. We will create a new offence for persistent family violence to make it less difficult to prove sustained conduct to give the courts powers to declare persistent offenders.

We have committed \$455 000 over three years for Project O, an important partnership with the remarkable community changing arts organisation from the coast, Big hART, whose 25th birthday celebrations the Attorney-General and I had the great pleasure to attend last week. I know that the

member supporting me was very keen to be at that event and has been a strong supporter of Project O, which is all about empowering young women on the north-west coast to drive generational change in that community and reduce family violence.

Most importantly, under our plan we have mapped over 450 high-risk incidents, identified nearly 3500 children at risk and provided 1500 additional hours of counselling for young people and 1700 hours for adults. It was a significant historic occasion for our state on Tuesday when we announced that we will opt in to the national redress scheme, the key recommendation of the Royal Commission into Institutional Responses to Child Sexual Abuse. Now, by participating in this national scheme, survivors of institutional abuse will be able to seek redress by a payment of compensation and, importantly, other support such as access to counselling and, significantly, a response for the institution responsible.

Time will not allow me to go through the significant investments we will make into infrastructure across the state or to reflect on the recent announcements and infrastructure investment contained within the Turnbull Government's federal budget, including nearly \$1 billion contribution towards replacing the Bridgewater Bridge, \$400 million for roads, an additional \$59.8 million for freight rail to upgrade priority sections of the network, and an extension of the Freight Equalisation Scheme.

My Government has also made significant investments in our infrastructure over the last four years and we plan to do so over the next four years, including in our upcoming budget, not only to our roads, rail or public transport which are the arteries of our many wonderful communities across this dispersed island but also into community building infrastructure: sporting and recreational facilities; men's sheds; community houses; supporting our respected RSL clubs and supporting the many important community organisations that receive greater funding and support under this Government. Indeed our efforts to keep the cost of living down by capping power prices, not imposing additional or new taxes, keeping costs for government services on average at or below the rate of inflation for the next four years.

In our energy policy, which is specifically focused on delivering secure and reliable energy but also lower power prices, our target is to have the lowest regulated prices by 2022. We should not forget that under Labor power prices increased by 65 per cent over seven years. Through strong budget management, we have been able to cap power prices meaning that they are lower now than when we came into government. I am also very excited about our opportunity to be a key feature in the national energy policy space. With our existing reliable emissions-free Hydro generation and wind we are in a very strong position. There is an opportunity for us to benefit from the national electricity market through increased interconnection and utilisation of our renewable energy and pumped storage. Work is being done around a dozen or so projects which, in combination, would have the potential to double our current hydro capacity.

We have kickstarted wind farm developments at Granville Harbour, at Wild Cattle Hill in the central highlands and there is a massive wind farm proposal at Robbins Island very much under consideration. We are ramping up the investment into increasing capacity on our existing Hydro assets; \$1 billion to be spent over the next 10 years by Hydro Tasmania.

Tasmania's energy future is very bright and I very much look forward to what we will do in this area. Renewable energy is another one of our great competitive strengths.

In conclusion, I reflect on the strong endorsement this Government received at the great democratic event that is an election. People should respect the outcome. I realise it is easier for me to say and harder for some to swallow but it was a very clear result. A majority government was elected and we should all respect the will of the people. I must say that I am truly humbled by the personal result that I received and I constantly remind myself that I am first and foremost a member for Franklin and I hope to be able to repay the trust that the electors have again placed in me over the next four years.

I take the opportunity to thank all those who assisted me in my campaign, a relatively small but very big-hearted group of dedicated people who I love dearly who helped ensure that there was Team Hodgman presence in the great electorate of Franklin as so often I was on the road covering other parts of the state in what was a very busy and all consuming campaign. The State Director and the President of the Liberal Party and those who support our party organisation, all the team at Campaign Headquarters worked very hard on what was an excellent campaign. We put a lot of work into the campaign because it meant so much to what we believe in and what we want to do for our state.

Particular thanks to my Franklin campaign team manager, Nicky Hodgman, assisted by what are no doubt our greatest achievement, Will who turned 17 yesterday, James and Lily. Happy birthday again, mate. I cannot help reflect on the fact Will was a gorgeous, very innocent one-year-old when I first stood for parliament back in 2002. I am immensely grateful for the support I get from Nicky and the kids. Despite what I might say it would not be an easy situation for them. I love them dearly and I could not do it without them. It also shows that I have been around for a while. I am a committed and persistent person and I remain as energised now as I was back then, although I may not look it, but I am determined and committed to serve as one of our local members and indeed as Premier for the next four years.

I am very excited about the opportunities for our state. I believe we can deliver our plan, our vision to take our state to the next level. I thank my colleagues for their continued support. I am very honoured to be State Liberal Leader, indeed now the longest serving in our state ever.

I am very much reliant on and thankful for the great support that I have from a team of very good people who are committed to making our state a better place to live. It is one of the reasons why we were voted back in. Tasmanians know that we are a strong and united team and we can be trusted to deliver what we promise. We were elected as a majority Liberal government to provide certainty, stability and confidence that our state needs. I am totally determined to deliver that over the next four years at least. I am totally committed to this job despite the wishful thinking of those opposite. I stay the course and we have a lot more to do. I am the leader of a very strong team that has just been re-elected to govern our state and we are getting on with the job of doing that.

**Motion agreed to.**

## **COMMITTEE MEMBERSHIP**

### **Legislative Council Appointments**

The Legislative Council advised the following appointments to committees:

#### **Public Works Committee**

Ms Rattray and Mr Valentine.

**Subordinate Legislation Committee**

Mr Farrell, Ms Forrest and Ms Rattray.

**Public Accounts Committee**

Mr Dean, Ms Forrest and Mr Gaffney.

**Joint Standing Committee on Integrity**

Mr Dean, Mr Gaffney and Mr Valentine.

**Joint House Committee of this Parliament**

Mr Wilkinson, Ms Forrest and Mrs Hiscutt.

**Joint Committee of Both Houses to manage the Parliamentary Library.**

Mr Farrell, Mr Finch, Ms Forrest, Ms Rattray, Mr Valentine and Mr Wilkinson.

**TASMANIAN HEALTH SERVICE BILL 2018 (No. 3)**

**In Committee**

**Council amendment to clause 28 -**

**Mr FERGUSON** - Mr Chairman, I move -

That the amendment be agreed to.

In addressing this, the amendment to clause 28 of the bill provides for an additional explicit function that the executive monitor and report to the secretary on the outcome for persons provided with health services. The reference to persons is a general one consistent with other references in the bill but does not mean reporting on every individual. For example, the THS primary purpose is to promote the health of persons in Tasmania. As was made clear in the other place, this amendment is not about individual outcomes but representative systemic outcomes for people receiving health services. I quote:

I will take a moment to comment on the extensive capacity for reporting under the bill. The bill continues a requirement for an annual report of the THS, including audited financial statements and operational and performance reporting. This report will be tabled by the minister in the Tasmanian Parliament.

The bill includes other mechanisms to provide performance reporting by the THS. Under clause 10 of the bill, the service plan for the THS must include the requirements for the THS to report on performance. Further, under clause 12, the secretary can direct the THS to provide and/or publish information and reports.

While the Government's view was that outcome reporting is an initiative that would be progressed under the bill's existing reporting provisions in any event, we respect the contributions from the member for Murchison in the other place and her colleagues who have chosen to support that. We do not see any difficulty with endorsing it in here as well, noting that it makes explicit what was the original intention. In relation to the planned work on outcomes-focused reports, the nature and substance of the reports will be developed between the THS and the department in consultation with the consumer advisory groups supporting our health service, as well as technical input from the University of Tasmania to ensure we are reporting outcomes using consistent, useful and relevant methodologies.

**Ms WHITE** - Mr Chair, I indicate that the Labor Party will be supporting this amendment, as was the case in the other place too, recognising what it seeks to do primarily is ensure that outcomes for people using the Tasmanian Health System are appropriately reported on annually. I respect the clarification the minister has provided to the House regarding how the annual reports are structured. This provides further detail to ensure that those outcomes are understood and therefore we support the amendment.

**Mr FERGUSON** - I thank the Leader of the Opposition for those comments. I take this opportunity to convey the Government's thanks and mine to all those public servants who have worked tirelessly on this bill. In particular, I wish to single out Mr Michael Pervan, the secretary of the department, who has led the significant body of consultation; Bruce Patterson, who has been in the adviser's box and serves as chief legal in the department and does a fantastic job; and Robyn Webb, who does not get too many mentions in our House, from the Office of Parliamentary Counsel, who is an exceptional public servant - and I hear agreement from the Leader of the Opposition. Robyn does such a professional and exceptional job and in this case even more so given the time frames that have been involved. I particularly wish to record our thanks to her and her colleagues who supported this effort. We are very grateful for that exceptional service to the Government and to the parliament.

**Council amendment agreed to.**

**Reported the Committee had resolved to agree to the Council amendments.**

**Resolution agreed to.**

## **CONSOLIDATED FUND APPROPRIATION (SUPPLEMENTARY APPROPRIATION FOR 2017-18) BILL 2018 (No. 11)**

### **Second Reading**

[12.14 p.m.]

**Mr GUTWEIN** (Bass - Treasurer - 2R) - Mr Deputy Speaker, I move -

That the bill be now read the second time.

The Government is committed to strong financial management and to improving the services provided to the Tasmanian community. As a result of the improvement in the budget position that has been achieved by the Government, it has been able to deliver significant additional funding to



improve the services provided to Tasmanians, particularly in the areas of health, community, education and support for jobs.

The Government remains committed to ensuring that the budget remains in a surplus position. A budget surplus has been achieved in the last two years and will be achieved again in 2017-18. The 2018-19 Budget and forward Estimates that will be tabled in parliament on 14 June 2018 will have as its cornerstone the continuation of strong and responsible financial management over the budget and forward Estimates period.

A supplementary appropriation bill is a standard piece of budgetary legislation that facilitates the provision of additional funding to meet the operational costs of government in the current budget year. This approach provides early transparency in relation to the additional expenditures that have been incurred by the government. It is also noted that in many cases the additional expenditures being incurred by the government and included in bills of this nature are offset by increased revenues or savings compared to those expenditures already included in the existing budget and forward Estimates.

The Consolidated Fund Appropriation (Supplementary Appropriation for 2017-18) Bill 2018 seeks to appropriate \$168.7 million. It is important to note that, of this total amount, \$136.7 million was reflected in the 2017-18 Revised Estimates Report published in January 2018. Furthermore, at least \$55 million is offset by additional Australian Government funding, agency savings from previous years or reduced expenditure currently included in the budget in future years.

There are a number of important additional expenditure items included in this bill. As a government, improving Tasmania's health system is one of our highest priorities. In order to continue this important task additional funding has been committed in 2017-18 including:

- \$33.9 million to improve services and meet increased demand for services across the state, including the unprecedented flu outbreak over the 2017 winter;
- \$14.3 million to increase the delivery of elective surgery; and
- \$4 million to Ambulance Tasmania.

This bill also includes the administrative transfer of funding provided in the 2017-18 budget for health services of \$20 million and health infrastructure of \$6.7 million from Finance-General to the Department of Health and Human Services. This transfer of funding has no net impact on the budget position.

The bill includes approximately \$15 million in additional education-related funding. The vast majority of the related additional expenditure is offset by funding received from the Australian Government and savings in allocated funding in future years due to the bringing forward of infrastructure expenditure to 2017-18.

The Government is committed to supporting community and sporting groups across Tasmania. As part of the 2018 election process the Government consulted with community and sporting groups across Tasmania and made regional and community election commitments totalling \$21.4 million. The Supplementary Appropriation Bill provides funding of \$10 million to enable almost 50 per cent of these commitments to flow to community and sporting groups in the current budget year.

This bill includes \$8 million to meet the costs associated with the Government's comprehensive response to the detection of fruit fly on Flinders Island and sites near Spreyton and George Town in northern Tasmania. Ongoing surveillance and control actions are being undertaken at and around these areas, with the aim of eradication. The Department of Primary Industries, Parks, Water and Environment has established an emergency response task force to manage this significant incursion. This funding reflects the agency's expenditure for the fruit fly response and grower's assistance package across the state. This funding commitment will now be met from the recently announced \$20 million Biosecurity Emergency Response and Research Fund provided by the Commonwealth Government.

The bill also includes additional funding of \$5.1 million to meet the cost of the Police Enterprise Agreement 2018 and \$4.8 million in funding for the Emergency Services Computer Aided Dispatch System project. This latter funding reflects a change in project cash flows and is offset by an equivalent saving that was recognised in 2016-17.

As has been the case in recent years, the Government has also been faced with additional fire and emergency-related costs in 2017-18. These include \$1.7 million for bushfire costs in the first half of the budget year, \$1.7 million for fire suppression activities undertaken by the Parks and Wildlife Service and \$4.2 million in payments to local government in relation to the 2016 flood and bushfire events.

The 2017-18 Revised Estimates Report and this bill also include significant additional funding to support industry and the growth of jobs in Tasmania. This includes \$2.3 million to support the BioMar Group to construct a new aqua feed processing facility, \$2 million to support the Hermal Group establish a new timber processing facility in Tasmania, and \$700 000 to support Houston's Farm develop and expand its Dodge Farm at Forcett.

The additional funding that is included in this bill is delivering increased and better services to the Tasmanian community and, importantly, this is being done within the vital framework of an expected budget surplus. As I noted earlier, the vast majority of this expenditure has already been reflected in the 2017-18 Revised Estimates Report.

The Government is looking forward to the tabling of the 2018-19 Budget that will see the continuation of the implementation of the Government's important fiscal strategy and the outlining of funding for the new commitments that were detailed by the Government as part of the 2018 state election process.

I commend the bill to the House.

[12.21 p.m.]

**Mr BACON** (Denison) - Mr Deputy Speaker, I inform the House that the Labor Party will be supporting this bill. We have a range of comments we would like to make and then a series of questions we would appreciate if the Treasurer could outline in his summing up. There is no doubt that the Treasurer is a fantastic salesman when it comes to his own performance but it does not really bear up to scrutiny. He is very fond of self-praise, but that is not really an appropriate way to approach public life, in my opinion, or indeed probably one's private life as well.

This bill provides an extra \$168.7 million in funding for the 2017-18 year. As the Treasurer said in his second reading speech, \$136.7 million of that was reflected in the RER. Since the Revised Estimates Report we have had a state election run and won. We are repeatedly told by the

Liberals they won the election. We have picked up on that fact, but they can keep telling us if they like.

During the election campaign we saw the Treasurer lose total control not only of his members of parliament but all his candidates as well. We saw every single one of them every day of the campaign out there splashing around millions and millions of dollars. We know that this Government was keen to buy back the election of a Liberal government. They were paranoid about being driven into minority government. That did not happen at the election, but on the first day of parliament you could argue it did.

We saw a government in the election campaign that would promise anything to anyone if they thought there was a vote in it. Now what we want to know from the Treasurer is exactly how many of his election commitments are contained within this bill and how many of his election commitments he was promising to fund in the 2017-18 year? What is the figure of election promises for the 2017-18 year that are not contained in this bill? We want a breakdown of what those promises are and whether or not this means they will not be funded this year. Does it mean that the Treasurer plans to introduce a series of requests for additional funds to pay for those election commitments in this financial year and, if so, exactly when will the Tasmanian people be informed of that? Will it be before budget day or do they have to wait for a section 19 report later this year?

That is not a good enough level of transparency. The Treasurer could outline today which promises are not in this bill, how they will be funded, and exactly when the Tasmanian people will be informed of those facts.

**Ms O'Connor** - Don't we just need the list of the small bribes?

**Mr DEPUTY SPEAKER** - Order.

**Mr BACON** - That was a comment from the member of Denison, which should get on the record.

What we want to see is an outline of exactly of what is not funded in this bill and a breakdown of the election commitments that are funded in the bill. Also we would like some comments particularly regarding the \$86 million that has been spent outside the budget in the Health portfolio. We know the Liberals have only allocated an extra \$21 million in next year's budget for the Health portfolio so perhaps this indicates the Treasurer's chronic underfunding of our health system is set to continue for the next four years. We know he has been the master of it over the last four years. Over the last two years we have seen around \$170 million in overspending, a large amount of that in the Health portfolio. Is the Treasurer being honest with the Tasmanian people about the amount he expects to spend in the Health portfolio in the coming year, and is that \$21 million enough? We know he is a very shifty character when it comes to the way he presents the budget and the way he speaks about it. We are yet to see an underlying surplus from this Treasurer. We just heard an interesting change in language where it is not a surplus but an 'expected' surplus. I do not know if he has seen some last-minute changes but no doubt he will try to hide that from the Tasmanian people as well.

We have seen great boasts from this Treasurer and this Government around Tasmania's economic performance. That performance is tied to national and global conditions and not anything that this Treasurer has done. This Government did not achieve a single economic reform in its first

term of government and what they are promising in the next term is to continue that stellar track record of doing nothing. The state budget is not prepared for any future global economic shocks.

You only have to look at the way this Government has treated our GBEs in the first four years of government. It all started on the first budget day on 26 August 2014, when the Treasurer set out that he was going to rip \$75 million out of Hydro Tasmania, one of our most important government business enterprises. Hydro Tasmania wrote to the Treasurer on budget day to set out that the dividends they could return across the four years was zero but the Treasurer did not listen to that. Coincidentally, at exactly the same time the Government had a valuation of the Tamar Valley Power Station, the combined cycle unit, of \$75 million. I am going to say that is more than a coincidence. Tasmania was plunged into an energy crisis when the Government shut down and sought to sell the Tamar Valley Power Station combined cycle unit because they were desperate to rip \$75 million from Hydro Tasmania.

That all came undone through the energy crisis and they had to then shift their focus onto the TT-Line, and we saw the ridiculous situation where the Treasurer was pulling money out of the TT-Line to pay for boats. It was nowhere near enough of course to actually pay for the boats. That is not what drove those dividends. That was about propping up the Treasurer's so-called surplus. The Treasurer cannot be trusted when it comes to budget matters and he certainly cannot be trusted when it comes to our GBEs. The first term of this Hodgman Government was characterised by ripping tens of millions of dollars from our GBEs to prop up the budget and that is set to continue.

You only have to go to the Tasmanian Liberals' plan - Building your Future. It is about taking Tasmania to the next level but we do not know if that is the next level up or the next level down. They have never been clear on that. We know they are not preparing Tasmania for any future budget shocks. If you go to the biggest revenue adjustments in the financial policy document put out by the Treasurer during the election campaign, by far the biggest amount is increased government business dividends. We are talking about \$22 million in 2019-20, and in 2020-21 we are talking about \$60 million in additional dividends. If you go down to note 4 it says:

Increased GBE dividends reflect additional dividends from MAIB, including returning the company to the Government's policy of a 90 per cent payout ratio.

I am not sure if the MAIB has actually ever been at a 90 per cent payout ratio so to say you are returning the company to the Government's policy of 90 per cent is at best misleading. It goes on to say that there will be no impact on MAIB premiums. Now you are talking about ripping 90 per cent of dividends of the payout ratio from the MAIB to prop up the Treasurer's budget. In the past the chair of the MAIB at the time said that a 60 per cent ratio was too high and it should be something more like 50 per cent. I am pretty sure that at the time there was an undertaking given by the Government that they would return to the 50 per cent ratio as time moved on. That did not happen.

I think it was the first budget to the special dividend from the MAIB, \$100 million over and above the normal dividend. That was \$100 million plus \$44 million, I believe. Now Dr Challen says, as part of the GBE hearing, 'That 90 per cent never affected us'. That makes your first claim that you are returning them to 90 per cent absolute rubbish. He goes on to say, 'That in turn led to a policy in which we would pay 60 per cent of after-tax profits for three years and then revert to 50 per cent.'

Rather than revert to 50 per cent, we have gone up to 90 per cent. That is because the Treasurer lost control of his colleagues. The Premier, in particular, was spending like a drunken sailor right through the election campaign. There was not anywhere you went in Tasmania where someone did not come up to you and say, 'so and so has promised us \$10 000 for this or \$10 000 for that'. It happened day after day to every single candidate in the election.

We know Dr Challen said that the 60 per cent was not appropriate for the MAIB in the long run. He suggested there was an agreement with the Government to return to 50 per cent. That is now no longer the case. When you are in an election period and desperate to hang onto power, you will do anything to balance the books.

From day one, what we have seen from this Government is a determination to deceive the Tasmanian people about the true state of the Budget. We have seen a Treasurer who has misled the Tasmanian people time and time again about the reason for that first dividend, the \$75 million from Hydro Tasmania, completely against Hydro Tasmania's advice. I know the Treasurer was new to high office at that stage. He, along with the minister for energy at the time, were so arrogant that they did not listen to advice. They were told not to sell the Tamar Valley Power Station. They were told Hydro Tasmania could not provide \$75 million. They did not listen. Now they are moving their sights onto the MAIB where Dr Challen said that it should be reverting to a 50 per cent dividend in the future, not going up to 90 per cent, which is what the Treasurer in his desperation has sought to do.

The way the Treasurer treats the Tasmanian people with contempt is not good enough, failing to give the full story of what is going on. We want to know from the Treasurer exactly what he is going to do in his usual deceptive manner around the election commitments; first, a list of commitments that are addressed in this appropriation bill and then a list of the commitments made by the Liberal Party during the election campaign, which they said will be funded in 2017-18. Why are they not in this bill? Exactly how will they be funded? When does the Treasurer plan to tell the Tasmanian people about that?

In his second reading speech the Treasurer talked about the \$2 million to support the Hermal Group establishing a timber processing facility in Tasmania. Have those funds already been given to the Hermal Group? What level of detail has been provided by the group about its plans? If they do not have the \$2 million yet, what conditions must be fulfilled before they do receive it?

Also, the Treasurer said that the bill includes additional funding of \$5.1 million to meet the cost of the Police Enterprise Agreement 2018. What exactly is he referring to there? Is that an agreement that is outside the 2 per cent that was budgeted for? Some detail on that would be appreciated.

Today there are a number of opportunities for the Treasurer to start being more transparent about the state of the Budget. It would be good if the Tasmanian people could hear some detail about the election commitments and how they will be funded.

[12.35 p.m.]

**Ms O'CONNOR** (Denison - Leader of the Greens) - Mr Deputy Speaker, the Greens will not be opposing the consolidation bill, because we want to see our hardworking public sector workers receive their pay. As members are aware, at 1 o'clock today the Community and Public Sector Union will deliver a statement of intent to the leaders of all three political parties. It raises the very important issue of the suppression of wages of public sector workers over the past four years under

the Liberals in government. The wages paid to public servants in Tasmania who work very hard is at the foundation of the money that we are debating today. To not acknowledge that keeping the 2 per cent cap on wages has a flow-on effect to wages across the economy and to the level of economic activity shows more of an ideological approach to the Treasury than it does based on the evidence of how money flows in the economy. You can pay lip service to the public servants, Treasurer, but the evidence of your Government's contempt for them is the fact that your wages policy will continue to sit at 2 per cent.

We are here today, as I understand it, debating the Consolidated Fund Appropriation (Supplementary Appropriation for 2017-18) Bill 2018 because the state Budget will be late this year. We have had a very long period of time allowed to lapse between election day and the resumption of parliament on 1 May. Then we had one sitting week, the first day of which was taken up with the historic election of the new Speaker to the Chair and other pomp and ceremony. We had two sitting days in the first week, one week of parliament sitting, then two weeks not sitting, and now we are back for a week debating a supplementary appropriation bill and the Budget is three weeks away.

The Liberals made a choice about when the Budget would be timed. It is a choice they made in order to avoid the heat after an election that was bought and paid for by the gambling industry not to return parliament until two months after election day; then to have a very short sitting, another longer break and here we are again and then we will have another two weeks out of the place. We can see what is happening here. You are hiding from scrutiny and that is the reason we are debating a supplementary appropriation bill.

I agree with the member for Denison and shadow treasurer, Mr Bacon, on the fiddling that this Treasurer has been responsible for in relation to government business enterprises. There is a Treasurer's instruction that I do not have with me at the moment that makes it very clear what the dividend policy is. It is a 90 per cent dividend take. As was discussed in GBE Estimates last year there have been vast sums of money from the GBEs going into the Treasury as a result of the Liberals policy of taking as much as they possibly can from government businesses. Then there was the surprise 2014-15, from memory, very large extra special dividend allocation that the MAIB made to the Liberals in government with no apparent need or reason for that to happen.

Our questions relate, Treasurer, to the \$32 million difference between the Revised Estimates Report that was published in January this year and the appropriation that we are asked to pass today. As the second reading speech says:

It is important to note that of this total amount \$136.7 million was reflected in the 2017-18 Revised Estimates Report that was published in January 2018 and the Consolidated Fund Appropriation (Supplementary Appropriation Bill for 2017-18) Bill 2018 seeks to appropriate \$168.7 million.

There is a very significant section within this appropriation bill that relates to regional and community election commitments. Mr Bacon is spot-on about the scattering of confetti-like small bribes around the community by the Liberals during the campaign - \$7000 here, \$10 000 there, \$500 000 to a Christian church in the north-west of the state. There were significant sums of money down to relatively smaller sums of money, all promised with the single purpose of winning government back.

It is a clever political strategy if you have the Treasury purse strings at your disposal to be able to say to your members and your candidates, 'Go out there, make all the promises you like, surf lifesaving clubs, sporting clubs, community groups - you've all got a budget'. I bet the Treasurer said, 'Each of you can spend up to \$100 000 in monopoly money at this stage, but if we win it will be real money in your communities', and that is how we have had this scattering of confetti-like bribes all over Tasmania. We too want to see the list of organisations and what they were promised. We think the Tasmanian people are entitled to see that too, or those who were not explicitly bribed.

**Mr Gutwein** - You don't think we should invest in community infrastructure?

**Ms O'CONNOR** - The best investment you could have made in community infrastructure was to remove poker machines from pubs and clubs. The best investment you could have made in the health and wellbeing of our people was to remove poker machines from pubs and clubs. The best investment you could have made in the safety and wellbeing of children was to remove poker machines from pubs and clubs in areas of economic disadvantage. Do not give us your moral equivalence, your cognitive dissonance -

**Mr Gutwein** - We will disagree on that matter, as we do.

**Ms O'CONNOR** - Yes - and you are wrong.

**Mr DEPUTY SPEAKER** - Order, through the Chair, please. Interjections should cease.

**Ms O'CONNOR** - Thank you, Mr Deputy Speaker. It was a disgraceful election campaign. The awful double standard of going out into the community and scattering around these bits of money to buy votes while at the same time accepting millions of dollars in cash and in-kind contributions from the gambling industry in order to perpetuate harm in communities is breathtaking. Mr Gutwein, when you lie awake at night thinking about your legacy in politics, it will not be this. It will be the harm that is perpetuated in our communities until the year 2043 because, Mr Gutwein, you drove, allowing your colleagues in government -

**Mr DEPUTY SPEAKER** - Order; through the Chair, please. Also when speaking to another member of the House, use their appropriate title.

**Ms O'CONNOR** - Mr Gutwein, the Treasurer, the member for Bass.

**Mr DEPUTY SPEAKER** - The Treasurer or member for Bass.

**Ms O'CONNOR** - With respect, Mr Deputy Speaker, I put up with four years of not being called the Leader of the Greens and that is my title.

**Ms Courtney** - Leader of the Green - it is singular.

**Ms O'CONNOR** - Leader of the Greens, Ms Courtney, a party of consistent values for 40 years. We sleep well at night because we know what we stand for. We do not stand for the propertied class or the destruction of our wild places. We do not come into this place and treat the Westminster system with utter contempt, as Ms Courtney and her colleagues do.

**Dr Woodruff** interjecting.

**Ms O'CONNOR** - Sorry, Ms Woodruff, what was that?

**Mr DEPUTY SPEAKER** - Order. Interjections should cease.

**Ms O'CONNOR** - I am seeking clarification from Ms Woodruff on what her interjection was.

**Mr DEPUTY SPEAKER** - For a start, Ms Woodruff should not have been interjecting.

**Ms O'CONNOR** - As the Treasurer and member for Bass, Mr Gutwein, knows, this election was corrupted by dark money. This election was bought by the gambling industry and a quid pro quo, as Mr Gutwein knows - although the details do not appear to be in supplementary appropriation bill - was the \$6.8 million that was promised to the Tasmanian Hospitality Association before the election and an extra \$4.8 million on top of what they got in the previous term.

When the Treasurer talks about the importance of investing in regional communities, we see that as the most cynical political take you could possibly have on the state's finances. It is the most cynical abuse of public resources to buy an election. It is the covering of bases for those communities that might not have been swayed by the \$5 million to \$10 million that was being poured into the Liberal Party coffers and the Love Your Local and Federal Group campaigns to buy an election. It was making sure all bases were covered.

It is true that small grants were promised by sitting members or Liberal candidates all over the state, particularly in the north and the north-west of Tasmania. That is a matter of public record and a fact the Treasurer cannot deny. He cannot stand here and tell us that his Government is committed to community strength, health and wellbeing and resilience, because the evidence speaks for itself. This is a government that put the interests of the gambling industry ahead of the wellbeing of the Tasmanian people and ahead of the future health and wellbeing of disadvantaged communities who, more than they need \$10 000 going to a sporting group, need to make sure that the children in those communities have food on their table, not going without because one of their parents has blown the family's pay on poker machines. These stories are repeated every single day in our community and that is a matter of record.

It is true to say that while Mr Gutwein likes to talk about what a fantastic Treasurer and economic manager he is, there is very little he can point to in terms of structural reform that the Liberals have done. They have surfed the wave of the economic recovery, gouged GBEs, tapped into a bigger GST pool, handed out corporate welfare, underfunded social housing and essential services, cut public sector jobs, and that is how we have come to this place today. It is not about good economic management or structural reform. It has just been a government that really got lucky.

We knew in 2013-14 that if the Liberals won, the economic circumstances would favour them enormously, and they have. That is a good thing for Tasmania, but do not claim credit for it, Mr Gutwein, because it had very little to do with you and everything to do with the fact that world's economy turned around. It has much to do with the fact that Tasmania is one of the most beautiful places in the world and people are coming here from all over the world because of our beauty and the fact we have managed to protect what it is that makes this place special and increasingly unique in a world that is polluted and a sorry place in many parts.

On behalf of people who are sleeping at the Domain in tents, in the rivulet on a dry night and out at the showgrounds, I would like to understand what the plan is for the Minister for Human



Services portfolio. There does not seem to be any mention or extra allocation in here or any emergency funding to go into housing. Given that we now have the most unaffordable and unavailable housing rental market in the country, you would think this might have been an opportunity, given that you are handing out \$21.4 million in bribes to community groups to make some extra allocation for emergency housing. I know Mr Jaensch talks about the \$500 000 that has been allocated for an emergency response. It is exactly the same amount of money that was handed out to a church on the north-west coast of Tasmania for no obvious and apparent reason. Five hundred thousand dollars for emergency housing responses, \$500 000 to a Christian church on the north-west coast of Tasmania. No extra appropriation for an emergency response in Hobart to make sure that people who need homes, shelter and support can have it at this extremely difficult time.

Mr Deputy Speaker, member for Lyons, Mr Shelton, with those few words I will sit down. We will not be opposing this bill but the questions I put to the Treasurer, the member for Bass, Mr Gutwein, is could you please provide the list of small grants, organisations and the amounts and could you please do so today because that list will exist and could you please explain why there has been no extra allocation for investment in emergency housing responses?

[12.51 p.m.]

**Mr BROOKS** (Braddon) - Mr Deputy Speaker, I support the bill. It is welcoming to hear that those opposite are supporting it, despite of some of their commentary around it and some of the criticisms on where we are investing taxpayers' money into the community. I find it quite extraordinary that those opposite are now criticising and complaining that we are using money to support local community-run organisations. They are the very fabric of what communities are for. They are the very fabric of what communities come together on. I find it extraordinary that those opposite are now complaining that we are putting money into regional communities, into small organisations and some are, from what I understand, small packages of support but are vitally important to those mostly volunteer run and led organisations.

We even had the Leader of the Opposition asking about some financial support in a letter that she had sent about a specific request for some funding for a community organisation. To now hear the complaints from those opposite that we, as a Government, have been able to manage the -

**Ms O'Connor** - We are just pointing out the bleeding obvious. You have bribed your way into Government.

**Mr DEPUTY SPEAKER** - Order. Ms O'Connor you have just recently finished your contribution. Mr Brooks now has the call. Hopefully members in the Chamber will respect that he is the only one that should be speaking.

**Mr BROOKS** - Thank you, Mr Deputy Speaker. As always, I appreciate your wise ruling.

We have a government that has been able to manage its way out of a financially ruined state that it was left just over four years ago. In spite of the attempts of some opposite calling it luck and every other reason under the sun, it is because we understand how an economy works and it is because we can count.

I congratulate the Treasurer on his leadership and on his vision for the state and the way that we are now in a position that we can invest more in essential services and into the community. For those opposite who want to continue to whinge about it, unfortunately that says more about them than us. We will not apologise for supporting these vital community organisations, many that are

in regional communities across the state. The constant complaints of those opposite ultimately proves that they do not have an alternative. It will be interesting to see if they can produce an alternative budget this year. We know they will not bother. I do not know whatever that thing was they brought out the other year -

**Mr Bacon** - Economic Direction Statement.

**Mr BROOKS** - Yes, that is it. Thanks for that, shadow treasurer. It went really well for you at the election. We look forward to seeing your alternative and hearing about it. To the credit -

**Mr Bacon** - Do you know what I want to see? Your emails.

**Mr BROOKS** - The Greens - that does not surprise me either.

**Mr Bacon** - That is right, we'll get them. You should have run for Braddon federally, mate.

**Mr DEPUTY SPEAKER** - Order.

**Mr BROOKS** - To the credit of the Greens at least they produced something, despite it being full of holes. We come back to the current shadow treasurer who cannot even be bothered putting an alternative budget together. That is how lazy he is -

**Ms White** - Where are your emails? You cannot even be bothered putting your emails out.

**Mr Bacon** - I'll email it to you. I emailed you a draft of it.

**Mr BROOKS** - Whilst he is no doubt working out of his mum's basement trying to get a policy together. That is where they are. At the end of the day we are happy to stand on our record and we know that those opposite are trying not to. They are trying to cover up the fact -

**Mr Bacon** - Cover up the emails?

**Mr BROOKS** - You are so interested in my kid's email, you come across as a real weirdo.

**Mr Bacon** - You are so weak to use your kids as defence.

**Mr BROOKS** - You want to read through kid's emails and you are now spying on people's houses. You oppose mandatory sentencing -

**Mr Bacon** - You are so weak.

**Mr DEPUTY SPEAKER** - Order, Mr Bacon. I officially warn you.

**Mr BROOKS** - for sex offenders. There seems to be a trend going on. There is a trend. At the end of the day they cannot hide forever. Their alternative budget will be shown for what it is. We know they will not have one. We know that they still cannot count. We will not apologise for fixing the budget and then delivering money into the community. That is what we do. We can do that because we can count and because we can effectively manage the budget.

[12.57 p.m.]

**Ms WHITE** (Lyons - Leader of the Opposition) - Mr Deputy Speaker, I did not think I would get the joy of speaking on the bill before lunch considering Mr Brooks, the member for Braddon, was on his feet. It seems he has been shamed into sitting down, because he was embarrassed about the fact he has not revealed his emails yet. That was a very interesting contribution from the member who just resumed his seat. Normally we have a lot of bluff and bluster, but it seems like he has lost his mojo. Remember that one? Lost your mojo.

Let us have a little look at this bill shall we? What is it about? It is about the fact that this Treasurer is not in control of the budget. It is about the fact that there is a \$168 million overspend this financial year alone. He has blown the budget. In essence that is what we are here talking about.

It sounds a bit strange when you think about all the rhetoric that this Treasurer espouses that he is the best treasurer going around, the budget is back on track, it is back in black and then you have a look and you actually examine these figures before us and you see the rhetoric simply does not match up with the facts.

We have seen for a while now that this budget bottom line the Treasurer says he is so proud of has simply been that. Luckily, he has received additional revenue from Canberra. We have seen it again recently: an extra \$100 million in one year from Canberra; a \$100 million forecast for next year from Canberra to top up his budget. If it had not been for that and the fact that he is ripping dividends out of GBEs, there is no way in the world that your budget would deliver a surplus.

Let us have a look at what your history has been like in this place. Last year there was a supplementary appropriation bill for \$41 million and now we have \$168 million supplementary appropriation bill before the House. It is getting worse. The budget management under this Treasurer and this Premier, Will Hodgman, is getting worse. The only reason why you are able to argue that you have a budget that stacks up is because of the rivers of gold from Canberra that you have been lucky enough to inherit, the fact that the exchange rate is supporting the economic activity in our state, the interest rates are low so business confidence is up and the fact that you have ripped dividends out of GBEs who have told you that they cannot support those dividends. We saw that with Hydro and you are doing it again, MAIB - I sat in on that hearing, that GBE hearing last year, Mr Deputy Speaker.

**Sitting suspended at 1 p.m. to 2.30 p.m.**

**CONSOLIDATED FUND APPROPRIATION (SUPPLEMENTARY  
APPROPRIATION FOR 2017-18) BILL 2018 (No. 11)**

**Resumed from above.**

**Ms WHITE** (Lyons - Leader of the Opposition) - Madam Speaker, I will resume my contribution on the Consolidated Fund Appropriation (Supplementary Appropriation for 2017-18) Bill.

Before the break in proceedings, I was talking about the Government's approach to propping up its budget bottom line by ripping dividends out of our GBEs. In the past four years of

government, we had this being expressed through the desire to receive a \$75 million dividend from Hydro, which they expressed they could not deliver on. Then it was the transfer of payments from the TT-Line. Now the MAIB is in the firing line.

If we have a look at the financial policy the Liberal Party took to the election, the biggest adjustment in forecast revenue is the increased government business dividends they expect to receive, namely \$22 million in the 2019-20 year and \$60 million in the 2010-21 year. If you have a look at the notes it explains that increased GBE dividends reflects additional dividends from MAIB including returning the company to the Government's policy of a 90 per cent payout ratio. There will be no impact on MAIB premiums.

I sat in on the GBE hearings last December where this exact policy was examined by the committee, noting again it was MAIB which helped to prop up the Government's budget bottom line last term with a \$100 million windfall. In part of the proceedings the topic was raised as to whether the Government could expect a further windfall from MAIB. I will quote from Dr Challen who was responding to this line of questioning:

Yes, there is an agreement between MAIB and the shareholder ministers for us to pay a dividend that is 50 per cent of the average of after-tax profit for the current and preceding four years. We pay a dividend based on a rolling five-year average of our after-tax profit. That has been in recent years 60 per cent, but an agreement was made three or four years ago that it would revert to 50 per cent from this financial year.

That is significant to note because what the Government did in its financial policy, it took to the election that it is now requiring the MAIB to adopt the Government's policy of a 90 per cent payout ratio in order to give it a budget surplus, particularly in years 2020-21 where the adjusted net operating surplus is forecast to be \$20.2 million. Without that \$60 million dividend, it would be a \$40 million deficit, not a surplus at all.

The shareholder minister was the member for Lyons, Rene Hidding. Now we have the member for Braddon, Mr Rockliff, the shareholder minister for MAIB. Hasn't he inherited a terrible problem? It is very unfortunate that that portfolio has been handed across to Mr Rockliff given the circumstances MAIB now find themselves in and the promises the Liberal Party have made to the people of Tasmania in their desperate attempt to win the last election.

I will continue to quote from this transcript from last year because it is very significant. This dividend policy is to give context. Dr Challen said:

It is driven by two things. One is the need for us to keep a minimum level of solvency, which is the ratio of our assets to cover insurance liabilities and our liabilities. Because our assets are investments that are subject to a degree of volatility in their earnings from year to year, we need to smooth the profit stream so if we have a good year or a bad year it does not unduly impact on the dividend we pay.

He went on to confirm that \$144.5 million had been paid out. He went on to say that:

That year we paid two dividends. We paid our ordinary dividend, which was at that time 60 per cent of the five-year average of after-tax profits. The board also

proposed to the Government and the Government agreed to accept a \$100 million special dividend.

That is \$144 million in dividends the MAIB provided to the Government to prop up their budget bottom line. Concerningly, despite the statement in the financial policy that the Tasmanian Liberals took to the last election that said:

The increased GBE dividend reflects additional dividends from MAIB including returning the company to the Government's policy of a 90 per cent payout ratio.

Concerningly, they never paid a 90 per cent ratio. In fact the most they had paid was 60 per cent, so it is not returning them to 90 per cent at all it is actually requiring them to provide a much greater dividend to government than they would have been planning. When asked about the 90 per cent policy, a specific question from the member for Denison, Ms O'Connor who asked:

That is a 90 per cent policy. There are Treasurer's instructions of 90 per cent.

Dr Challen responded:

The 90 per cent never affected us. I do not have in mind the timing of the new dividend guideline, the Treasurer's instructions and the 90 per cent, but I suspect they were coincident. The desire on the part of the Treasurer to establish a new dividend policy for government business led to a discussion between us and the Treasury and the Treasury and the stakeholder minister. That in turn led to a policy in which we would pay 60 per cent of after-tax profits for three years and then revert to 50 per cent. In the 2016-17 year the dividend payable in this financial year is first reverted to 50 per cent.

Isn't that a terrible shock for the MAIB? I wonder what they are going to be telling us at this year's GBEs, given that there is now an expectation that they provide a 90 per cent dividend policy, 90 per cent of their after tax profits to the Government as part of the Treasurer's dividend policy. Why are they being forced to do that? It is because you do not have a surplus without it. It is here in black and white as part of your financial policy. This Government must be so embarrassed because the Treasurer and the Premier have been caught out as being frauds, to be quite honest. They have not being able to responsibly manage the Budget. It is not because of their good budget management that the state Budget is in the circumstance it is in. It is because you have received additional revenues from Canberra, most notably GST and special purpose payments. Also, the economy is doing well because of the terms of trade, the Australian dollar and low interest rates. Those factors are very important for us all to recognise, because when the Government talks about being good budget managers we only have to look at the bill we are debating right now that demonstrates they have blown the Budget this year by \$168 million. It is not good budget management to blow your budget by \$168 million.

What else does that tell us? It tells us that you have chronically under-funded public services. Why else would you now be requiring an extra amount, \$86 million for the department of Health and Human Services? We have long been arguing that we need to see greater investment in Health and there can be no doubt that there is a requirement to have greater investment in Human Services as well when you consider the terrible state of affairs in child protection and in housing. This Budget provides for an additional \$86 million this financial year beyond what was budgeted for, because you were chronically under funding public services.

We have had Canberra indicate in their Budget that they handed down this year there would be an additional \$100 million in revenue to this Government. At that time I went out in response to the federal Budget and made a clear statement that that money should be injected into public services. It should be injected into the wages of those public servants, the teachers, doctors and others who provide that service to our community. The Premier responded on 9 May saying:

The GST is volatile so we will not blow the extra money.

We will not do what others might suggest just blow the receipt of the GST on anything because we need to ensure we maintain a strong budget position as we have done.

The fact is the budget has already been blown by this Treasurer. There is \$168 million of extra spending here because you have blown the budget. That \$100 million from Canberra props up the extra spending that you did not provide for in last year's budget. You have blown the budget. You are using that extra \$100 million from Canberra to prop you up and I am sure that next year you will rely upon it again as you did last year. We continually have these appropriation bills come into the House because you have chronically underfunded public services and you have to keep coming back to the parliament to ask for more money.

It is interesting to note that this bill provides for an additional \$86 million for Health. We know that the health system has been chronically underfunded. We look at this figure. There are questions I would like the Treasurer to answer in relation to how that money is going to be spent.

There is a description how some of that money will be spent in Revised Estimates Report, remembering that not all of it is in here from that time when the report was handed down, which was in a December quarterly report, so it was handed down earlier this year, and there has been an additional \$30 million requested. Not only have you blown the budget by the amount that was allocated in the RER in December, but it has been added to. Part of that is election promises, as my colleague for Denison, Scott Bacon, pointed out. Part of it is because of extra spending in portfolio areas where you have chronically underfunded them, like health.

The RER talks about \$24.2 million being provided year to date because of increasing demand and associated activity in our hospitals, including the winter flu outbreak and elective surgery. Treasurer, in the second reading speech you make note of:

a \$33.9 million commitment to improve services and meet increasing demand for services across the state including unprecedented flu outbreak and a \$14.3 million increase for the delivery of elective surgery.

So \$33.9 million plus \$14.3 million does not equal \$24.2 million. I would be grateful if you could provide more transparency in exactly how this money is to be allocated and for what services, because the details in your second reading speech do not match the Revised Estimates Report.

The report also talks about additional funding - \$4 million, to Ambulance Tasmania. The \$4 million to Ambulance Tasmania is mentioned in your second reading speech. In the Revised Estimates Report it is \$3.3 million for additional ambulance crews in southern and northern Tasmania. I am interested to understand what the additional \$0.7 million is required for and some transparency regarding how taxpayers' money is to be spent. You are tricky in how you display information, both in your budget figures in your second reading speech and in the RER.

It is hard to compare figures because you provide them in different formats from year to year. It is often a challenge to compare data sets because you change the way you calculate things. However, I would have hoped that the second reading speech and the figures contained within it would have been much closer to the figures contained in the RER than they appear to be.

Madam Speaker, as well as the additional spending in Health, there is also an additional allocation of money for Education, for Police, Fire and Emergency Management, and Justice and agencies that support a number of services right across the public sector. I would be grateful if the Treasurer could detail exactly how that \$168 million is to be allocated across each of the agencies. In the bill itself when it talks about the purposes of appropriation -

**Mr Gutwein** - What number are you talking about in the RER evaluations?

**Ms WHITE** - Page 27. Major expense variations. There is an increase of \$54.6 million in the Tasmanian Health Service. It includes a breakdown of \$24.2 million relating to the flu outbreak and elective surgery. I can only assume that the additional funding provided for in your supplementary appropriation bill and referenced in your second reading speech is because of more elective surgery. I presume that the costs associated with the winter flu outbreak would not continue to contribute.

**Mr Gutwein** - I will give you a breakdown.

**Ms WHITE** - That would be great. The purpose of appropriations is to break it down by agency but it would be useful to understand it in more detail.

**Mr Gutwein** - Is this in terms of ambulance? If you go to page 55 -

**Madam SPEAKER** - Treasurer, through the Chair, please.

**Ms WHITE** - Page 55.

**Mr Gutwein** - You will see the cost for ambulance across the forward Estimates. It breaks it down.

**Ms WHITE** - Thank you, Treasurer. So there is \$4 million in this RER for this financial year. In your second reading speech it is \$4 million, but in the content of the RER on page 28, it says \$3.3 million so there is another \$0.7 million that is relating to supplies and consumables presumably.

**Mr Gutwein** - I imagine so.

**Ms WHITE** - Thank you. The other thing that is important to note is the risks. The risks in the RER starts with the biggest risk to the Tasmanian budget and that is the Productivity Commission report on GST. We all know now that the Productivity Commission report on GST has been handed to the federal Treasurer and that he will be briefing state Treasurers. I am keen to understand, Treasurer, if you have received such a briefing.

**Mr Gutwein** - No.

**Ms WHITE** - I have written to the federal Treasurer asking to be provided with a briefing because this is an issue that affects the state's ability to fund all of its services. Based on comments the federal Treasurer made we understand that he will be providing a briefing to all state Treasurers over the coming weeks. I am not sure why you have not been offered one, given that in the Productivity Commission report Tasmania stood to lose every single scenario that was modelled. Concerningly, the federal Treasurer continues to talk about transition plans despite the best efforts of the state Treasurer to put words in the mouth of the Finance minister, when he was in the state, regarding the GST allocation to Tasmania. We expect that the allocation of GST to Tasmania will not change for the next two years based on what is in the federal budget but beyond that period there is no allocation provided for at all. It specifically says that is because the Productivity Commission report has not yet been considered by the Government.

**Mr Gutwein** - No, it doesn't.

**Ms WHITE** - Have I been incorrect? If you could correct me.

**Mr Gutwein** - There is a note in there. I am happy to explain on my feet.

**Ms WHITE** - I appreciate the Treasurer's assistance. It is my understanding that the Productivity Commission report will influence what the forecasts are in the federal budget for GST distribution to each state beyond the next financial year. The GST allocation to Tasmania is provided for for next year, and we would expect that would not change. If the Treasurer has more information that can give us some confidence that Tasmania's share of the GST is not going to be altered because of the Productivity Commission report that would be very useful.

I was disappointed to see, given that the Consolidated Fund Appropriation supplementary appropriations for this financial year, 2017-18, provides for \$168 million extra spending but it does not provide any extra money for housing. Given that it provides an extra allocation of funding for Health - which I am pleased to see and as part of that some Human Services spending - all we know that has been provided for as additional spending is the \$500 000 which the minister cannot tell us whether it has helped anybody and nothing further. Given that there are people who are in very desperate situations right now and given there are people whose tents were blown up against fences on the weekend and who were flooded the week prior, you would expect the Government would use this opportunity to provide additional allocation for housing services. There is no doubt this is the issue of most concern to many Tasmanians now, particularly given the Rental Affordability Index released yesterday that shows Hobart is the least affordable place to rent in Australia, even less affordable than Sydney and Melbourne. It is very tough for people to access affordable accommodation in Hobart, but the index pointed to a number of very concerning trends where affordability is being diminished right across the state because of two factors, rising rents and stagnating wages.

An issue we spoke about earlier was around the ability for this Government to use the good times - which apparently we are in - to pay people properly, to make sure those teachers, nurses and child safety officers and other public sector workers can afford to pay their rent. What the Rental Affordability Index also shows is that it is not just people who are on welfare benefits who are struggling; it is people who are working as well. We know from a statement the Treasurer made in question time today that he thinks public sector workers are on an average salary of \$110 000 a year. I have news for you, Treasurer. That is not the average at all. Indeed the workers who were in the gallery were pretty disgusted to hear you say that because 81 per cent of CPSU members and their workers who want to bargain for better wages earn less than \$110 000 a year. A total 81 per



cent of your workforce whose agreement is expiring this year and who are seeking to negotiate with you in good faith earn less than \$110 000 a year. They were pretty offended when you got up in here and said that most public sector workers are on \$110 000 a year and they get 5 per cent increases every year so what are they whingeing about.

**Mr Gutwein** - I did not actually say that.

**Ms WHITE** - They were pretty disgusted. That was not word for word but I was paraphrasing the Treasurer. It certainly was the take away of those who came in to witness that terrible performance you gave in question time.

We know there is not enough money to provide public services in health, housing and child protection. The Government has chronically underfunded these areas for years now. You can see that if you look at the Commonwealth Grants Commission reports that show spending on health has declined to less than 60 per cent of GST under the Hodgman Liberal Government compared to greater than 70 per cent when Labor was last in office. Despite you having apparently brought the budget back into black and things are great, you chronically underfund services that support our community. We also know that 161 of the policies you took to this election were not costed, so where are they going to be found? We know when we look at this document that there is about \$2.4 billion worth of promises you made Tasmanians to buy your way back into office.

When I look at some of these documents I wonder how on earth you are going to keep those promises. The reason we are talking about this issue is because you have chronically underfunded these services so we have to top them up. Now you say we are to believe you when you promise an extra \$757 million for Health and that is going to be additional spending. When I look at the breakdown of figures which was submitted by you to the Department of Treasury it says for the next financial year, which is money that should be in this Budget we debate in June, there will be an additional \$21.2 million for health. Considering the budget ran over by \$86 million this financial year, do you really think \$21.2 million is going to help? It is not going to fund the services we currently provide, let alone fund any of the promises you made to people. There is chronic underfunding of public services by your Government. I look across the forward Estimates and it proves what a con your election promises were.

You promised \$757 million more for Health, yet across the forward Estimates of the document you submitted to Treasury there is just an additional \$109 million. It is because everything else is in years five and six. You have to get elected again to deliver on the commitments you took to the people of Tasmania at this election. An extra \$21.2 million in next year's Health budget is going to do bugger-all. You are not going to be able to deliver on the promises you made unless you put a heck of a lot more money into the Budget in June this year, because \$21.2 million will run the health system for four days because we know on average it costs about \$5 million to run the health system for one day.

I worry about how this Government is going to keep its promises to those communities and community groups right across Tasmania it went to and said, 'We're going to fix this and that and here's \$10 000 to do it.' They made promises to people they are going to have to go back to and either say, 'We can't keep that promise' or 'We can keep that promise at the expense of properly funding the health, education and housing system in this state', because they are the choices you have made as you have sought to buy your way into government.

We will heavily scrutinise this Budget. This is no doubt we will hold this Government to account for the promises they took to the last election and that they promised members of our community right across the state. We will also make sure there is appropriate funding for the services every single Tasmanian depends upon, the universal health care system, education system, housing, child safety services and the everyday public service work that is undertaken by those in departments who are not regularly recognised but they keep the place ticking over. The fact that 161 policies were not costed means we will be looking very closely to see where they pop up in the Budget.

The member for Denison, when he made his contribution, talked about the allocation in this bill for your election commitments of \$10 million extra being spent this financial year to pay for some of the promises you made to communities right across the state, sporting groups, community groups, Tasmanians who were told if they voted Liberal they would get a \$10 000 grant here or there or somewhere else. It added up to \$10 million that you provided for in this bill, but what is not in this bill? I echo the question from my colleague, the member for Denison, and ask that you provide a list of all the policies you took to the election and when you expect to fund those. I suspect they will be in the June Budget - I would hope so. Some of them would also have been funded this financial year as this bill provides for, but are there any that are not in this bill?

Madam Speaker, we will support the bill. We want to make sure our public sector and public services continue to operate and they are not forced into a position where they cannot provide services toward the end of the financial year because they have run out of money because the Government chronically underfunded them and did not provide enough money for them in last year's budget. It is disappointing, however, to see there is no new money to address the housing crisis we have in Tasmania. Given that you provided \$10 million for your election commitments it would have been nice for you to at least acknowledge housing is as serious as anything else this state is facing right now.

[2.59 p.m.]

**Dr BROAD** (Braddon) - Madam Speaker, I am trying to sort through this and make some sense of what has been put in front of us. There are a few things I have some questions on because the numbers are not exactly adding up in what has been put in the supplementary appropriation summary by the department. They are not necessarily matching up with what was in the second reading speech so I have some questions.

There is a bit of an issue when, after last year's budget, we have additional spending in terms of \$168 million, which is quite a lot of money. It is not small change to the Budget; it is quite a significant overshoot. Echoing the comments from the Labor Leader, Rebecca White, in terms of what went on during the election campaign, the spending promises and so on, day after day during the campaign I had people approaching me saying, 'Are you going to match this Liberal promise?' It constantly happened, day after day. There were some extraordinary promises and there were also some little ones. It seemed like the Liberal members in Braddon were given carte blanche to go out and make promises to every little community group all through the region. They basically went out and said, 'What do you want?' and then a club or community group would say, 'We want this,' and they would say, 'Yes, here you go, here is the letter saying that we are going to deliver that.' We will be keeping a very close eye on the Budget to make sure that those promises are kept, because otherwise it is being very deceitful and tricky.

I thought it may be a bit too clever by half, but I note that the people who were making the majority of the election promises during the election campaign, especially from the sitting members,

were the ones most likely to lose. If you had a bit of an idea of who was probably more in the gun, if you look at the numbers, they were the ones who made the most promises. It seemed like the Government may have been setting up a little scheme where if the election promise is not kept it is because that particular member is no longer sitting in parliament.

From memory, Joan Rylah, had something like 23 promises. The Liberal member for Braddon, Roger Jaensch, maybe had 10 or 12. Then it seemed like you could almost do a graph number of promises to number of votes, where the fewer votes you got the more election promises you actually had. It is an inverse relationship. They probably thought that Braddon members Jeremy Rockliff and Adam Brooks were the safest, so if you look at the number of promises that Jeremy made during the election campaign, he had the fewest and he got the most votes. Adam Brooks was number two and he got the second number of votes and so on and so on until Felix Ellis who bucked the trend. Being a non-sitting member he was allowed one commitment. One commitment per tweet.

I will be keeping an eye on the Budget. Some of these figures do not line up so I have some more specific questions. I also echo the comment that this Government has been very lucky regarding Australia and Tasmania's terms of trade. This Tasmanian budget is set up based on the back of raiding the GBEs, and also taking advantage of winning GST lotto. The improvements in the Australian economy mean that more GST is being delivered to our coffers. That is the result of the good work of federal Labor policy during the GFC that kept us out of recession and the effects of that flowing on and the recovery in the global economy.

Earlier today I spoke about the massive decline in the Australian dollar versus the US dollar. In 2010 the Australian dollar was 80 cents compared to the US and skyrocketed up to \$1.10 within a period of eight months, which put a huge strain not only on the Australian economy, but especially on a regional economy like Tasmania that is significantly exposed to export markets. We export a lot of minerals, for example. We were impacted not only by the high Australian dollar but also the significant drop in oil prices. The Australian dollar was above parity until 2013 when it declined slightly to be above 80 cents for the following year and the Liberal Government was fortunate to get elected in 2014. That election coincided with a massive decline in the Australian dollar to the current level, which is 75 cents compared to the US dollar. This massively improved the terms of trade and the performance of our export-oriented industries, coinciding with an improvement in the Australian economy and rivers of GST coming back into the state.

Instead of staring at significant GST write-downs over the forward Estimates we have had significant GST increases. This has propped up a budget that basically without that would not be in surplus. The budget would not be in surplus now without the continued raids on GBEs into the forward Estimates. Tasmania's economic performance is tied to national and global conditions and this has nothing to do with the state government however much they want to crow about their economic success. From a state perspective, economic success should be built on changes to the fiscal setting. We have not seen any economic reform here. What we have seen is a good deal of good luck. That is politics; that is timing. Good luck to them but simply crowing on that they are good financial managers does not make sense when we see some of the things that are being outlined here.

We also had a discussion about wages policy. We had the Treasurer talking about the average figure for the salaries for public servants. That does not include the GBEs, does it?

**Mr Gutwein** - No. It is just the general government sector.

**Dr BROAD** - General government sector. The Treasurer via interjection highlighted that it was basically the total bill divided by the number of FTEs. Am I correct on that? This highlights the danger of using averages if those figures are correct. For example, if we were talking about a subset of 10 employees in the State Service and we wanted to figure out the average income from those 10 workers, just pretend we have gone down to the cafeteria or we have gone down to a coffee shop and there are 10 public employees in there and we said, how much do you earn? Nine of them have said, 'We earn approximately \$66 000 a year.' Nine of them earn \$66 000 a year. If you compare that to other incomes it is more, for some it is less. Then you go to the last person and you say 'How much are you earning?' and this person says 'I am earning \$500 000'. We have nine people earning \$66 000 and one person earning \$500 000. Then we get them all in the room and say 'Now we are going to talk about the average wage. Your average wage is \$110 000. Everyone is doing fine'. Your average wage is \$110 000 but you have nine people earning \$66 000 and one person earning \$500 000.' That demonstrates the danger of using averages, if those figures are right.

You would be better off looking at maybe the median wage and that way we probably have a greater indication of where the wages sit because averages always get swayed by outliers. If you have one employee earning \$500 000 and nine earning \$66 000 it still sounds like \$110 000 is the average but it is not a true reflection on the earning capacity of those 10 people. We need to have a bit of truth in the average wage of the public servant. Today we heard Tom Lynch from the CPSU talk about his understanding, which was that 80 per cent of our public servants earn less than \$110 000 so by inference it must be only 20 per cent who earn greater than \$110 000. What we are seeing now is that the figures can be swayed. Lies, damn lies and statistics.

In this case, there is the danger of using averages to push a political point when you are heading into a wage negotiation. Trying to put forward the argument that public servants are all doing reasonably well on \$110 000 is something that is a bit wrong and probably a very poor negotiating tactic. I hope that the public sees through those figures for what they are. I imagine there is a whole bunch of nurses and young coppers on the beat who are earning significantly less than \$110 000 a year and they hear that and think it is outrageous.

Next time the Treasurer does a speech like this it would be really helpful when he sets up his headings, when he talks about \$15 million for education, for example, there is actually a discussion on how education works. In this case, straight off the top education matches. Education then is going to be a \$15 million supplementary appropriation, approximately, and then in the first reading it explains where that \$15 million comes from. Then we go to Finance-General and there is no explanation of where the Finance-General bill is explained. It would be great if the Treasurer could go through and explain where Finance-General is explained because that is around \$10 million. I cannot see an explanation of Finance-General but I see Police, Fire, supporting jobs, Education, regional and economic election commitments. Health and Human Services is okay; that sort of seems to add up, although it does indicate that the Health budget has been chronically under-invested, which we have heard before too. Justice is almost \$9 million. I cannot find any explanation as to why there is an overrun in the Justice department. I am not sure where that comes from.

Police, Fire and Emergency Management was \$12 million but in the explanation it does not add up to that \$12 million - sorry, that one does add up by the look of it so that one is all right. I am not sure where Premier and Cabinet is. If I could get a bit of a breakdown on those figures and how you arrived at it, especially the bits that are not covered in the second reading speech, that would be great.

I would like to talk about a couple of issues specific to my shadow portfolio responsibilities. We heard an explanation of the fruit fly response. Obviously, this would not be needed if fruit fly had not arrived and it highlights the pretty abysmal biosecurity record of this Government, having seen myrtle rust, blueberry rust, POMS and so on, and now fruit fly. This is costing the Government quite a lot of money. In the past, with blueberry rust, for example, the Government had to mop up a bit of a problem by paying some growers ex gratia payments, but nowhere in the vicinity of \$8 million. It was significantly less than that, probably in the tens of thousands.

It points out how the Government is quite quick to crow how problems are over, and we have seen that definitely in fruit fly debate. In blueberries, for example, we have had a number of outbreaks. We saw the original outbreaks at Barrington and Ridgley and they were dealt with. I believe there were a lot of delays and I have spoken in this place about that before, but we saw the Government coming in and then proudly proclaiming that blueberry rust had been eradicated. There was an announcement on 8 June 2016 that Tasmania now had area free of blueberry rust. Unfortunately on 9 August - a month and one day later - we saw the outbreak at the Costa farm and now we are seeing a situation where blueberry growers in Tasmania have to deal with it because it cannot be eradicated.

We are seeing the same with fruit fly. We saw a number of times media releases going out or the now minister, Ms Courtney from Bass, saying we have not had any fruit flies found for the last 10 days or two weeks. The last time we saw that was at Agfest. Unfortunately, only a couple of days later another fruit fly was found in Mowbray, which was the second in that area. There will probably be a huge clean-up bill for a problem that the Government has been basically asleep at the wheel about. They have been very reactionary and have not been prepared for something like this and it really makes me concerned. How would the Government respond if there is another biosecurity challenge? There is a whole number of diseases we do not want in this state, but if we cannot prevent them and something arrives, the last thing we want is a government that is flailing around with no answers.

This bill includes \$8 million to meet the costs associated with the Government's comprehensive response, apparently. There were detections of fruit fly on Flinders Island, at Spreyton, George Town and they have forgotten about Mowbray because it is not listed there. This funding commitment will now be met by the recently announced \$20 million biosecurity emergency response bailout from the federal government. One question to the Treasurer is, does that mean the biosecurity emergency response and research fund is now \$12 million because \$8 million has already been allocated? Is that right?

In question time on Wednesday, Ms Courtney, the member for Bass, said that as of 30 April, the cost of the response was \$5.5 million, comprising biosecurity response activities and also the growers and post-farm gate assistance program. Then she went on to say the provision of \$8 million is being made this financial year. Is that \$2.5 million that is outstanding to pay for the reallocation of workers and overtime within the department or is that to do with the provision of the assistance program between now -

**Mr Gutwein** - I do not have that breakdown.

**Dr BROAD** - It would be good to get some clarity on that because I know there are farmers out there wondering how long that program is going to extend, especially since every time another fruit fly is found, like Mowbray on 10 May, that puts us out from potentially getting fruit fly-free status for a further three months at least to the end of July. Is that to get to the end of the financial

year and will that be accounted for in the next budget? The Government's terrible record on biosecurity is costing us a lot of money and the Government is very fortunate to have been bailed out by their federal colleagues to the tune of \$20 million, now down to \$12 million.

The next question is about Police, Fire and Emergency Services costs. It says in here that the bill also includes additional funding of \$5.1 million to meet the cost of a police enterprise agreement from 2018. How come there is an additional \$5 million that was not accounted for in the last budget? Is that because of unaccounted pay rises or people stepping up? Was there a new level created? Was there a new structure in their payments? Maybe you had a 2 per cent cap but instead of there being nine levels there is now 10 and people received a pay rise because of that. I am not sure and there is no real explanation as to why. Are there more police? I would not imagine the new cadets coming out of the Police Academy at Rokeby would be costing an extra \$5 million a year. I am interested in where that figure comes from.

Of course there are some things in the budget you cannot account for. Costs incurred by bushfire responses are out of the Government's hands, but I am wondering what sort of fudge figure you put on bushfire risk and things like that in the previous budget? I imagine you would put an arbitrary figure in what you think is going to be the cost of managing bushfires, flood emergencies and so on and it looks like this year it was in excess of that, but I would like some clarity on that.

Were the \$4.2 million payments to local government part of the NRAS responsibilities from the 2016 flood? The reason I am asking is because you are talking about \$4.2 million in additional expenditure from the 2016 flood and we are talking here about the 2017-18 Budget. That is a year and a bit away from where the costs were incurred, so is that to do with NRAS? That is the only thing I could think of. I am not sure about that one.

Then we get to the supporting jobs package. We have had a couple of good announcements on the north-west, there is no doubt about it, with \$2.3 million for the BioMar Group to construct the new fish feed processing facility at the old Wesley Vale paper mill site. It is a good use for that site, it is a good industrial site and it is also good that this fish feed will not have to be imported. In fact we might actually export fish feed, which would be fantastic for the local economy. Manufacturing the fish feed here instead of wholly and solely importing it will reduce the costs of transport. It especially shows a lot of confidence in our salmon industry, which is a positive. When people are willing to put money into a factory like this it shows a lot of confidence. However, there is no processing facility. I am not aware of a development application, and I am not really sure why that money has to be out of the door before the end of the financial year.

That is the same as another fantastic announcement, which is that the Hermal Group is to establish a timber processing facility. Now they have targeted Hampshire. Again, I talked about that day and how that is a fantastic opportunity for the state. It would be a world-first cross-laminated timber facility based on eucalypts. The other cross-laminated facilities around the rest of the world are based on softwoods like pine and so on. Using eucalypts means that timber constructions can be stronger and therefore, in theory, you might be able to build skyscrapers out of these panels. There is \$2 million to support the Hermal Group establish a new timber processing facility and \$700 000 to support Houston's Farm. I am not familiar too much with Houston's Farm but the Hermal Group has only just announced where they are going. There is no DA. I am very supportive of the project, but I am wondering why that money has to be out the door. Will it be handed to them? 'Here is a cheque for \$2 million.' What sorts of conditions are attached to that funding?

There was an article in the *Advocate* on 30 January, which was pre-election. I know this deal was signed just prior to the election, but from what I understand from the company it is not an unreasonable thing. That article talked about \$13 million in grant funding and training support. It also talked about the potential for a loan.

As I said we have a site identified, we have partners identified, for example, Hermal Group want to work very closely with Foreco. We have a lot of plans in place, but why do we need \$2 million out the door between now and the Budget? An explanation of that would be very handy.

I would like to talk a bit about raiding of the GBEs. What we have here is the financial policy from basically the Liberal's election material. It talks about increased government business dividends. Number 4 says:

Increased GBE dividends reflects additional dividends from MAIB, including returning the company to the Government's policy of a 90 per cent pay out ratio.

From what I understand, this was not previously the policy. Then it says there that there will be no impact on MAIB premiums. For clarification, MAIB is an insurer, so it must have some money and some projections on payouts. A whole bunch of election commitments are based on this raid of MAIB. What happens if there are a number of crashes and MAIB has a bad year? There have been some really unfortunate incidents around the state. Will they still be raided to the extent that is outlined in this fiscal policy? Or will you be praying for an even greater increase in the GST, assuming that Western Australia does not pinch it all. I do not understand what the impact will be on MAIB.

I was also sitting in on the Estimates when this was discussed. From what I understood from Dr Challen, they went through a process. One year they generously put up their hand and said, 'We have some extra money; you can have it.' I am just doing a Cook's tour. I suppose there was a lot more signatures and exchange of letters and so on. I am still trying to walk through this whole budget process.

**Mr Hidding** - They recommended a dividend.

**Dr BROAD** - They recommended a dividend. That was one year. You took a dividend. I do not think they recommended that one, did they? They did not recommend the extent of it, the special dividend.

**Members** interjecting.

**Madam SPEAKER** - Order.

**Mr Bacon** - Then you jacked it up to 60 and you promised to put it back down to 50.

**Madam SPEAKER** - Order, Mr Bacon.

**Dr BROAD** - Now it is jacked up again. From what I understood from that conversation and from our Leader, Bec White, quoting from *Hansard*, was they could not afford more. It would not be prudent to have additional funding taken away from them. They have to have capacity to meet their obligations. What their obligations are is out of their hands. The Government increasingly

ratchets up the raid on the coffers. That must have an impact on their sustainability in the long term unless we are very fortunate and MAIB does not have many claims.

It is linked to things like the road toll and we hope that there are no injuries or accidents. Unfortunately, there tends to be injuries and accidents. If we have a bad year what impact would that have on their bottom line? Irrespective of that, will this raid continue or is it contingent on their performance? It talks about taking a big slice of their profit, their 90 per cent payout ratio; what happens if that creeps below what you have predicted? Are you still going to insist on it much the same as you insisted on a raid on the Hydro which was dependent on selling the Tamar Valley Power Station? Irrespective of energy crises, you continue the raid and we saw the energy crisis as a result. Let us hope that there is some sensibility in the policies and the actual settings of MAIB are taken into account.

What we see from this document is that we have a very tenuous financial situation where the Tasmanian budget is contingent on increases from Canberra in not only the GST but in propping up our biosecurity system and so on. We see some uncertainty in our GST going forward. I will be very interested to see how you account for the GST in the budget knowing that maybe there is no certainty.

I am not sure what the federal government has provided. From what I understand it has only done one year's estimate on GST. Is that correct or do you have a full four year estimate on GST takes? Or, will you have one year's data and need to make a good guess on what the following three years look like? Is that the case? There is uncertainty about GST. Obviously we are reliant on GST. I will be very interested to see how that is accounted for in the Budget.

We have some by-elections happening and we have comments made in Western Australia framing the whole discussion one way and comments made by the same people in Tasmania, like Mathias Cormann, who frame it in a completely different way. Yet everything is guaranteed, everything is rock solid but we have this difference in the message between the two states. How many additional seats are there in Western Australia compared to Tasmania coming up to the next election? That will be a judgment that we might get a handle on before the full federal election but the Productivity Commission report is not going to be dropped any time soon, at least until these by-elections are over. We still do not know when the by-elections are going to occur. There seems to be some funny business happening there.

**Mr Bacon** - 28 July.

**Dr BROAD** - Has that just been done now? We probably will not know the Productivity Commission's GST redistribution, otherwise known as probably taking money away from Tasmania, until 29 July. Maybe they might wait until the Monday depending on how they go.

What we see is a budget that is teetering. We have a situation where, because of the number of election promises, if the Government is going to fully commit to those election promises they are going to have to find money from somewhere. They are going to have to either find it by praying for rain in a way - a rain of GST - or if that does not come they are going to have to cut services because there is no other option. There is no other money.

That also raises the question of what would happen if there is any shock? A global financial crisis was telegraphed ahead by probably only a few months and the result was quite quick and



followed by a credit crunch. Could we withstand a shock like that? We are a very exposed export economy. A plummet in the iron ore price, for example, or -

**Mr Gutwein** - How big a surplus do you think we should run?

**Madam SPEAKER** - Through the Chair, Treasurer.

**Dr BROAD** - You have to have a surplus but do you need to build up some capacity?

**Time expired.**

[3.31 p.m.]

**Dr WOODRUFF** (Franklin) - Madam Speaker, as the Leader of the Tasmanian Greens, Cassy O'Connor, indicated, we will be providing our support for this Consolidated Fund Appropriation (Supplementary Appropriation 2017-18) Bill. However we want to raise some serious concerns about what this shows about this Treasurer's management of the state's finances. In this supplementary appropriation bill it is clear that the chickens are coming home to roost for the Liberals in the way that they are continuing not to plan and undertaking the management of government in a reactive manner. By failing to think ahead, they are forced to play catch up by dealing with crises that they have not done due diligence in risk assessment and have not put money aside to manage them.

There have been a number of instances in the last year which show up very glaringly in this appropriation bill. They were all predicted and we could have really sat here and written this a year ago and saved maybe - back of the envelope estimate - half the money. What happens when you fail to plan for a winter 'flu crisis, despite being advised of that extreme likelihood in December of the year before the July in which it hit, is it costs a fortune to put staff into hospitals, to try to find extra beds, to find supplementary rooms and services to deal with the crisis as it unfolds. These are all costs which could have been foreseen and prepared for in advance and much more efficient financial solutions could have been found.

The winter 'flu outbreak of 2017 affecting the Royal Hobart Hospital in the south, might have been unprecedented but it certainly was not unexpected. There was warning. The Health minister, Michael Ferguson, repeatedly refused to meet with the major health agencies in the state who publicly called on him in February 2017 to sit down and plan for the winter 'flu season. He did not do that. He did not make himself available to the senior clinicians, the ambulance service, the health union, the ANMF and all the other organisations that were involved in caring for people and keeping them safe and moving them as quickly and safely as possible through the hospital system. He did not meet with those people.

One cannot help but believe some of these large costs here: \$33.9 million of extra funding that is required to move into the health part of the budget could have been avoided. Much more important than the money, what could have been avoided is unnecessary and avoidable suffering for people who were not managed in the Emergency Department of the Royal Hobart Hospital as quickly as they could have been, who were left waiting, ramped, in a queue with eight or 10 ambulances at a time because the services had not been organised in advance.

There will always be peaks and troughs in the health system but this one was forecast, there were conversations about how to fix it and the minister was absent, bunkered in the north. We are glad that a fortnight ago a health services bill went through this lower House and it is important that

the restructuring that will bring on is done. Even in that instance, the minister has been deaf to the conversations that have been had with him directly, in the media and in this place for two years before that bill came to this House. He held off from introducing it. We should have been recalled in January to take that important amending legislation through but he and the Premier refused to do that because it was more important to leap-frog into an election campaign without the stench of the mismanagement of the hospital sector that occurred under Mr Ferguson as minister for Health.

The \$14.3 million noted here to increase the delivery of elective surgery is another galling thing to see: the single focus of the Liberals in the past four years of government was on elective surgery and health. The Liberals went to the 2014 election on a major policy of having the best health in Australia for Tasmanians by 2025. That policy dropped off and was not revisited for the recent 2018 election. They did overreach themselves in that policy, which was, as people in this House would agree, a pretty bold and brave policy.

A government can have a bold and brave policy if they bring people with them and have open and honest conversations about where they are up to. Once the minister realised, about halfway through his term, that there was no way the Liberals could support the sort of structural changes required to move Tasmanians toward having the best health in Australia - the sort of changes that include introducing legislation to reduce access to cigarettes so we push down the number of people taking up smoking, to push down the junk food advertising that is on every child's television - we are awash with junk food advertising at a time when we need to do everything we can, culturally, to reset the discussion about what healthy eating is and to support parents who are trying to educate and direct their children to have healthy eating for life. Instead we are victim to a predatory food and alcohol industry that is preying on young people and niche marketing products we know are very bad for us over a whole lifetime.

Those structural changes have been turfed and instead it is back to the tired old, unsuccessful focus of individual responsibility for what we put in our mouths for the actions we take and the behaviour we display instead of understanding that we have the role in this place to set a cultural framework which supports our health, encourages physical activity and encourages planning so when we end up in hospital we are at least in a system which supports us to move through with quality care and in an efficient way.

It is interesting that the \$168.7 million this bill seeks to appropriate is approximately \$32 million more than the amount reflected in the Revised Estimates Report published in January this year. Given that was only a few months ago, I do not understand how the Treasurer has added an extra \$32 million to that figure and why it is possible, given the state of the books, to not only be \$136 million in the red for what was proposed for this year's budget but on top of that, only a couple of months later, another \$32 million is added to that - \$168 million which this Treasurer failed to plan for in the budget last year.

Some of the answer can be found in the election commitment which is what is noted here as \$21 million worth of pork-barrelling, used throughout the communities in, as it says, 'regional community election commitments'. It is transparently calling itself for what it is, which is a bribe to communities to buy them off on tiny little things such as a little bit for an arts festival here or a little bit for a sports club there. This is all great stuff but there a lot of other priorities in this state have gone missing in those election commitments. How far would \$21 million of election bribery have gone if it had gone towards people who are homeless? How much would \$21 million buy for the people in tents on the Domain and at the showground? There are many good things we can do, but the people who vote for us would expect that we should at the very least be able to provide

people with a house, moving into winter, instead of paper commitments, paper conversations and a paper surplus where the Treasurer is proud to say the work of this budget is being done within the vital framework of an expected budget surplus.

What is the purpose of a paper surplus? People want bricks and mortar houses, and they want them now. They do not care about a paper surplus if they have to pitch their tent on the Domain in winds like the other night and in rains like last week. This is the framework within which this Budget has been prioritised. It is about returning the Liberals to government for another four years and not about spending the money where it needs to be, on people who are desperate on the top of the Domain and in the suburbs couch surfing.

I have a question to the Treasurer about some of that \$21 million for election commitments. It says that \$10 million of that, almost 50 per cent of those commitments, flow to community and sporting groups in the current budget year.

Treasurer, could you tell me whether the \$7000 that was promised for a 1800 raptor rescue service will be provided in the current budget year or is that going to be put off for yet another year? This is a critical service that has been far too long coming. You would be aware, and if you are not you should be, that wedge-tailed eagles are increasingly threatened. At this time last year there were, as I understand, 11 wedge-tailed eagle deaths confirmed through electrocutions and road deaths. So far this year that number is 26 so we are looking at far more than a doubling. This is a species that is known to be endangered and highly threatened. It is a beautiful and iconic Tasmanian animal and a piffling \$7000 is all that is required to get a 1800 raptor rescue service off the ground for people who do all the work in a voluntary capacity of caring for these birds when they get hurt. They get paid nothing. Craig Webb of the raptor refuge at Kettering has built, maintained and cared for the birds that come to him for nothing, other than handouts and support from the community. This is a very small amount of money and it would be good to hear that it is coming very soon.

I have some questions about the fruit fly response that again raises the issue of planning and risk management. It appears from what I have read or heard that the situation with fruit fly was bigger than Tasmania. It is clearly something that is happening nationally and there has been a breakdown that is bigger than Tasmania, but our risk management in the fruit fly response was not up to scratch. It was not where it needed to be fast enough. What sort of money are we putting into planning for future outbreaks of not just fruit fly but other infectious agents that can affect agriculture and important industries?

I am thinking of POMV or pilchard orthomyxovirus, which has been such a problem in the fish farm industry in Macquarie Harbour. As to the recent outbreaks, it is still to be confirmed whether it was a very large outbreak of salmon. Some people have said up to 600 000. That has been pooh-poohed by the CEO of Huon Aquaculture, but the minister has not confirmed that and neither has Huon Aquaculture confirmed or denied that themselves. A very large number of salmon escaped during the storm and the question is, what is the impact and the biosecurity risk of some of the fish escaping that have been infected with pilchard orthomyxovirus?

The question of biosecurity and the planning for biosecurity in the fish farm industry has raised its head recently, with Tassal coming out yesterday and saying they are very concerned about biosecurity risks in Port Esperance with the proposed woodchip export facility there at Dover. Planning for biosecurity appears to be something that this Government has not put sufficient focus into. Most Tasmanians would put it right up there in terms of basic things they would expect their government to do for them. I would like to understand whether there will be some formal risk

management documentation provided within each of the departments of DPIPWE. So far we have a lot of paper strategies about risk management but when you go onto the website and try to get into them, there is nothing there. They talk about things that are coming but it is not there. It is clearly something the Liberals have not paid sufficient attention to, although there has been a lot of talk about it. This is basic bread and butter for the Government.

Under the supporting jobs part of the bill I notice \$2.3 million has been allocated to support the BioMar Group to construct the new aqua feed processing facility in the north-west. We should recognise that BioMar is an international corporation with operations in Chile and Scotland. When they announced their intention to build the plant for aqua feeding in the north-west they said they welcomed Australia to their global network. It is an interesting decision for the Liberals to make to have spent \$2.3 million supporting this company coming to the north-west. This is a \$56 million operation that is part of an international corporation with a global network of plants around the world now. Again, this is about priorities. Why do we need to pay a private company to set up a business which, by their own definition, will be manifestly profitable? That amount of \$2.3 million is 4.2 per cent of the cost of building that plant. How many other businesses get 4.2 per cent handouts from government? How many small businesses get 4.2 per cent? Imagine if every small business in Tasmania received a 4.2 per cent handout from the Government to set up a business and employ 10 people. It is the sort of thing where you ask again how else you could spend that money. That \$2.3 million might have gone some way towards building some houses.

The Police, Fire and Emergency Management appropriation is \$12.448 million. It appears from my estimates that about \$7.6 million of that amount was known in January. Treasurer, can you please detail what that extra amount of money has gone towards? Most of it seems to be historical costs that were already estimated in the RER that was published in January so I do not understand what that extra \$5 million is required to do. Could you provide a bit of clarity with the Police, Fire and Emergency costs in addition to what has been detailed in the second reading speech?

In the Primary Industries, Parks, Water and Environment budget there is \$11 million. Could you tell me if any of that money has gone towards increasing the staff in the Environment department? The last estimate I heard, the Threatened Species Unit was down to 1.5 full-time equivalent staff. There used to be 12 staff in the Threatened Species Unit, but this Liberal Government does not prioritise threatened species like it prioritises spending money on corporate welfare. It would be good to know whether you have finally see the light and understand that the Threatened Species Unit is a threatened species itself. Has any money gone towards increasing the number of staff in that unit?

[3.55 p.m.]

**Mr O'BYRNE** (Franklin) - Madam Speaker, as indicated, we will be supporting it, but it is important a number of matters are raised and discussed. Budgets and supplementary appropriation bills are an indication of the priorities of the government of the day, the values they hold and what they see as more important than others. With this appropriation bill there are a couple of significant questions to be asked about the ongoing fiscal strategy of the state Government and also the risk that is increasing in terms of the threat to GST. I will touch on the risk to the Budget with some of the comments made by the federal Treasurer and some of the misguided responses from the state Treasurer in terms of what that means.

I know the Treasurer, Mr Gutwein, and the Government like to hold the perception that they are good fiscal managers, a steady hand and a committed government. We saw in the lead-up to

the 2014 election significant commitments made that they were not cutting frontline services and how you could trust the Liberal Government with public services, but in their first budget this Government took an axe to a whole range of departments and essential services. That really impacted in that financial year, particularly on those public sector workers who had to deliver the services and deliver the bad news to Tasmanians about the reduction in health services under the first Hodgman-Gutwein Government.

Over the last three or four years we have seen that you have reaped what you have sown. In the lead-up to the 2018 election we saw ambulance ramping. That is what happens when you cut Health - you get ramping at our public hospitals and a lack of funding to deal with issues such as bed block and having efficient and well resourced emergency departments to triage, assess and move patients through the health system. That is what happens when you take an axe in the first year of a newly elected government that was elected with a mandate to not cut frontline services and that is exactly what you did.

Over the last couple of weeks we have seen the issue around the lack of access to public housing to Tasmanians. Today and yesterday in question time we heard on the record about significant cuts to public housing and significant cuts to access affordable housing. What happens when you do that? You get what is happening in Hobart where many people who cannot access public housing end up tents and not just at the showground - that is the tip of the iceberg. During the election campaign I spoke to tens of people who were not only sleeping rough from couch to couch, but also sleeping in tents in backyards. They did not make the front page of the *Mercury*, they did not make the stories that were floating around, but they were dealing with the consequences of a government whose budget valued other things than individual Tasmanians wanting to have a roof over their head.

The perception of this Government now saying that they have a steady hand on the tiller could not be further from the truth. It was not a steady hand, it was white-knuckle panic. The perceived fiscal strategy was of calm, steady hand, good economic managers but it was very clear to see that they were panicking. They are not good financial managers. They spent significant money. They took the benefit of the rivers of gold, the increased uplifts from the GST allocation, and instead of prudently investing that in building sustainable government services they went on a mad rush for re-election. That is not a prudent fiscal strategy. That is not a prudent fiscal manager, managing the state.

It has not been put to any sort of public domain for any scrutiny but I have lost count of the number of organisations during the election campaign that came to me in my electorate, and I know in many electorates, and said, 'We have been offered this money - fifty grand here, twenty grand there, and ten grand here. - Isn't this wonderful? Can the Labor Party match it?' Of course we did not match it. I am not saying those organisations are not worthy of that money, but it was the tawdry process through which they were offered the money. One organisation - I will not name them - contacted me and said, 'It is awkward, David. We have been have been offered some money from the Premier. We did not ask for it but of course we are not going to knock it back. Can the Labor Party match it?'

What an appalling set of circumstances. What does that say about the body politic of Tasmania and the state government? They are so panicked about whether they are going to be re-elected that essentially they rolled around to every community group to effectively see who they could buy off. It diminishes this place. It diminishes the process of politics. No wonder people are cynical about politics, when these things so blatantly occur. A community group that had asked for nothing of

their government or the opposition was offered some money, putting them into circumstances where they had to approach the opposition to see if they could match it. Of course, these community people are committed to their community. They are committed to their groups. They felt compromised by the tawdry actions of a government without a steady hand on the wheel but in a white-knuckle panic that they would be tossed out at the next election.

Like their advertising campaign with certain industry groups, they thought the more you could throw around the easier it would be to win. What a way to conduct politics through an election campaign. Now we all know at times there are groups, organisations and worthy causes that get high preference in election campaigns. That is a statement of your values and a statement of your principles and how you work. It was gobsmacking. I do not know how you can pretend to defend it and say that you are a prudent economic manager, when that is the kind of behaviour you encourage, Treasurer. On your watch, you sent out all your candidates to go and fill their boots. Yet you did not make these commitments public, apart from letters to the groups that were benefiting from the largesse of tax payers' money.

We also know that not only was the white-knuckle panic in relation to community groups, but we see that in the treatment of GBEs and dividends from the GBEs. In the Tasmanian Liberals financial policy they have identified that an extra \$82 million will be brought into the bottom line from increased government business dividends. I quote from point 4 of the Liberal Party financial policy:

Increased GBE dividends reflects additional dividends from the MAIB, including returning the company to the Government's policy of a 90 per cent payout ratio. There will be no impact on MAIB premiums.

There are a couple of points within this. This is an extraordinary document and commitment. I have been a shareholder minister and I know the responsibilities that you have as a shareholder to work with your government business enterprise to ensure that it is not only stable and well led but the financial status of the books is sustainable. You know, from your previous life, as an insurance company the MAIB has a range of responsibilities to ensure that it can meet the commitments within its business. I do not know who wrote this. I am sure you would have seen it before it went out. It is an amazing contradiction compared to the comments Dr Challen put on the record at the GBE hearings just months before. We all know you raided \$100 million out of them in the last term. That is acknowledged and away you went.

**Ms O'Connor** - There was a big gift too in the first year. A big fat gift.

**Mr O'BYRNE** - It is amazing sometimes how these things are described. They have just been managed well. I was the shareholder minister for over three years. They are managed extraordinarily well. There is no question of that. The proposition that one of the representatives from the GBE would just waltz in to a shareholder minister's office and say, 'Do you want \$100 million?' -

**Ms O'Connor** - That is pretty much what happened. It is amazing.

**Mr O'BYRNE** - We are not silly. What a shock that would have been in the meeting. 'My goodness, \$100 million. Isn't that a remarkable turn of events because that just adds up exactly to the kind of money that we need to plug the hole that we have?'

**Ms O'Connor** - That is right and MAIB's circumstances are as good now as they were then.

**Mr O'BYRNE** - To suggest that there has been no conversation and that a GBE representative freely waltzes into the room - and we all know Dr Challen's history. I am not reflecting on him -

**Mr Gutwein** - No, and be careful. He has the highest level of integrity as you know.

**Mr O'BYRNE** - He did not like spending money when he was Treasury secretary. He liked to rack up the surpluses because he was conservative in that. I am not reflecting on any of his skills or ability. He is a giant. Knowing the man and meeting with him, his natural inclination is to ensure there is a surplus and he has some fat. We know that. That is his instinct. In every role he has had over many years he has made sure that the bottom line was good news and that, as someone once said, there is some hay in the barn. For him to waltz in to a shareholder minister's office, obviously unannounced, and just drop \$100 million on the table - come on, who do you think you are kidding here?

The most remarkable thing is that we have the Liberal Party policy. Heading into the election, they were in a white-knuckle panic. They refer to their treatment of the MAIB returning dividends up to the 90 per cent payout ratio. This is in direct contradiction to Dr Challen. Mr Hidding said:

Thanks Ms O'Connor for your question about the dividend.

Mr Hidding, the shareholder minister, said,

I will ask the chairman to speak to that.

He said:

Yes, there is an agreement between MAIB and the shareholder ministers for us to pay a dividend that is 50 per cent of the average of the after-tax profit for the current and preceding four years. We pay a dividend based on a rolling five year average of our after tax profit. That has been in recent years 60 per cent, but an agreement was made three or four years ago that it would revert to the 50 per cent from this financial year.

The policy is a direct contradiction to the MAIB's forward fiscal strategy to manage the books. The MAIB is at risk, based on policy announcements. We will get to this no doubt in Estimates later in the year, but was this run by the MAIB before it was announced publicly? It is not just the issue with the fiscal strategy ongoing for MAIB, but the policy here and it says:

Increased GBE dividends reflects additional benefits from MAIB, including returning the company to the Government's policy of a 90 per cent payout ratio.

'Returning' the Government's policy of a 90 per cent payout ratio. On the record, in the GBE hearing just months before, again, Ms O'Connor in your withering cross-examination of Dr Challen no doubt -

**Ms O'Connor** - It was actually very friendly.

**Mr O'BYRNE** - Okay, I was not in the room. You referred to the 90 per cent policy, which essentially this policy document under the hand of the Treasurer says 'return to the 90 per cent payout ratio', Mr Challen:

The 90 per cent never affected us. I do not have in my mind the timing of the new dividend guideline, the Treasurer's instruction and the 90 per cent, but I suspect they were coincident. The desire on the part of the Treasurer to establish a new dividend policy for government business led to a discussion between us -

etcetera, etcetera -

... That in turn led to a policy in which we would pay 60 per cent of after-tax profits for three years and then revert to 50 per cent. In the 2016-17 year the dividend payable in this financial year is first reverting to 50 per cent.

You have a policy document basically saying how you are going to manage the books. The fiscal strategy of the Government moving forward is relying on the MAIB returning to a payout ratio to which they were never subjected. The contradictions - it just shows that in the heat of an election campaign, the white-knuckle panic to get re-elected, this is how it all falls apart. It is a house of cards, isn't it, Treasurer? It is a house of cards.

We see not only the house of cards built on your own incompetence with the panic of throwing money around into communities that do not necessarily ask for it, but will take it - and what an appalling set of circumstances that was - but also in how you pull together the policy documents. You are government and you have all the resources of government. Surely you can get this stuff right. It shows how much panic you were in in terms of losing the election that that is the kind of things that you would stoop to.

We also have a massive risk to the Budget. This is an appropriation of close to \$1 billion. You have the dividend, the rating of the GBEs here, but you also have a GST review, which represents a clear and present danger to the forward fiscal strategy of the state government. I know in the pre-election politicking in Braddon, the federal Minister for Finance, Mathias Cormann basically said Tasmania would be not one cent worse off.

**Ms O'Connor** - He said that in Western Australia too.

**Mr O'BYRNE** - You need to understand: is that in real terms or in just the dollars that he announced? Later that day, I am not sure if the Treasurer actually heard the full comments, apparently that is a rock solid guarantee we will be okay and we will not be worse off. He said not worse off in relative or real terms, worse off in terms of dollars. We all know that because of the review in itself we are not out in the forward Estimates beyond the two years. There are two years that we have had indicated to us what the revenue will be in terms of how it is accounted for in the Budget. That is a risk, am I wrong?

**Mr Gutwein** - You are misreading the budget papers.

**Mr O'BYRNE** - Misreading the budget papers, like you are misreading what Mathias Cormann is saying about the GST? He said 'not one dollar worse off', and we know what that means because we can point at it and we can look at what the dollars are but in real terms that is a massive



risk. When you bring in this appropriation bill again, each bill on supply is an indication of the priorities of a government and the values that the government holds.

When we look at some of the issues confronting Tasmania, housing, hospitals - hospitals are referred to and it is significant - but where is the money for housing? You would think, given all the problems and challenges facing housing in Tasmania right now, that there would be some quick money in to cover these things. I want to hear from the Treasurer in his reply. I may be missing something, if it is Finance-General or if it is somewhere else. I want to hear where the money is to deal with the acute need in housing? Maybe it is in the Human Services portfolio but it would be good to have that explained by the Treasurer.

A point of clarification. My understanding is that 161 of your Liberal policies at the election were uncoded. In your second reading speech you refer to regional and community election commitments - that is a nice way to call it. You refer to the supplementary appropriation bill providing funding of \$10 million to enable almost 50 per cent of these commitments to flow to community and sporting groups in the current year. Does that include or is that separate from the 161 policies you took to the election that were not coded? That is a significant question I have.

In terms of some of the issues facing my shadow portfolios, we heard from the federal estimates that the Bridgewater bridge is a draft business case but they have only allocated \$100 million over the next four years. Can you advise if there is any intention to go back to the federal government and see if they can find a way to reprofile that to see if that project can be closed, or are you putting any money into moving the business case from draft to a real business case? We have heard the airport roundabout, although being committed a number of years ago, we will not see dirt being spilt over that road -

**Mr Hidding** - There is a technical reason for that.

**Mr O'BYRNE** - If you listen to the Mayor of Sorell, he is grumpy. He was of the understanding money would be moving quickly. There is no infrastructure money here. There is no money being allocated to bring that forward to try to resolve a technical issue. I understand there has been a debate. It is now almost a three-year debate around the design of that and that is plainly ridiculous and over-the-top. I know it takes time. I have been the minister and I know it takes time to get the design right and you have to consult with tiers of government, and you have private landowners and you have the airport which has some visions, future forward ideas of growth and what happens on their land. I know it is complicated but three years and it is not going to be done probably before the next state election. You talk to the people of Sorell -

**Mr Gutwein** - You will have to wait for the Budget which will give a four-year profile of all the components.

**Mr Bacon** - We saw the four-year profile for the Bridgewater bridge last year; I think it was nothing.

**Mr Hidding** - It was always going to be in the second -

**Mr Bacon** - It is the only thing that has ever been in the budget with no money.

**Mr O'BYRNE** - Four years. You took me to the cleaners about the Bridgewater bridge, but seriously, you have had four years and the best you can do is a draft business case.

**Mr Hidding** - No, three-and-a-half years' worth of work in getting it to where it was. You had zero.

**Mr O'BYRNE** - On interjection, the former minister for infrastructure. I understand you are a bit sensitive.

**Mr Hidding** - You had a billion dollar bridge that would never get done.

**Mr DEPUTY SPEAKER** - Order, Mr O'Byrne, through the Chair.

**Mr O'BYRNE** - Perhaps the reason why you are dragging the chain is because it puts paid to the idea of the weir across the river. Maybe that was heartbreaking for the member for Lyons who proposed the big visionary weir across the river many years ago and maybe we know it has taken a while to organise the draft business case because you did not want to let go of it.

We know of other major challenges - the housing challenge and also the TasWater debacle. Goodness me, you had a war with TasWater for 18 months. You personally denigrated a respected businessman in this place. You tried to give them the biggest whack and they have handed you back yours on your own in two hands. Eighteen months of a war and you have gone from 29 owners to 30, you have a financial injection of \$200 million which actually puts the infrastructure strategy at risk, and you do not reduce prices for consumers. Over that 18 months, how much money was spent on that faux war? How much time was wasted on fighting? You would think, okay, we have an appropriation bill coming in so maybe there might be some early money to see if we can resolve the things that are outside the MOU. The water and sewerage issues in Launceston, Macquarie Point, Cameron Bay - none of those things are dealt with in the 'Treaty of Versailles' you have signed with the councils. It is starting to unravel when you look at the numbers and I would not be too confident. The more questions that are answered, the more questions are being asked by local government. You do not have the answers and there is more to play in that space.

There is not one cent for Planning in this appropriation bill. Let us hope in the Budget coming forward there is some money to support Planning in Tasmania when there has not been one word of policy written that underpins the planning policy. Essentially you have picked one -

**Ms O'Connor** - Yes, they're open for business - that's all you need to know, Mr O'Byrne.

**Mr O'BYRNE** - I quite like the concept of being open for business. That is really important but you have to do the work to do it. You have to make sure business has an environment that is certain that manages the needs and wants of the local community.

**Ms O'Connor** - They are open to any sort of business that you will probably -

**Mr O'BYRNE** - The thing is it is not business at any cost. It is about sustainable business that manages and works within its local communities, which is what makes local communities so liveable, although housing at the moment is putting that at risk. This Government, by virtue of its inaction in some areas and direct intervention with marketplace decisions, has put Tasmania's liveability advantage at risk. History will judge this Government as laissez faire - let the market go and fill its boots, that is fine - with an untrammelled market in some areas. It is putting at risk the values of Tasmania.

Tasmania should be dealing with these major issues around planning. If you look at the discretionary and performance criteria in the Planning space local governments are risking themselves because they are so wide open and there is no policy direction, no land-use planning policy settlement on these things which are key issues that go to the very heart of business certainty. You have made it worse for businesses to develop and build sustainable businesses, particularly when you look at the housing issue about where you can build, how intense it is, how high up to the boundaries and plot ratios.

Where is the money if you think that is the way to take Tasmania forward? We know that if we get this right it will turbo charge Tasmania's economy, provide certainty for planners, local government and also developers. When you provide that certainty all of a sudden you get significant investment because it is very clear. There will always be moments of dispute but it will be clearer than having discretionary parts of the planning system that are so wide that essentially you have local government in many instances de-risking themselves and pushing the risk back onto the developer which in turn creates further drag on the Tasmanian economy. If you invested in some serious structural work to the Tasmanian economy and how it is governed you would have to think how well the Tasmanian economy would be going if it were not for you guys being asleep on the job, particularly in Planning.

You would think in an appropriation bill there would be some money put away to try to support the Tasmanian Planning Commission or some of the policy work that is required, but there is nothing. Anything tough in the last government they have flicked off to poor Mr Jaensch, and the consequences for Tasmania are significant.

We will be supporting this bill but there are some questions. I know that some other members of the House have asked some questions. I will reiterate that I am very keen to hear about the Police Enterprise Agreement, and I know that has been asked of you before, Treasurer, but that would be good to understand.

I know that in Tasmania Fire Service they have a 30-year old appliance that regularly has its hydraulic brakes going on it. In fact in one case there was a callout to the Royal Hobart Hospital and I believe there was a seven-minute delay where the hydraulics went on the front line pumper. Luckily it was only an alarm.

### **Time expired.**

[4.26 p.m.]

**Ms O'BYRNE** (Bass) - Madam Speaker, I rise to make a contribution on the Consolidated Fund Appropriation (Supplementary Appropriation for 2017-18) Bill. It is interesting to think about the timing. When you look at the second reading speech it helpfully explains for us what a supplementary appropriate bill:

... is a standard piece of budgetary legislation that facilitates the provision of additional funding to meet the operational costs of Government in the current Budget year.

This is the bit that gets me, though:

This approach provides early transparency in relation to the additional expenditures that have been incurred by the Government.

This is the last sitting day before the budget session for the next Budget. This is not early transparency about what the expectations of the Budget are going to be, this is, 'Oh dear God, how do we fund all of those things we promised during the election? Oh dear God, how do we make this work out? Oh dear God, what have we done with our budget?'. It is also not the first time we have been here this financial year. We had a supplementary appropriations bill last year leading into the election and even then the Government clearly had no idea what it was going to be doing and how desperate it would be during the election. Yet here we are with 'early transparency in relation to the additional expenditures that have been incurred by the Government'.

**Mr Gutwein** - Last year.

**Mr Bacon** - That is what she said.

**Mr Gutwein** - I thought she said 'last year leading into the election.'

**Madam SPEAKER** - Order, Treasurer.

**Ms O'BYRNE** - Sorry, don't you understand? You did the budget last year and we were all here and then we had a supplementary appropriation bill. Then we had an election and now the last sitting day before the next budget session we have another supplementary budget bill that is supposed to give 'early transparency' to the budget position. Clearly that is not what it is.

The advisers are here and given that the Treasurer is over there, I wonder if you could just get this detail which we will want you to give in your reply and that will hopefully avoid us needing to go into consideration in detail. Can you explain why the new Housing spend that your Government is saying is there, and that Mr Jaensch is talking about, is not accounted for in this bucket of money? There may be a reason for that. Could you explain that to us? If it is not there and you are saying that the money is being committed and it is not the money for the budget then I am assuming it must be coming from one of the other programs. Perhaps the minister's advisers could give that information so we do not need to go into consideration in detail later.

The previous speaker - it always sounds weird to say Mr O'Byrne - the member for Franklin mentioned some of the bizarre commitments that were made during the election to well-meaning organisations, but there was a slightly desperate approach to them. I am going to read this one in. It is a Facebook post by a local organisation. I will not mention them, because they are good people and some of them are quite close to the Liberal Party, but anyway, here we go:

This afternoon Sarah Courtney MHA asked if she could meet with [X] and myself to discuss funding issues for our organisation.

It does say the name here, but I will not say it:

Imagine my astonishment when I was presented with the following letter. She explained that she was hunting for a hardworking, committed, local [X] group to be a recipient for these funds. I am absolutely delighted that she acknowledged this organisation. This is where it gets a bit hard:

The grant is conditional on the state Liberal Party being returned to a majority government and whilst it is not my position to tell you how to vote, if you are at

all unsure which way you are leaning, perhaps you would consider giving Sarah your support.

If you wanted to think about any more desperate attempts to get this government elected, these are examples. Another organisation that I work with quite heavily in the community rang me to say, 'Look, we know you are a great supporter, but one of the state ministers has been up and promised us \$15 000 and they said that we should call you to see if we could match'. 'They said that we should call you'. Now why would the Government desperately want us to match everything? Would it be because they genuinely want the organisation to be funded? Would it be because they were hoping that we would do the same kind of spend that they were doing to justify the \$2.4 billion they committed in the election process? I do have the figure that we have estimated here. A massive cash spend. They were telling groups to ring and asking us to match it. Is that not interesting? Is that not an interesting way to resolve your processes?

I do wonder - I believe the one that I just mentioned then - and the organisations were very pleased that they had been picked out of nowhere to get this money that had been in a pre-prepared letter. The letter was from the Premier and had been signed with their name on it. I am wondering if all members received that, or if it was just some candidates who received that. It is an interesting question that the Liberal Party might want to consider. I wonder where all those commitments fit. The 161 commitments were mentioned. I wonder if the Treasurer has a list of all of the ones that are being funded out of the existing budget - not the budget that they took to the election - but the existing budget - that is what today is - and the ones that are going to be funded elsewhere. They do say that they are hoping to get 50 per cent of their funding done.

It leads to the concern that we have that this Government preaches and this Treasurer in particular stands in this House and particularly when he yells - because when he yells he must be telling the truth - they go around the community talking about what phenomenally good economic managers they are. Frankly, I find that quite distressing because they say this as if somehow they have done something to make things better. Over 2017-18 and 2018-19, there is \$200 million of additional federal money. Did they make that happen? That is an incredible lever that they have with the federal government if they can make that happen.

I struggle to find the economic lever that this Government has used to change the financial circumstance of our state. I struggle to find anything that this Treasurer has done that is sustainable and long term to make a difference to our economic position and to our economic stability into the future. Governments of all political colours over the years get additional or less federal money at different times. That happens to all of us and we can all claim it, but we do not say that we did it if we did not do it. I do not know what the lever is that this Government has used. I put this question to people before and someone said, 'You need to look at the fantastic irrigation program - that has made a huge difference to our economy.' That is true, but they did not do that, did they? That work was done under a previous Labor government with assistance from the federal government.

I do not know what is the brand new fantastic, amazing idea that they implemented that delivered a changed economic position for this state, and it matters. It does matter because when this Government talks about its financial capacity and talks about its ability, it needs to accept that every good thing that has happened to it has been as a result of changes in the federal financial position. This is because in this state we are fundamentally very dependent on what happens in the federal government. We know that when the federal position changes, the state position changes. It changes substantially and 63 percent of Tasmania's budget revenue comes from federal

government distributions in 2017-18. That is where we are going to put a lot of our faith economically, on what the federal government will do.

That is why when Mathias Cormann, when Scott Morrison, when a host of federal MPs trot over to the west of our country and say, 'Don't you worry about a thing, everything is going to be okay. We are going to make sure that you are not hard done by in the GST share anymore. You are right, those mendicant states over there are always taking your money. We are going to fix it'. Then, as if they think we do not watch the news, they come into Tassie and they say things like 'No, we are going to be okay. We are going to make sure you do not miss out. You are not going to miss out.' Well who misses out?

I do not believe for one moment that this Premier and this Treasurer can say with absolute truth in this House that they do not believe that Western Australia is going to be taken care of and that we actually may be the losers in that process.

We have the issue of the Productivity Commission. We do not know when the Productivity Commission recommendations - when we are going to get any kind of response about what that means. We have a budget that is only going to be predicated on what we have now or predicated on not knowing what we are going to have then. There is not a capacity for us to know what the impact is going to be. When we are coming in here doing supplementary appropriations to pay for the election we are putting ourselves in a risky position and nobody should do that. If the Australian Government has not responded by 14 June, by the time we sit hearing this budget, which is our next sitting week, the Treasurer is going to have to base revenue estimates on the existing distribution as adopted. They have no choice. They have to do that, despite the fact that if we look at the media in those other states we know that there is a very good likelihood it is going to change.

If they have responded then we need to forecast our GST distribution revenue in accordance with that response. If there are significant changes to the methodology as a part of that then the Treasurer, Mr Gutwein, is in a fair bit of trouble, particularly in relation to his spending commitments in the election. I do not doubt that the Treasurer wants to deliver everything single one of his election commitments. Admittedly, some of them are going to be paid for by last year's budget and I suspect many of them would be paid for in budgets post the next election. There is going to be that kind of work. That is what is going to happen, but the budget will list them all and make them look as if they are being paid for.

If you look at Tasmanian Treasury's revised estimate report it reported that if the proposal alternative equalisation methods in the draft Productivity Commission report had been implemented in 2017-18 our share of the GST would have fallen by \$77 million under one scenario or \$168 million under another scenario. The reduction in our GST could be severe for this kind of paper, kind of not real, wafer-thin surplus that this Treasurer is trying to argue that it has.

We stand in this House today with a Treasurer who claims to be the great deliverer of a fantastic financial position for the state, but our economic performance is tied to national and to global economic conditions - not anything this Government has done. They have not achieved significant economic reform and Treasury has not drastically changed its fiscal strategy. Nothing has fundamentally shifted other than more money came in. That is the biggest thing that has happened for us. More money has come in. We are not prepared for a significant global financial shock which we should be because we are very small and we are very dependent on the revenue of the Commonwealth.

I was going to talk a bit about the GBE management, which is a bit risky. The desire that they are going to give us lots of money and everything is going to be okay is a bit questionable. That can be explored after the budget in Estimates. There should be some very interesting conversations. The Government, in its speech, says:

The Government is committed to strong financial management and to improving the services it provides to the Tasmanian community.

That is what this appropriation is supposed to be doing but people are sleeping rough in unheard of numbers. I have never had so many people coming through my office in housing stress. Some of the cases are heartbreaking. I do not know how we expect parents to get their kids to school when they are living in cars and tents out at Myrtle Park for instance where I had a family living until we were able to just recently support them in to housing. I do not know how she managed to get her daughter to school but she did. It is phenomenal strength on her part.

We have hospitals where every bed is full. There are days that every single bed is full. That was the case at the LGH just this week. Every bed was full. That transition room where the paramedics can take you in so it does not look like you are out there but you are not actually in the hospital that was chockers. We are not allowed to call it ramping any more because suddenly that makes ramping go away, but every ambulance that took somebody to the hospital that day could not leave because they had not been able to do handovers. Any other calls were backlogged.

On this particular day, the night before at 10.38 p.m., a text message went out to every one of those paramedics who had just knocked off shift to please come back in because they had caseload ramping. They could not do their job. When the Government says that what it is doing with this wonderful service we are providing to the Tasmanian people, do not be fooled because that is not the case.

The second reading speech also talks about delivering increased and better services to the Tasmanian community within the vital framework of an expected budget surplus. The budget surplus is wavering at best and I do not think those people who are sleeping rough think we have an increased and better service to their community.

Could the Treasurer, in his response, expand upon the Education funding? There is \$15 million in additional education-related funding. Some of that is the spending of increased money we received from the feds - not anything we did, once again - and the bringing forward of the infrastructure expenditure to 2017-18. I do not know if the Treasurer has a list of which ones have come forward already that he might be able to supply. If he does not, that is something we can deal with later but it would be useful. He said that the vast majority is 70 per cent to 80 per cent. I am not sure what that means and how much of the additional Education funding is being delivered through the largesse of the Australian Government.

I am looking forward to the Budget; we all are. Health is very difficult in its costs and every year there are increasing costs, that is true. Health has overspent by \$86 million this year but the Government has only allocated an extra \$21 million to deal with it, so are we assuming right now that they are going to be chronically underfunded again, or do they suddenly think there is a capacity to make that saving? I would appreciate any information you can add to that about where you are going to find the extra \$65 million that is not being addressed because I have been a minister who has had to find savings in Health and they are hard to find. Also, it is very bad to go into the next year knowing you are chronically underfunded.

This Treasurer prides himself on being the greatest Treasurer or something like that - we had some bizarre line you were called by the Premier at one stage. You have been very fortunate and treasurers past have been fortunate in GST revenue. The key, though, is not to claim it is all your own doing if it is not.

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### **Sitting Times**

[4.43 p.m.]

**Mr GUTWEIN** (Bass - Treasurer) - Madam Speaker, I move -

That for this day's sitting the House shall not stand adjourned at 6 o'clock and that the House continue to sit past 6 o'clock.

### **Motion agreed to.**

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[4.43 p.m.]

**Ms DOW** (Braddon) - Madam Speaker, the Hodgman Liberal Government prides itself on its fiscal management and often criticises the fiscal management of those on the other side of the House. The bill presented today tells a vastly different story. The bill affirms the Government's underinvestment in Health. We are pleased to see the Government investing further in Health and have been calling for this for some time. In looking at all departmental supplementary appropriation, a high proportion is on essential services. This further highlights the need for greater investment in essential services in Tasmania. The glaring exclusion is Housing, which we know is an area of great need with the current housing crisis in Tasmania which requires greater investment by government.

Let us also remember there has just been an election in Tasmania that saw the Tasmanian Liberals make lots of promises, with 161 of their policy positions uncoded. In the electorate of Braddon we witnessed loads of promises to community groups, sporting clubs and religious communities. In fact, as others have said, everywhere I travelled during the election I was approached by people to ask Labor to match the promises of the Liberal Government. Whilst I acknowledge that a number of these projects in the community are very important, we as a party refrain from reckless spending and we sincerely hope the Government holds its election promises to these communities. We on the other side promise to hold you to account to deliver on each and every one of these promises.

I understand that within this bill \$136 million was in the Revised Estimates Report, which leaves \$32 million. That, amongst other things, is the start of honouring election commitments under last year's budget. I do acknowledge, though, that there are a number of important economic projects including the Hermal Group's investment in Burnie, a project of which I am a very strong supporter.

This bill also highlights the Government's reluctance to plan and account for given changes in circumstances, including global shocks, which the previous speaker spoke about, and also unforeseen events such as the recent outbreak of fruit fly in our state, and that is incredibly concerning. It is also important, as others have said, that our GBEs do not shoulder the burden of changes in the Government's financial position.



A surplus is important, but it should not be at the expense of essential services for our people, which is the primary role of any good or responsible government. Today we support this bill because we have been calling for greater investment in essential services and we believe it is important that those providing important services to the Tasmanian community deserve adequate resources to do so to enable services, such as our health services, to respond effectively to an impending flu season or our biosecurity services to a biosecurity breach.

That is why I had no hesitation in standing with the CPSU earlier this afternoon as they called for a better deal for public servants in Tasmania. When our Government continues to tout that our economy is doing so well, those at the coalface providing services and administering government departments continue to be undervalued.

We eagerly await the handing down of the Budget in June and the Government honouring all of its election commitments. We look forward to them investing more in essential services in Tasmania.

[4.47 p.m.]

**Mr GUTWEIN** (Bass - Treasurer) - Madam Speaker, we covered a fair bit of ground there. Let me start by saying that regarding the Government's election commitments, they will be paid in full and on time. The Budget will remain balanced and in surplus.

**Mr Bacon** - How will the ones that are not in this bill be paid?

**Mr GUTWEIN** - I will work through a range of issues here. There is a lot of commentary I could make, because on the one hand there seems to be a view on the other side that we should be preparing for shocks, and I do not disagree with that. In fact, I have said on many occasions having sensible surpluses and being able to withstand shocks is a sensible thing to do, but then I hear we should be spending the surplus and investing any spare capacity we have. The messaging that is coming through seems to be a little confused.

There was one glaring error from the member for Bass, Ms O'Byrne. Last year after we brought down the budget we did not introduce -

**Mr Bacon** - She didn't say that.

**Mr GUTWEIN** - If you check the *Hansard* she repeated twice that a supplementary appropriation bill was brought in before the election. That is not true.

**Mr BACON** - Point of order, Madam Speaker. What the Deputy Leader said was that last year there was a supplementary appropriation bill and this year we have seen the same again. I think that is 100 per cent true. -

**Mr GUTWEIN** - I am not going to labour the point but if you check the *Hansard* I think you will find very clearly that a supplementary bill was brought post the budget being brought down -

**Mr Bacon** - Yes, post the budget being brought down - the budget before, you know that.

**Mr GUTWEIN** - and prior to the election. I think that the *Hansard* will demonstrate that was a glaring mistake.

Setting that aside, there are a number of matters I want to cover. First, much has been said about the regional and community support that we have provided and the \$10 million that is included in this supplementary appropriation bill, which was part of our \$21.4 million or \$21.5 million if I round it, of regional community and sporting club support and commitments that we made. It is a little hypocritical for that side to be raising the issue of the \$21.5 million worth of support that we provided to sporting and community clubs around the state when you had a \$20 million regional sporting grants fund yourself. There were many small commitments that were provided from that. One of them, Mr Broadbean, was at pains to point out a range of commitments that we had made. Whilst I am sure this is a very worthwhile project, it did make me smile when I saw it, \$25 000 to rebuild the Can Bar at Queenstown. I presume that is a bar to serve beer from. I am sure that is a very worthwhile community sporting activity, to stand back and have a can of beer. I do note that across all parties in the lead up to the election there were a range of small commitments that were being made, both in my electorate and other electorates. We made \$21.5 million worth of commitments to community and sport.

In terms of how we each run our campaigns, at the end of the day it is about priorities. I know Ms O'Connor made the point that there were some grants that were for a handful of thousands of dollars. For the groups receiving them, they are just as important as the hundreds of thousands of dollars that other parties in this place have been pledging, to lights at sporting facilities, et cetera. Again, it is a matter of priorities and it is a matter of being able to afford them. We framed up and went to the election with policies that we can afford. We are delivering on the first \$10 million worth of those policies today through the supplementary appropriation bill. The remainder of our policies will be in the Budget in a few short weeks.

There was a question specifically raised about raptor rescue, which will be funded in the Budget. I believe that is a commitment over a number of years. Whatever the commitment was, it will be met and will be in the Budget in a couple of weeks.

I am quite prepared to table a full list of the commitments that are included - we will round it up to \$10 million but it is \$9.985 million I think - by organisation, by purpose and the amount. As I understand it; all of these were announced publicly. If you cannot find it, it may be that the recipient organisation is not the same name as the club. For example, it might be a trading company or some form of incorporated body that sits behind it. What is listed here are the recipients to whom the cheques will be made out. That is my understanding and I think that is the case. I happy to table that.

The vast majority of the major commitments that are included in the bill before us today are in the Revised Estimates Report, as most people have acknowledged. There are line items for any policy commitments and there are explanations for those policy commitments and decisions by the Government. I will not run through those.

I will touch on a number of questions that were raised. There was some commentary about the capital works that was brought forward for the Department of Education. There were works and services for Glenorchy Primary School, Snug Primary School, Sorell. Again these were included in the RER.

There was also some commentary about Finance-General. Around \$10.145 million was included in Finance-General. There were some miscellaneous ex gratia payments. These were the ex gratia payment provided for the first home builders' boost. We included around \$2.5 million in

the RER. In the bill before us today, there is \$3.767 million in total as we have had further demand in that area.

Natural disaster relief of \$4.191 million was included in the RER. Some of it will be partially reimbursed by the federal government - some payments to local government. There was a question about the State Fire Commission and \$1.660 million in recurrent funding. I understand that was for the St Helens October fire last year and some further support for wildfire remediation, I think.

**Ms O'Connor** - Treasurer, did you indicate before that you would be providing a list of the regional sporting and community club grants.

**Mr GUTWEIN** - I have tabled it for the \$10 million included in this bill. The Budget will obviously provide a list as well.

There was a question there in regard to the \$8.899 million for the Department of Justice. All of those matters were included in the RER. I will not run through them all. Some of them related to court security, prisoner transport, suspended sentences, and community corrections. There were capital works that were brought forward to the tune of \$1.791 million for Mary Hutchinson Women's Prison for the work on the 20 beds, which was a previous commitment and also some works and services at the mother and baby unit.

There was a question why over \$11 million went into recurrent services in the Department of Premier and Cabinet. The bulk of that is the \$9.985 million, almost \$10 million, election commitments we made for is regional and community programs.

We are appropriating, as we should today, \$8 million for biosecurity because of the challenges we have faced. The \$20 million we received from the federal government will go towards meeting that initial \$8 million. The remainder will be in a fund and then it will be drawn down in future years. The profile of that will be able to be identified in the Budget.

In regard to a range of risks that were raised in terms of the GST, there was also commentary by some members that was somewhat ill-informed.

In terms of the supplementary appropriation bill that is before us, there has been a supplementary appropriation bill every year since 2007-08.

**Mr Bacon** - You said there was not one last year.

**Mr GUTWEIN** - Every year since 2007-08. Mr Bacon, the member for Denison, as I have said, if you read the *Hansard* -

**Mr Bacon** - You read it.

**Mr GUTWEIN** - it is quite clear that the deputy leader of the opposition -

**Mr Bacon** - How can you have a supplementary appropriation bill before the budget?

**Madam SPEAKER** - Order.

**Mr GUTWEIN** - was a little confused. How can you have a supplementary appropriation bill before the budget? Well, we brought a supplementary appropriation bill down last year before the budget in the same way that we are doing it right now. The sequencing is exactly the same and there was definitely no supplementary appropriation bill in the lead-up to the election, as was claimed. When you have a look at it -

**Mr Bacon** - You said there was not one last year.

**Madam SPEAKER** - Order, through the Chair, please.

**Mr GUTWEIN** - The member for Dension can do his best to defend the deputy leader but I am certain that if you read the *Hansard* you will find she was somewhat confused.

Now, a range of other matters: the GST. I do not have Commonwealth Budget Paper 3 in front of me for the current year or the previous year but, in previous years, the Commonwealth has forecast the pool across the forward Estimates and has applied the relativities for the current budget year across each of those forward estimate years. No state or territory takes them into account because the relativities change each year so under your government, and we have used the same process here. Treasury calculates the state's relativities each year. In the current federal budget they forecast the pool across the four years but they did not forecast the same relativities against the pool for each state because they are meaningless.

There is a note to explain what they have done this year, compared to previous years. In terms of the GST, I was asked if I had received a briefing or had received the Productivity Commission Report - no, I have not. The federal government is still considering that. They have provided a commitment to treasurers from all jurisdictions that as soon as the federal government is finished considering it we will be provided with a briefing or at least have the opportunity to have that.

**Ms White** - When you say over the coming weeks -

**Mr GUTWEIN** - They will be doing it shortly. I am presuming they are getting their own budget sessions out of the road and then the federal treasurer will provide the Productivity Report and will make it public. Then we will have something to consider. I make the point the Productivity Commission is providing a report that the federal treasurer is not bound by. It is a report to inform his thinking. We have pretty much had a unity ticket on GST and I would like to keep it that way because it is important. We will fight tooth and nail to ensure that we do not lose one dollar that we are entitled to. Across the political divide and with our federal representatives as well, we need to ensure we have a unified Tasmanian position on this.

**Ms White** - I am just nervous he might be briefing other treasurers and not us.

**Mr GUTWEIN** - Not to the best of my knowledge, unless the federal Liberal Treasurer thought it would suit his aims to brief the Western Australian Labor Treasurer, which I very much doubt. My expectation is that treasurers will receive the Productivity Commission Report once Mr Morrison has had time to fully consider it.

**Ms White** - I may have missed it, Treasurer, because I was not in the Chamber when you first stood up, but did you run through these elements which is your supplementary appropriation summary by department to explain which ones had money that was different from or additional to the RER? I heard you say Justice.

**Mr GUTWEIN** - Without running through every line item, I can explain those matters that were not in the RER if that suits.

**Mr Bacon** - Can you table that?

**Mr GUTWEIN** - I probably can. I have a table here that provides a breakdown of the rounded up \$32 million, if you are happy. It runs through by agency, what the initiatives are and the total amount of funding associated with it.

**Ms White** - Thank you, that would be great. What does it say for Health?

**Mr GUTWEIN** - Health, DHHS, community rapid response and these are only matters that were not included in the RER. The bulk of it was DHHS, community rapid response and disability SPP and the rest are across the other agencies. I am happy to table to that.

I have covered the matter members have raised. I thank members for their contributions and make the point that the Budget will be handed down in a few weeks time. It is our intention and absolute commitment that all our election commitments will be fully funded.

**Ms White** - Can you speak about the Hermal Group questions that Mr Bacon asked?

**Mr GUTWEIN** - In terms of Hermal, we are appropriating the money. We have not finalised the grant deed yet. There will be conditions as there are with any grant like this. Once that is finalised and those conditions that are not commercial-in-confidence, we will release as would be the normal course.

**Dr Broad** - Is it the same with BioMar?

**Mr GUTWEIN** - In terms of BioMar, I am sure there were matters raised when the press release was put out on BioMar in terms of the grant and the jobs targets and other matters. If we need to get some more detail, I am happy to do that.

For a long time, the state has, under previous governments and under this Government, engaged in business and industry support. These deeds are not something that is new to government. They will have conditions appropriate for the different types of grants that are being provided and that reflect the outcomes the state is looking for with job numbers and further investment.

**Ms White** - Did you answer Dr Broad's questions about Police, Fire and Emergency?

**Mr GUTWEIN** - I did. I specifically mentioned those you had an interest in it. You were interested the additional support that was provided in terms of Fire. Was there anything else?

**Dr Broad** - No, it was Police. It was the \$5.1 million.

**Mr GUTWEIN** - As part of the police negotiations, as the police had taken a pay freeze, it was agreed that - I am not sure of the exact number - in effect for the amount of money the police lost as a part of their pay being frozen for the 18 months, it was brought back up to where it should have been and there was a component of that agreement that effectively was designed to be a loyalty bonus.

**Mr Bacon** - So 2 per cent rather than zero.

**Mr GUTWEIN** - We took them forward to 2 per cent under their agreement, but they had not had a pay increase for that 18-month period when they took the freeze, so a calculation was done in respect of what that would cost and they received that as a loyalty bonus.

**Dr Broad** - So they got a 4 per cent rise?

**Mr GUTWEIN** - No, they had 2 per cent going forward and they received a bonus. There was a pay freeze for the police, but then we made it up in that last one.

**Ms O'Connor** - Are there are two different classes of public servants in Tasmania?

**Mr GUTWEIN** - Nobody else took the pay freeze.

**Mr Bacon** - No-one?

**Mr GUTWEIN** - The police were the only agency that signed up for the pay freeze at the time when the budget was in dire straits.

**Ms O'Connor** - Are they better off now than other public sector workers?

**Mr GUTWEIN** - You would have to speak to the police about that. Every public servant received their 2 per cent pay increase through the period, but the police did not. There was a one-off loyalty payment that was made in recognition of lost wages from the pay freeze that they accepted in 2015.

That being said, I thank members for their contributions.

**Bill read the second time.**

**Bill read the third time.**

## **CONSOLIDATED FUND SUPPLY BILL (No. 1) 2018 (No. 9)**

### **Second Reading**

[5.13 p.m.]

**Mr GUTWEIN** (Bass - Treasurer - 2R) - Madam Speaker, I move -

That the bill be now read the second time.

As members are aware, the 2018-19 Budget will be handed down on 14 June 2018. This is later than has been the case in recent years and reflects the time required, following the 2018 state election, to finalise budget Estimates and the preparation of budget papers.

As a consequence of this timing, it is not expected that royal assent for the appropriation bills will be received until late July or early August 2018. It is therefore necessary for supply bills to be passed by Parliament to appropriate funding to agencies so that the Government can continue to

provide ongoing services from 1 July 2018 through to the eventual date of the receipt of the royal assent.

Since the introduction of a May budget in 1999 a supply bill has only been required twice, in 2006 and 2014, with both of these occasions also being a result of the timing of the state election. This is because section 14A of the Public Account Act 1986 provides the Treasurer with the capacity to approve a limited level of supply funding in any financial year before the passing of an appropriation act without the need for a supply bill.

Section 14A of the Public Account Act authorises the Treasurer to issue funds to agencies for a period not extending beyond the first two months of a financial year. The amount of funding that may be issued by the Treasurer to a particular agency cannot exceed an amount equivalent to that agency's expenditure for the month of June of the immediately preceding financial year. Given this restriction and the requirement of a number of agencies to make significant additional payments in the first month of the financial year, section 14A, in practice, can only now provide supply funding for a maximum period of up to two to three weeks. Given the normal timing of the state budget in late May, this means that royal assent to the appropriation bills is generally received either prior to the commencement of the new budget year or very shortly after the commencement of that year. As outlined above, this will not be the case in the current post-election year.

In accordance with current appropriation conventions, two supply bills have been prepared. Consolidated Fund Supply Bill (No. 1) 2018 provides funding for the services of the Government and Consolidated Fund Supply Bill (No. 2) provides funding for the services of the parliament and statutory offices.

The Consolidated Fund Supply Bill (No. 1) 2018 seeks parliament's approval for the provision of funding of \$945.9 million for expenditure on recurrent services and works and services. Funding for recurrent services in bill no. 1 is \$912.1 million. This amount has been based on consultation with agencies and reflects actual expenditure trends for the first two months of the budget year. As such, the amount does not reflect a consistent proportion of the annual funding amount for each agency.

The Consolidated Fund Supply Bill 2018 (No. 1) also provides \$33.8 million for works and services. This will allow the Government's important capital investment program to continue to be rolled out in the new budget year. It is important to emphasise that no new capital projects have been funded in the supply bill.

I draw to the attention of members that the Consolidated Fund Supply Bill 2018 (No. 1) has been prepared on the basis of the new agency structure that will be in existence on 1 July 2018. This is consistent with the basis on which the 2018-19 Budget will be presented. The Consolidated Fund Supply Bill 2014 (No. 2) seeks parliament's approval for an amount of \$4.8 million for expenditure on recurrent services and \$100 000 on works and services.

These supply bills are administrative in nature as they provide for the continued provision of existing government services and capital expenditure pending parliament's consideration of the budget for the 2018-19 financial year. I commend the bill to the House.

[5.18 p.m.]

**Mr BACON** (Denison) - Madam Speaker, I indicate to the House that the Opposition will be supporting the bill and acknowledge the need for this bill given the timing of the election and the

Budget to be handed down on 14 June. I put on the record the Opposition's thanks to the Treasury staff who provided a briefing yesterday to members of the Opposition on this and other bills. We are very appreciative of that.

As the Treasurer said, these bills are necessary to provide for the ongoing running of the Government until the Budget receives royal assent. There are two supply bills, the first to provide funds of \$945.9 million. Of course, the first bill provides \$912.1 million. Given that most of the funds provided in this bill are paid public servant wages, I did have a number of questions for the Treasurer, particularly on this \$110 000 average salary for public servants. It has been calculated that the ABS puts the figure more at \$74 000, which seems a bit more realistic. We wonder just exactly how the Treasurer came to that calculation. It is our understanding that the Treasurer used a total wages bill and then divided that by the FTE numbers within the government. We would like an explanation from the Treasurer how this is appropriate, given that you are talking about individual people, so it should be more appropriate to use the head count of public servants. Even if you only use the method that the Treasurer has used, that head count should be what we are talking about.

The Treasurer time and time again seems to forget that when he is talking about public servants he is talking about nurses, teachers and other hard working people who work for him and his Government. We know that from day one he has treated them with contempt. That continues to this day. It has just been revealed - I think it is for the first time - that the police who volunteered to take a pay freeze did not end up with a pay freeze. That was used by this Treasurer to try to intimidate other public servants into taking a pay freeze.

In my opinion, since he has taken on the role of Treasurer he has conducted himself in a manner that is a disgrace when it comes to the way he has treated his own employees. With this figure that he has concocted - this \$110 000 average salary - he is seeking to divide the Tasmanian community and have them pressure public servants into taking his two per cent wages cap. What the union movement want, what the workers who work for the Treasurer want, is this wage cap to be abandoned by the Treasurer and for the Treasurer, and indeed the Premier, to negotiate with their own workforce in good faith. There are some other sensible suggestions such as participating in public debates and other things that have been put forward today which seem sensible.

What we would like to see from this Treasurer is an explanation of how he arrived at that \$110 000 figure. What he has done today is a pre-emptive strike to turn the Tasmanian public against their own workforce and it is a bizarre way to conduct yourself. What is he thinking when it comes to those things? Does he think this \$110 000 figure will bear any scrutiny?

**Dr Broad** - The ABS says it is \$74 000.

**Mr BACON** - Yes, I know. I know whose word I would take. The Opposition will be supporting this bill.

[5.23 p.m.]

**Ms O'CONNOR** (Denison - Leader of the Greens) - Madam Speaker, the Greens will not be opposing this bill, the Consolidated Fund Supply Bill (No.1) and the consequent bill No.2. I do however have a number of questions relating to some of the line items in supply bill no.1 and particularly as they relate to capital works.



In the Minister for Human Services section there is \$972 000 allocated per capital works. Is that the maintenance budget component of Housing's global budget? Or is that new supply monies?

While we are talking about housing, because it is a very hot topic in Tasmania at the moment, I refer members to the excellent paper that has been produced by the Institute for Social Change at the University of Tasmania. This paper was released today. I know that last week Hobart City Council aldermen were briefed on the contents on this paper. It is unfortunate Mr Jaensch is not here because it would help him be a better minister. It would help him to have a deeper understanding of the impact of the short-stay market and the rise in Airbnbs on housing availability and affordability. This document is called 'Housing in Hobart: An Overview of the Data'. It goes to the detail of supply, demand, population growth, increases in rents and the enormous pressure that that is placing on people. I noted this morning on radio Mr Jaensch said words to the effect of the jury is still out on the impact of Airbnb on the availability of affordable homes. The jury is not out. The jury is well and truly in.

What this paper makes clear is that Airbnb has not yet peaked. The hard numbers are that between July 2016 and February 2018 - that is just 18 months - the number of Airbnb properties registered in Tasmania was 1827 and by February this year there were 4459 properties registered on Airbnb. Remember Airbnb is only one platform. There is also StayZ and other short-stay accommodation platforms. Within the space of 18 months the number of properties listed on Airbnb had increased by 2632 statewide. The number of whole properties, that is entire homes not dedicated to a long-term rental but dedicated entirely to Airbnb, has in that same time period jumped from 1198 to 3400. There has been an increase of 2202 entire homes being given over to Airbnb short-stay accommodation and therefore taken out of the rental market.

The paper makes it very clear we have not yet reached peak Airbnb. It concludes that if just 50 per cent of the entire properties listed on Airbnb in greater Hobart were providing long-term rentals prior to their listing, then private rental stock has fallen at a conservative estimate in that period of time by 750 homes.

It seems to be very clear to everyone that we need to get a grip on Airbnb except for the Minister for Housing, the Premier - who argued for the propertied class and for landlords yesterday - and the Treasurer.

I note also this morning the Minister for Housing said that Airbnb is regulated. It is actually not properly regulated. All that the regulations say is that basically they require the safety and the same sort of occupational health and safety and other permits that make them suitable for accommodation. The kind of restrictions that need to be looked at would restrict the extraordinary growth in whole properties going to the short-stay accommodation.

The other finding in this paper is that there is a growing number of mega owners, major Airbnb syndicates from interstate or overseas that are having portfolios of whole properties that are now in the short-stay accommodation market.

For every member who wants to understand the current snapshot of the housing crisis in Tasmania they should take a good look at the Institute for Social Change's confronting research on the housing situation in Tasmania. The bottom line is that three factors have contributed to the tightening greater Hobart housing market since 2016: population growth, increased demand for dwellings by 325 per annum over a five year average; supply constraints, decreased supply of 223 dwellings per annum over a five year average. That comes home in no small portion to the last

term of government when there was not only an under investment at a state level in increasing and supply of social and affordable housing, but it was the first Abbott budget which killed off the National Rental Affordability Scheme which was a very significant contributor to our capacity to increase housing stock.

The third cause is that the growth in short-stay accommodation reduced supply by a conservative 752 dwellings over that period from February 2016 to February 2018.

The allocation to the Minister for Human Services which must also cover Housing, child safety and family support services is static. I would like to understand from the Treasurer what the plan is for this agency. Where will the capital funds be, given we know there was a failure to build the houses that were promised in the last term of government? Where will that capital injection be? I understand there are some restrictions with this supply bill in stepping too far outside the parameters from the previous year but it is confronting to see those numbers alongside the portfolio for the Minister for Human Services.

There has not been a conversation in the House yet about the decision to break up the Department of Health and Human Services. I have spoken to people who worked in what was the agency but is now the agencies. It would be helpful for the Treasurer to explain the thinking behind splitting the Department of Health from the broader Human Services agency, which I see here has a number of divisions that were once in the Department of Premier and Cabinet and are now within the Department of Communities Tasmania. I understand the secretary of the Department of Communities Tasmania is the marvellous Jenna Webster. If there was going to be a secretary of this agency it would be Jenna because she is an outstanding public servant and a great Tasmanian, but I would like to understand, particularly for people in the sector who have raised this. Is this a question of financial efficiency? Is this seen as a better alignment of different components of the Government's responsibility, and what is going to happen?

My understanding from when I was the minister is that every now and again Human Services would get into a spot of bother financially and Health would help us out for a period until it caught up, so there was a fluidity in the one agency's budget. You know what I am talking about. Every now and again in Human Services, if we needed somehow to make sure a service was delivered, we knew that in hard times we could go to Health.

**Mr Gutwein** - It would have been appropriately recognised through section 19, I am sure.

**Ms O'CONNOR** - Exactly. There is no fiddling here; as if the former minister for health would let us get away with that, but there was that contingency capacity there. Does that mean that what was Human Services and will now have those extra DPAC policy and service delivery components will be a little bit more potentially financially vulnerable in some ways, and has that been explored with the former secretary of the Department of Health and Human Services but also senior bureaucrats like Peter White, the outstanding director of Housing and now Disability and Family Services? It is an interesting alignment. Did Mr Ferguson want to offload the baggage of Human Services and the responsibilities that came from that? That is a wry smile on your face, Mr Gutwein. Did he just not want to have to deal with Human Services so much?

**Mr Gutwein** - In my experience, health and hospitals is where our investment has been over time and whilst I know what you are saying about money moving back and forward between departments, section 19 still allows those transfers to occur.

**Ms O'CONNOR** - I understand. I wish the ministers who now come under the new Department of Communities Tasmania all the very best. You are working with some of the finest bureaucrats in the state in those particular areas. It would be really good to hear from the Treasurer about what was the driver for this cleaving of a department that for a long time had been aligned as the one.

I wanted to go back to questions of finances and how money is being disbursed, not only through this bill that we are debating, the Consolidated Fund Supply Bill (No. 1) 2018, but the previous legislation as well. We now have the list from the Treasurer of the 280 small organisations that received some sort of largesse during the campaign - it is like alphabet soup. From the Greens point of view we do not begrudge a single cent that has gone to these organisations. We cannot, because -

**Mr Gutwein** - However?

**Ms O'CONNOR** - However, we recognise it for what it is - statewide bribery during a campaign of small sums of money.

**Mr Gutwein** - No, it's not. Rubbish.

**Ms O'CONNOR** - Mr Gutwein, do not treat me like a fool.

**Madam SPEAKER** - Through the Chair, please.

**Ms O'CONNOR** - Madam Speaker, I will not have the Treasurer treat me and this House like fools. It is very clear from this document which is tabled, the Regional Community Election Commitments Paper: 2018-19 Budget and Forward Estimates, that we have the proverbial alphabet soup of small organisations, sporting clubs, community organisations and churches that have received sums of money. Some of them are really very large sums of money, such as \$200 000 in the backyard of your holiday home, Mr Gutwein, for the Bridport RSL and Bowls Club. Is that for a new bowls club?

**Mr Gutwein** - That is the backyard of my former hometown.

**Ms O'CONNOR** - The backyard of your former hometown, which I understand you still go on the weekend.

**Mr Gutwein** - I haven't been for a long while.

**Ms O'CONNOR** - Still, \$200 000 out of the public purse for the Bridport RSL. Lucky Bridport RSL. There are things like \$150 000, again in your backyard, Mr Gutwein, for the Bridport Surf Club.

**Mr Gutwein** - Saving children's lives.

**Ms O'CONNOR** - Yes, in your backyard again. Do you remember that story about Ros Kelly and the whiteboard?

**Mr Gutwein** - Not very well.

**Ms O'CONNOR** - No, not very well. You should read up on it a bit, Mr Gutwein, because there is something about this list which has the smell of complete unashamed pork-barrelling about it. This money was scattered around like confetti. There is another donation to an RSL club, \$195 000 to the George Town RSL, also in your electorate, Mr Gutwein. Why are taxpayers paying money to the George Town Pistol Club for an amenities block upgrade of \$36 000?

**Mr Gutwein** - It's a community organisation. Just because it may not be your choice of recreational activity, it is somebody else's.

**Ms O'CONNOR** - George Town Judo Club, and good on them - again, in your backyard in the electorate of Bass, Mr Gutwein, the George Town Youth Judo and Health project. They were only given \$6000, but I guess if you cannot yet vote, you just have to weigh these things up, don't you?

**Mr Bacon** - They'll get more the older they get.

**Ms O'CONNOR** - That is right, once they join the pistol club. What else do we have here? There are so many bits of money scattered around like confetti in one of the most brazen examples of electoral bribery and pork-barrelling on a systemic statewide level that I have ever seen in parliament. It goes on and on and on. Anyway, you knew you had the keys to the Treasury when you made these promises and you knew when you sent your candidates out there.

**Mr Hidding** - Michael Polley did that his entire career.

**Ms O'CONNOR** - I hope that the people of Tasmania wake up to what the Liberals did at the last election. I think it was Mr O'Byrne, the member for Franklin, possibly, or Mr Bacon, who pointed out that basically this is bribery.

This is an amazing document and I will keep it on my desk. It tells the story of what your Government did to get back into power. Not certain that the pokies money would be enough, not certain that the in-kind coming in from the Love Your Local campaign and the Federal Group would be enough, you embarked on a statewide splurge - quiet conversations and lots and lots of small amounts of money going out to a total of 280 community organisations statewide. They were given money by the Liberals and, as Mr O'Byrne said, most of these organisations did not ask for it.

This was not based on need. In some cases it most certainly would have been but not 280 different community groups and organisations. Treasurer, did every one of these 280 organisations who were the recipients of your Government's largesse ask for money and say they had an urgent capital work that needed funding or was this a targeted campaign to go out and smear the money around?

**Mr Gutwein** interjecting.

**Ms O'CONNOR** - Me thinks you protest too flaccidly, Mr Gutwein. This has all the hallmarks of a very deliberate, almost whiteboard, Ros Kelly campaign. 'We have to fund this many small organisations in Braddon, we are in a bit of trouble in Bass, let's smear the money over Bass.' Don't worry, Mr Gutwein, we will break this down by electorate and look at where most of the money was concentrated. That was what brought Ros Kelly undone with the whiteboard. You will probably get away with it because you are in government now, but it stinks; we see straight through you.

**Mr Gutwein** - You should explain any that you do not want money to go to.

**Ms O'CONNOR** - Of course, that will be your comeback, Mr Gutwein. I have qualified my question about your electoral bribery campaign by saying we do not begrudge a single one of the organisations a single cent. That is not the point. The point is, this is a transparent bribery of electorates.

**Mr Gutwein** - That is rubbish.

**Ms O'CONNOR** - Have you ever seen anything like this in your time in parliament, Mr Hidding?

**Mr Hidding** - Yes, the other side did it every election.

**Madam SPEAKER** - Order.

**Ms O'CONNOR** - What? Two hundred and eighty different organisations? Splashing around money.

**Mr Hidding** - The opposition leader went to Deloraine and said, 'Here's \$2 million for something not drawn, designed, anything, as long as you vote for me.'

**Ms O'CONNOR** - Madam Speaker, I recognise that other people want to make a contribution. My questions are: why the decision to plead to the agencies? Did every single one of these 280 lucky recipients of government largesse ask for help because they are organisations in need?

**Ms WHITE** (Lyons - Leader of the Opposition) - Madam Speaker, I ask the Treasurer, Schedule 1 Purposes lists by agency the capital expenditure. I would be grateful if you could identify if they are for specific projects.

I understand from the briefing that was provided by Treasury officials in your office that the way that you have calculated the amount in this consolidated fund supply bill is by looking at the equivalent months in the year prior, which would be July and August and appropriating a similar amount for this July and August to come. Correct me if I am wrong. The works and services identified in the Schedule 1 Purposes are presumably for capital expenditure. Can you indicate whether each of those agencies has outlined projects they are going to use it for? Is it something that might accumulate over time and then be used for projects that are later revealed through the budget process? Because of the method used to calculate these figures, it may not be attributed to particular items yet. I would be interested to learn if there are items identified to have this money used against. If so, could you detail what each of those are for each of the agencies?

The other matter that I want to come back to given that we have been talking about wages, as part of the debate on this bill, is the comment you made during question time today where you claimed that the average public servant wage is around \$110 000. We have taken a look at the latest available ABS data and Tasmanian public servants earn an average wage of \$74 000.

Even if you do not believe that and you have calculated another, I would be interested to understand what method you used. Looking at the evidence we have available to us are: your annual report 2016-17 tells us that salaries and wages for the 2016-17 year is \$2.97 billion; and the head count as at 31 December 2016 is 26 674. Using your method that you have an average then

the average wage is \$78 615.88 - a far cry from the \$110 000 that you gave as a figure in this House earlier today.

**Mr Gutwein** - What numbers did you say - \$2.9 billion?

**Ms WHITE** - From your annual report 2016-17, the salaries and wages for the 2016-17 Budget and the State Service Workforce Report No. 1 2017 lists head count at 31 December 2016 across the total workforce, so this is fixed term, permanent and senior executive at 26 674. I am very keen to understand how you arrived at \$110 000 being the average salary for a public service worker in Tasmania.

This morning when you spoke to the House you said the following. I will quote it for context. I will remind you what you said, Treasurer.

The Government's view is that our public servants deserve to be paid well and we do pay them very well, especially in comparison to the private sector. In Tasmania the average wage in the private sector is around \$70 000. However, the average wage of public servants is around \$110 000, \$40 000 more than the average wage of most other Tasmanians. In the main our public servants do fantastic work and we firmly believe that our hardworking public servants do deserve a pay rise. That is why we factored into the upcoming Budget pay increases of 2 per cent each and every year.

That is a statement that is now proven to be inconsistent with the ABS, which states that the average wage for public service workers in Tasmania is \$74 000, inconsistent with your data from your annual report and the State Service Workforce Report. I am keen to understand how you arrived at \$110 000 figure or did you mislead the House and would you like to correct the record, Treasurer?

Most of our hardworking public service servants could only dream of that sort of pay, \$110 000. I went along to the Statement of Intent provided by the CPSU to all leaders of this parliament at lunchtime today. Unfortunately, the Premier did not find it important enough to attend himself. There, the secretary of the union, Tom Lynch, told those in the room that 81 per cent of the public service workforce earns less than \$110 000. I do not know where you are getting your figures from, Treasurer, but we are very keen to understand your methodology and how you have arrived at \$110 000. I would argue that our public sector workers who work extremely hard delivering the vital services that our community relies upon are feeling pretty confused at the moment and wondering how their Treasurer - who sits in his ivory tower up there talking down to them and telling them they do not really need a pay rise - is going to explain this one.

Essentially what you are doing is setting up a war between the public sector and the private sector. Your comments indicating that the private sector gets paid \$40 000 a year on average less than a public sector worker is deliberate in its attempt to set up those working in the private sector against the public sector and to make them feel less likely to support the causes of the 26 000-odd people who work in the public sector - teachers, nurses, child safety officers - who are seeking a pay rise greater than the 2 per cent wages cap you put on the table. Indeed, what you have said is going to be in the budget for each and every year across the forward Estimates. This wages policy was given effect in the period following the global financial crisis and during the global financial crisis impact on the Tasmanian economy and the state budget. It is an austerity measure and if things are going as well as the Treasurer and the Premier claim, we no longer need to have an

austerity budget with an austerity wages policy. The Treasurer can afford, because things are back on track and back in black, to pay his public sector workers properly.

Let me give a bit of an example of why we feel so affronted by the comments the Treasurer made today. Essentially what the Treasurer has done today is commence a war on nurses. A first-year nurse is paid only \$50 000 a year. He or she is being asked to accept a wage increase of just 2 per cent, despite the Treasurer's own prediction that the cost of living will increase by 2.25 per cent. The cost of living, the cost of rent, as we are all well aware, is going up at a faster rate than the wages of our public sector employees. Peter Gutwein, the Treasurer of Tasmania, seems either to be ignorant of that fact or he does not care.

The Treasurer has also commenced a war on teachers. Highly skilled and experienced Tasmanian teachers earning \$85 000 are amongst the lowest-paid teachers for their level of qualifications in Australia. They are not paid \$110 000, Treasurer. According to the Rental Affordability Index that was released this week, an experienced Tasmanian teacher supporting a family is now paying a staggering one-quarter of their annual wage in rent, and that is before tax. If you consider their after-tax income and how much of that is paid on rent, it is much greater again. The Treasurer has also commenced a war on police officers. They risk their safety every single day keeping the community safe, yet they will be hit with a real wage decrease in 2018-19 and beyond.

These are the facts and when you look at what is happening in the federal budget and see the forecasts that are made there for wage growth across the Australian economy, we are falling behind. Federal Treasurer Scott Morrison forecasts national wage growth to be 2.75 per cent in 2018-19, 3.25 per cent in 2019-20 and 3.5 per cent in both 2021 and 2021-22. Yet this Treasurer wants to keep the state's wages policy and the Liberal Party's wages policy at 2 per cent, when the national wages are expected to rise by as much as 3.5 per cent. The cost of living is going up at a faster rate than the wage increases that are being offered by this Liberal Government.

We know, because the ABS tells us, that Tasmanian workers earn on average \$213.40 a week less than their interstate counterparts. Calculated over the course of the year, that is a massive \$11 000. We know this is a problem in itself but the problem we have now is that we are falling further and further behind our public sector workers and our private sector workers who are all falling further behind the national average. In 1994 Tasmanian workers were earning \$24.90 a week less than the national average. That amount has now blown out to a massive \$213.40 a week and it has accelerated under this Treasurer and the Premier, Will Hodgman. In 2005 the difference between Tasmanian salaries and those in the rest of the country was an embarrassing \$156.30 a week but was largely kept under control for a decade or so, so that by 2013 it had only risen to \$168.20 a week. In your first term of office, Treasurer, and Premier Will Hodgman, your Government oversaw an increase by 27 per cent, so that wage disparity per week is as great as \$213.40. Each and every week, Tasmanian workers are earning on average \$213.40 less than their equivalent elsewhere in the country.

This is alarming and affects the entire Tasmanian economy. Who do you think goes into the shops and buys the goods? Who do you think buys the services that are provided by small businesses? Who do you think those people are? They are the people who were sitting this gallery today that you were so disparaging about. They are the members of the CPSU, the teachers, the nurses, the child safety officers, people who are sitting in offices making sure our public transport system is safe every single day. It is those people whose wages are decreasing in real terms under you and it does have an impact on our entire economy because their disposable income is decreasing because the cost of living is going up, the cost of utilities, the cost of housing, the cost of food, the

cost of ordinary, everyday things continues to rise. But their wages flat line because you maintain a 2 per cent austerity wages policy at the same time you are crowing about the budget being back in black, back on track and things are going great guns.

Pay your workers, Treasurer. Pay your teachers, pay your police officers, and make sure our health professionals are getting an appropriate wage. We are not going to be able to recruit to fill those positions you promised you would create at this last election if we do not have competitive salary packages to offer those employees. Already our nurses are set to become the worst paid in Australia. It is going to be difficult for us to have the best and the brightest providing health care to the rest of our community and teaching our children in the schools if our wages policy is a handbrake that stops people enjoying the quality of life that we are so privileged to enjoy because their wages are not competitive with their counterparts elsewhere in Australia. More significant than that, their wages are not keeping up with the cost of living.

I was pleased to receive the Statement of Intent for a stronger public sector from the CPSU today at lunch time. Given that he did meet with the CPSU a couple of weeks ago, I hope the Premier listens to the arguments that have been forward. I hope he is able to speak to his Treasurer about ensuring there is appropriate opportunity to bargain in good faith. I hope he is able to speak to his Treasurer about ensuring there is an appropriate amount in the Budget to accommodate a wage increase for our teachers, nurses, child safety officers, police and every other public sector worker, all 26 000 of them, who are employed in this state. It is the very least they can do, when they are arguing that things are back on track, for them to sit down and negotiate in good faith. I do not see why it is such a hard thing to do and why you regard it to be such a dirty word, bargaining in good faith, rather than going in with a predetermined outcome and this consolidated fund supply bill that is before the House needs to give consideration to providing appropriate wages for people employed in the public service.

I understand that those agreements are not going to be negotiated by July so the money in this budget is not necessarily going to cover any wage increase that is going to be agreed upon. I urge you, Treasurer, to sit down and negotiate in good faith and I urge the Premier to maintain the commitment he gave the CPSU when he met with them where he told them that he was interested in understanding their statement of intent: and their concerns; their log of claims and working with them to make sure we have a strong public sector, and making sure that we have strong public services.

We are talking about money that is going to flow from July and August this year to pay those people and make sure that those services keep running and we are not going to stand in the way of that, but I was not going to miss the opportunity to urge the Premier and the Treasurer to do more to make sure that we can have a fair wages policy that ensures we can continue to provide good quality public services.

[6.01 p.m.]

**Mr GUTWEIN** (Bass - Treasurer) - Madam Speaker, I thank members for their contributions. A couple of questions were raised.

In terms of Communities Tasmania, the member is not with us at the moment but the thinking behind the splitting of that agency it is about better alignment and ensuring that services that are complementary are part of the same agency. Obviously there has been some movement in respect of responsibilities for Sport and Recreation, Aboriginal and Veterans' Affairs which have now rightly come to be a part of the new agency - Communities Tasmania.



**Mr Bacon** - What about hospitality?

**Mr GUTWEIN** - Hospitality still sits with the Premier under DPAC.

In terms of the questions that were asked regarding works and services and what is included in the budget, in the second reading speech I mentioned that there were no new capital projects that are funded as a result of the supply bill. This is about ensuring that the projects that were outlined in last year's budget and underway can continue to be funded. The agency has been asked to identify their needs moving forward for that period and that is what is being funded.

Some commentary on wages, if I can take a moment to touch on those. In regard to public servants, I was asked what we had used to arrive at the average. It was a matter of taking the mid point of the FTEs in the financial year ending June 2017 and the final wages and salaries paid in that year, adding superannuation which is obviously a cost of employment. A total of around \$2.7 billion.

**Mr Bacon** - Do you think that is fair to do it that way?

**Mr GUTWEIN** - I do, yes.

**Mr Bacon** - When people normally talk about headline salaries do they include superannuation?

**Mr GUTWEIN** - When people are talking about the total cost. In terms of FTEs, we took a mid point. We used 24 670 FTEs because we are looking for the average cost of a full-time public servant and that is what we have arrived at.

**Ms O'Connor** - What is the head count, 29 000?

**Mr GUTWEIN** - It is 24 670.

**Ms O'Connor** - I thought you said that was the FTE count.

**Mr GUTWEIN** - That is the FTE count. In terms of wages I just want to provide some -

**Ms O'CONNOR** - Point of order, Mr Deputy Speaker. This is actually a really important point, Treasurer. How many people are employed in the public sector? If you are going to say the average wage is \$81 000, we need to know how many people you are counting. According to the union there are 29 000 people, headcount in the public sector, which would make the average wage about \$66 000.

**Mr GUTWEIN** - You are way off the mark with that calculation. What we have looked at is the average cost of a full-time equivalent. The average cost of a full-time equivalent is around \$110 000.

I want to provide some commentary and update because there seems to be a lot of commentary in recent days about how poorly Tasmania is doing in terms of wages growth. The most recent data that I have to hand from the ABS data in respect to the wage price index, data shows that over the 12 months to March 2018, so it is quite recent, the wage price index in Tasmania grew by 2.2 per

cent, which was the equal highest of any jurisdiction, equal with Victoria: the equal highest of any jurisdiction, equal with Victoria and well ahead of the national average of 2 per cent.

**Mr Bacon** - When you compare the \$110 000 to the private sector wages, how did you calculate that?

**Ms O'Connor** - When you compare private sector workers to public sector workers, did you put in the private sector workers associated costs?

**Mr DEPUTY SPEAKER** - Order.

**Mr GUTWEIN** - Public sector wages -

**Ms O'Connor** - You are doing apples and oranges.

**Mr DEPUTY SPEAKER** - Order.

**Mr GUTWEIN** - According the ABS, public sector wages grew faster at 2.3 per cent than the Tasmanian Wage Price Index. What we are seeing is that the public sector wages grew at 2.3 per cent. The wage price index, which is a compilation of public and private wages, the public sector wages grew faster at 2.3 per cent over the last 12 months.

**Mr Bacon** - If the average private sector wage is \$70 000 how did you calculate that? Does that include super?

**Ms O'Connor** - Did you include the oncosts in the private sector wage comparison?

**Mr GUTWEIN** - In terms of public sector agreements, and we all understand this, and you focus on the headline increase, but you all understand that the vast majority of public servants receive well in excess of the 2 per cent -

**Mr Bacon** - Sixty-one per cent don't.

**Mr GUTWEIN** - because of the annual increments that are applied.

**Ms White** - Sixty-one per cent are already at the top of their band and they do not.

**Mr Bacon** - There you go.

**Mr GUTWEIN** - We will come back and have a look at that. It is my understanding that the vast majority receive above the headline rate at 2 per cent.

**Mr Bacon** - Where did you get that understanding?

**Ms White** - How did you calculate \$70 000?

**Mr DEPUTY SPEAKER** - Order.

**Mr GUTWEIN** - In terms of wages growth, and this is the thing you should stop talking down the Tasmanian economy.

**Ms White** - Pay your public sector workers if you think it is so good.

**Mr Bacon** - We're talking it up. You're talking it down.

**Mr GUTWEIN** - The Wage Price Index indicates that, along with Victoria, we have had the highest wage growth in terms of WPI out of all states and territories in the last 12 months. We are seeing solid wage growth in Tasmania and we are seeing growth above the 2 per cent headline rate in terms of the cost and benefits that public servants are receiving. I have no issue with the numbers that we have released.

**Mr Bacon** - So explain how you got the \$70 000?

**Mr GUTWEIN** - It is important to have the debate.

**Mr Bacon** - Explain it then.

**Mr GUTWEIN** - We are starting that debate today.

**Ms White** - But with lies.

**Mr GUTWEIN** - No, it is not. Again, because the numbers do not suit you and the fact -

**Ms White** - You have not explained how you arrived at them.

**Mr GUTWEIN** - that you do not have a wages policy and you are prepared to allow the unions to tell you what you should be paying, we are -

**Ms White** - How did you arrive at \$70 000?

**Mr GUTWEIN** - We have provided a 2 per cent wages policy now. Over the last four years CPI has averaged around 1.7 per cent or 1.8 per cent over that period. Not only did we provide a base headline increase, which was ahead of CPI over that period, in terms of wages growth when you look at what the ABS is telling us to March, public servants have had a 2.3 per cent growth. Our position is very defensible. It is a sensible and a responsible position and one that we can afford. If you have a look at what has occurred in Western Australia and the challenges that they faced at a time when their economy was going well they did exactly what your side wants us to do.

**Ms White** - You spend the good times on your pork barrelling rather than paying your public sector workers properly.

**Mr GUTWEIN** - That is ridiculous.

**Ms White** - How is that ridiculous?

**Mr GUTWEIN** - That is a ridiculous statement to make.

**Madam SPEAKER** - Through the Chair, please.

**Ms White** - There is \$2.4 billion worth of election commitments. They come at the expense of properly paying people in the public service.

**Mr GUTWEIN** - When you are running around with a fund supporting community regional sporting facilities, exactly the same as we are doing, and you dare to call what we are doing dissimilar to yourself. It is ridiculous.

I thank members for their contributions. This will ensure that with a budget being brought down late as a result of the elections, as has occurred in previous years, we can continue to fund agencies through the months of July and August until and when Royal Assent is given. I thank members for their support.

**Bill read the second time.**

**Bill read the third time.**

## **CONSOLIDATED FUND SUPPLY BILL (No. 2) 2018 (No. 10)**

### **Second Reading**

[6.13 p.m.]

**Mr GUTWEIN** (Bass - Treasurer - 2R) - Madam Speaker, I move -

That the bill be now read the second time.

In accordance with current appropriation convention, two supply bills have been prepared: one to provide funding for the services of the Government; and the other to provide funding for the services of the parliamentary and statutory offices.

I have recently provided the detailed outline of the reasons for the supply bills to be prepared this year in my second reading speech relating to the Consolidated Fund Supply Bill (No. 1) 2018. The information provided in that speech applies equally to this bill.

The Consolidated Fund Supply Bill (No. 2) 2018 seeks Parliament's approval for an amount of \$4.8 million for expenditure on recurrent services and \$100 000 for expenditure on works and services. These amounts will ensure that existing parliamentary and statutory office activities will continue for a period of up to two months in the new financial year.

I commend the bill to the House.

[6.14 p.m.]

**Mr BACON** (Denison) - Madam Speaker, I rise to speak on the Consolidated Fund Supply Bill 2018 (No. 2) for seeking the parliament's approval for the amount of \$4.8 million for the expenditure on recurrent service and \$100 000 on works and services. I inform the House that, along with the Consolidated Fund Supply Bill 2018 (No. 1), the Opposition will be supporting these bills.

Just a couple of questions for the Treasurer given that most of the \$4.8 million for expenditure on recurrent service is public service wages. Today we have seen a deceptive attempt by the Treasurer to paint all public servants as 'fat cats'. I have a couple of questions about a statement the Treasurer made earlier today and I will read it:

The Government's view is that our public servants deserve to be paid well and we do pay them very well, especially in comparison to the private sector. In Tasmania the average wage in the private sector is around \$70 000. However, the average wage of public servants is around \$110 000, \$40 000 more than average wage of most other Tasmanians.

In the main, our public servants do fantastic work and we firmly believe that our hardworking public servants do deserve a pay rise. That is why we factored into the upcoming budget pay increases of 2 per cent each and every year.

That is from Peter Gutwein in question time this morning.

It has taken all day to have the Treasurer explain exactly how he reached his \$110 000 figure. It now includes superannuation; he has done on an FTE basis rather than head count. It is done in a way to totally inflate that \$110 000 figure. Well done. It has only taken half a day for that to come apart.

What we want the Treasurer to explain now is the \$70 000 figure he compares that to, particularly whether that includes superannuation, whether that is done on an FTE or a head count basis so we can compare private sector wages fairly with public service wages, so we do not have the Treasurer doing as he did today, mocking hard-working public servants who were in the public gallery, trying to divide the Tasmanian community, get them thinking every teacher and every nurse is on \$110 000 or more.

As pointed out by the Leader of the Opposition, there are a lot of public servants earning much less than \$110 000. A figure I heard today was 81 per cent of them are earning less than that. If the Treasurer could explain to the House exactly how he did get to that \$70 000 figure, that would be much appreciated.

[6.17 p.m.]

**Ms O'CONNOR** (Denison - Leader of the Greens) - Madam Speaker, in the interests of consistency and making sure this place continues to function, albeit dysfunctionally, we will not be opposing Consolidated Fund Supply Act (No. 2) 2018.

It is worth pointing out a couple of things. I want to go back to the discussion we were having earlier about the list of regional and community election commitments. I point the Treasurer to the two donations made in the electorate of Lyons - the Sporting Shooters Association of Australia, St Helens branch, repairs to the turning target system to support TS Argonaut, Sporting Shooters Association of Australia, Tasmania branch, new national standards sporting clay target system. Between those two sporting shooters associations they received \$61 000 in public funding. But we know they received much more than that. They received a promise from the Liberals, which they tried to hide from the people of Tasmania, that Tasmania's gun laws would be changed. A bribe: the commitment was made to the Sporting Shooters Association of Tasmania, as I understand it.

There are a couple of things here: \$61 000 in public funding to the Sporting Shooters Association of Tasmania and then a suite of changes to the state's firearms laws that would be a direct breach of the National Firearms Agreement. A suite of promises were made to the Sporting Shooters Association by Mr Hidding, as I understand it, probably late one afternoon, maybe when he was not thinking carefully about what he was doing. These promises were not made public to the people of Tasmania. The only reason the people of Tasmania became aware of these proposed

changes to our gun laws is because a concerned member of the Sporting Shooters Association got in touch with the Greens. We made sure that information was made public before the election. It again points to the connection between the pay to play philosophy of the Liberals and changes of policy. Money, policy change. That is the way it works for the Liberals.

**Mr Shelton** - Greens conspiracy.

**Ms O'CONNOR** - It is called pay to play. It is a well-known fact of political life, particularly amongst the major parties. Many Tasmanians think your party conspired against the public interest with the gambling industry to buy an election with between \$5 million and \$10 million of dark money. That is not our conspiracy theory. That is what people are talking about.

**Mr Shelton** - Greens conspiracy.

**Ms O'CONNOR** - Is that right? How much did your party get from -

**Madam SPEAKER** - Order. I have not had near enough exercise today so I am calling you all to order and ask for some very polite behaviour. It is late in the day.

**Ms O'CONNOR** - Through you, Madam Speaker, to the member for Lyons, Mr Shelton, this is not a conspiracy theory. It is a well-established practice of vested interests to put money into a political party in order to try to influence the policy of that political party should it be in government. This is not a conspiracy theory. It is what they teach in the University of Tasmania's political science class, that in a framework where you have weak donations disclosures and where people are going to an election without knowing who paid how much money to whom, it has a corrupting effect on democracy. That is why many jurisdictions, like New South Wales, have banned donations from developers; corporate donations. Your party was the last party, as I understand it, to refuse to take money from the tobacco industry. We know how that influenced the Liberal Party federal policy on tobacco and cigarettes.

So do not tell us, Mr Shelton, that this is a conspiracy. There is no other reason for the gambling industry to put so much money into this party, other than that they thought it would benefit them should the Liberals win the election.

Cue faux laughter on the Government benches. They know that they allowed themselves to be bought and sold. They know that no matter what good work they do in the community or in this place, that stain of being bought by the gambling industry will live with you forever. You know it. There are people within your party who, I am absolutely certain, feel sickened by the way you bought yourself into government, through you, Madam Speaker, to Mr Shelton.

Madam Speaker, schedule 1 to this legislation details allocations to the Integrity Commission and to other statutory authorities. It is worth pointing out that the Integrity Commission has a recurrent budget of \$331 000. That is woefully inadequate for the work that it needs to do. The Integrity Commission, under the Integrity Commission Act of 2009, has a range of very strong powers. It also has the capacity to hold public hearings on matters of significant public interest where there may be a question of corruption or malfeasance. I believe that there is a question of corruption over this campaign. I understand that the Integrity Commission has had a referral made to it in relation to the donations to the Liberal Party during this campaign. I certainly hope that the Integrity Commission has the resources, the will and the recognition of what a problem this is to

undertake an investigation and to hold public hearings. That is grossly insufficient funding for such an important body.

**Ms White** - It is only for the first two months of the financial year.

**Ms O'CONNOR** - Oh yes, thanks for that. That is all right. I thought it was too small. Thank you, Ms White. This means that the Integrity Commission's funding is \$330 000 times six: \$1.8 million or around about that. Mr Gutwein, could you please tell the House what the Integrity Commission's full funding is when you respond?

The issue with the Integrity Commission is that when someone makes a referral about potential corruption and allowing an election to be bought by undisclosed sums of dark money, if the Integrity Commission decides to accept that referral then it initially is not a matter of public record. If the Integrity Commission has decided to investigate the \$5 million to \$10 million in dark money that came into the Liberal Party in cash and in-kind donations. We will not know about it for some time and potentially we will not find out about the Integrity Commission's investigation until after they have completed it. In a matter of some significant public interest it is one of those issues where public hearings would help to bring the disinfectant of sunlight to the election campaign, but also to the broader issue of a donations framework that enables legal but corrupted democratic processes. That is what we have here.

We have not had any meaningful engagement from the Premier on the question of donations disclosure since the election. He mentioned it very briefly in his Address-in-Reply but I am not 100 per cent sure on that. This House now has an excellent opportunity to make sure that the next election is a contest of ideas and a free and fair election that is not tainted by undisclosed sums of dark money, some of which potentially coming from overseas. We know that the Liberal Party accepted \$30 000 from the Yuhu Group of companies despite ASIO's warning and despite the CEO of Yuhu, Huang Xiangmo, being the subject of an ASIO warning about close connections to the Chinese Communist Party.

There is also here the two months allocation for the Office of the Ombudsman. Every member of the Greens who has been in this place knows that the Ombudsman plays a critical role for a whole range of reasons, but one of the vital roles of the Ombudsman is to ensure a measure of transparency and accountability in the public interest about the operation of government agencies. Any time we have a Right to Information request it is either denied or redacted to the point that it provides no useful information, and the agency then does not argue the public interest in any meaningful way. When you ask for a review if it has not been done by a delegate of the minister, which denies your capacity to have an internal review, and send it off to the Ombudsman's office it is literally a Rip Van Winkle scenario. That is something that this Government has counted on for the past four years.

We have appeals lodged with the Ombudsman that date back to 2014. That is because the Office of the Ombudsman is grossly underfunded. If we all want to hold our heads up and be proud as members of the Forty-ninth Parliament, and that includes the Government, we should take this opportunity in this parliament to ensure that at the end of it we have the most robust democracy, transparency about how public funds are spent, transparency about the funding of policies and services, and we have a parliament where ministers stand up and are open about the challenges in their portfolio and do not try, as Mr Jaensch has done over the past few days, to waffle on in a bureaucratic way but not get down to answering the question. If we want all of those things we can have them. We can make this parliament work in that way, but it requires will from all three sides of politics. We certainly have it in the Greens.

I note that the tone of the Liberals in government in this Forty-ninth Parliament is very different from what it was when we came here in 2014 and we had to endure your smug, arrogant, self-important disregard for parliament, disregard for the Westminster system, bullying of the Greens, and so self-important a number of you would never find money on the ground because your heads were too far in the air. The issue here is that it is different now, isn't it? You have had to learn a bit of humility and it is sweet.

I remember saying to the minister, Mr Ferguson, the member for Bass, in 2014 when he was in his very self-important way was having a crack at us and saying, 'You're not a party, you're nothing, you don't exist anymore'. I said to him, 'Minister, it's an old adage, be careful how you treat people on your way up the ladder because there is no doubt at all that you meet them again on the way down'.

This last week-and-a-half of parliament has been really satisfying to see some humility and some measure of accepting the truth from the Liberals on the government benches. The challenge to you now is to make this four years work and to be able to at least rub off some of the stain that sticks to you because you allowed dirty money to buy government for you. Make the most of this opportunity, because we are on this planet for the blink of an eye, and when we are old and crusty, if we are old enough to get there, wouldn't it be great to look back at our time in this parliament and say, 'Yes, I had a go and I did it for the right reasons. I was honest and true and worked hard for the values that my parents gave me, that my electors elected me for'?

You have an opportunity now for the next nearly four years to be a different kind of government than what you were for the past four years and that will require humility and an ability to accept when you have it wrong and take responsibility for getting it wrong. It will require openness and honesty, openness to other ideas, honesty about where you could do better, and it will require respect for the institution of parliament and Westminster principles and respect for every member of this place, because in this place, with the exception of yourself, Madam Speaker, we are all equal.

[6.32 p.m.]

**Mr GUTWEIN** (Bass - Treasurer) - Madam Speaker, I thank members for their contributions. As to the Integrity Commission, the allocation for the previous year was \$2.46 million and in the bill before us this ensures they can meet their requirements for the months of July and August or until royal assent is provided. That was the only question asked about funding arrangements, so I thank members for their support. The consolidated fund supply bill will enable this House and other small agencies to have the funding they require for the first two months of the next financial year, should that be required.

**Bill read the second time.**

**Bill read the third time.**

## **ADJOURNMENT**

### **Child Protection - Total Support Services**

[6.34. p.m.]

**Mr JAENSCH** (Braddon - Minister for Human Services) - Madam Speaker, the Leader of the Opposition asked a number of questions earlier today and I said I would report to the House after



seeking some further advice. I can now report that on the question about breakdown of placements with Total Support Services. I am advised that there has been none.

The Leader of the Opposition asked a secondary question about contracting TSS and I am advised the following: Total Support Services is one of a number of providers that is used to provide a range of different services to children in need. Due diligence processes are undertaken with all providers of out-of-home care services. Contracts are awarded in accordance with departmental protocols and relevant Treasury instructions.

Further, in addition to my answer relating to the amount paid to TSS, I am advised \$743 918 has been paid since January 2017. In line with privacy obligations I will not discuss payments relating to individual children.

**The House adjourned at 6.35 p.m.**