

Tuesday 19 June 2018

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

QUESTIONS

ABC - Liberal Party Call to Privatisise Service

Ms WHITE question to PREMIER. Mr HODGMAN

[10.02 a.m.]

At the weekend you were in the room when your party voted to sell the ABC. The ABC in Tasmania has been gutted with local content disappearing and jobs being slashed. Do you support this privatisation? If not, as Leader of the Tasmanian delegation at this Liberal Party conference why did you not stand up to your party colleagues, including Senator Eric Abetz who clapped, and intervene to stop this vote?

ANSWER

Madam Speaker, I thank the member for her question. No, I was not in the room when this vote was taken. If I was I would have voted in support of the mighty ABC, as indeed the Prime Minister and senior ministers have indicated their very strong support for the national broadcaster. So would I if I was there. It is not accurate for the Leader of the Opposition to once again shoot off without knowing the facts as did the Leader of the Greens who also tweeted that I was in the room. I hope that all media outlets broadcast the facts, but I warn all media outlets, do not listen to the Leader of the Opposition or the Leader of the Greens if you want any facts.

GST - Method of Distribution

Ms WHITE question to TREASURER, Mr GUTWEIN

[10.03 a.m.]

On Budget day you said you were satisfied with the GST guarantee that Scott Morrison gave you, and that Malcolm Turnbull gave the Premier, when they staged a media opportunity at the Bridgewater Bridge. On that basis you proceeded to unveil the highest risk budget in Tasmania's history. Given you have staked the future of the public services Tasmanians need on that guarantee will you resign if the GST distribution methodology is changed to disadvantage Tasmania?

Members interjecting.

Ms WHITE - You want to laugh. It is very serious. Treasurer, will you resign if the GST distribution methodology is changed to disadvantage Tasmania?

ANSWER

Madam Speaker, I thank the member for her question. Rhetorically I should ask, will you resign today if you do not do an alternative budget? Are you going to provide an alternative budget? That is what Tasmanians want to know. Mr O'Byrne, we know you would have done one. We know you would be capable and you could do an alternative budget.

On Thursday I unveiled a fantastic Budget for Tasmania. It will build Tasmania's future, although you do not like us building things, but we will build Tasmania's future and it will take Tasmania to the next level. I am very confident regarding our revenues that it will be business as usual. I have said that clearly. On Thursday the Prime Minister said we would be very happy with the outcome. I am happy to take him on his word on that. Not one dollar, not one cent less is the commitment that the Prime Minister has made.

As the Budget was raised it provides me with the opportunity to talk about just how good a Budget this is: a Budget that is going to provide record investment into infrastructure; a Budget that will drive jobs.

Ms O'Byrne - If you get done over will you resign?

Mr GUTWEIN - It is like a broken record on that side.

Once we have had a chance to look at the alternative budget today, once we have an understanding of what the Labor Party stands for -

Ms O'Byrne - You do not have an understanding about what is happening with the methodology, for goodness sake.

Mr GUTWEIN - Unfortunately we will probably be disappointed, as will most Tasmanians, that once again they squibbed it. They have run to the election with a grab bag of policies, including a health policy that defies the laws of economics. Over the three years the less money you spend the more staff and services you can provide. That is what they would have us believe on that side of the House. There are some real questions of real interest that Tasmanians want to understand from today from the Leader of the Opposition's Budget Reply speech.

In terms of our Budget, yet again record spending on infrastructure, record spending into health and into education. It is a Budget that will build Tasmania's future and it will take Tasmania to the next level.

Budget 2018-19 - Community Reaction

Mr SHELTON question to PREMIER, Mr HODGMAN

[10.07 a.m.]

Could the Premier please outline for the House how the Hodgman majority Liberal Government's 2018-19 Budget has been received by the Tasmanian community and how it is underpinning the best performing economy in the country?

Ms O'Connor - Tell us what TasCOSS said?

Ms White - Tell us what the health professionals said.

Mr Ferguson - They don't want medi-hotels.

ANSWER

Madam Speaker, I thank the member for the question and the opportunity -

Ms White - What did the AMF say?

Madam SPEAKER - Premier, with your indulgence. I have been very patient at the start of the day. I know everyone is excited to discuss this question time. I ask everyone to observe the standing orders on decorum, please.

Mr HODGMAN - Madam Speaker, I am very excited to talk about the fifth Budget of the majority Liberal Government, which continues our very strong plan to ensure that our economy stays one of the strongest in the country, if not the strongest, to ensure that we continue the strong financial management, which is a real change from what we inherited. We now have our Budget delivering ongoing surpluses. We accept that whilst there is much more to be done Tasmania is now much stronger, more confident and outward looking place than when we came into Government a few years ago.

Our plan and this Budget is about taking our state to the next level. It has, at its core, a commitment to ensure that our finances remain in very good shape. This is the one political party and the one government in recent memory that takes strong financial management seriously. Our record delivers on surpluses and the best performance financially in a decade. We will continue that, notwithstanding the reckless attitude of members opposite. We will do all we can to ensure that Tasmanian businesses remain the most confident in the country and celebrate the fact that there are now 13 400 more Tasmanians employed than when we came into government four short years ago.

A strong budget and an economy that continues to power ahead is the foundation for this Budget to support record investments into our schools, into infrastructure like hospitals, and building affordable housing. This is the infrastructure that this Budget invests in to build our communities and to build our state. The Budget and forward Estimates has allocated more than \$475 million for health infrastructure, to complete the redevelopment this Government started of the Royal Hobart Hospital, to redevelop the Launceston General Hospital and to open new facilities at the North West Regional Hospital and the Mersey. There is record investment in our schools. We are building new schools and making significant upgrades at a number of schools around the state as well as TasTAFE. The Budget includes \$205 million for human services and housing, \$125 million extra over the next five year to deliver stage 2 of our affordable housing strategy which, along with stage 1, will deliver 2400 new affordable homes.

The Budget supports vulnerable people in our community, such as children and those with a disability. We will continue our efforts to eliminate family violence, address past wrongs and meet our obligations under the national redress scheme for victims of institutional child sex abuse.

We are investing more to keep our communities safer by building new police stations and ambulance facilities and upgrading courts and prison facilities.

Spending on infrastructure in the 2018-19 Budget is about building a stronger and more resilient Tasmania.

We are investing to improve our roads, bridges and rail and to deliver a better, safer and more efficient transport network.

This Budget comes with the strong support of more sensible commentators than those who sit opposite us.

I will share with the House some of the very positive comments that have been made by key stakeholders. The Launceston Chamber of Commerce said, 'The business community has confidence when the Government has its House in order'. The Burnie Chamber said, 'I think it is the best Budget I have seen for many years'. *The Examiner* said, 'Northern Tasmania should be happy with the level investment and the opportunities it will create'. *The Advocate* said, 'From an overall perspective, 2018 has delivered for the north west'. The *Mercury*, 'The figures unveiled yesterday reveal a state economy that is now one of the fastest growing in the country. It is also true the Government has a proven track record of strong financial management'. Tourism Industry Council CEO, Luke Martin said, 'Unprecedented and historic #tasbudget2018 and tastourism'.

Members interjecting.

Mr HODGMAN - You bag Mr Martin but he speaks for the industry you are supposed to represent for the Labor Party.

Neighbourhood Houses Tasmania was ecstatic about the Budget announcements that included adding a 34th state-funded neighbourhood house to the network and welcomed Phoenix Community House on King Island. Shelter Tasmania said it 'Welcomes the state Budget's recognition of the housing crisis in Tasmania by bringing forward \$25 million and the recommitment of funds for Tasmania's Affordable3 Housing Strategy Stage II'.

The Leader of the Greens is interested to know what the Tasmanian Council of Social Services. They said -

We applaud the Government's investment in cost of living measures, child protection and family violence. These investments demonstrate the Government cares about Tasmanians living on low incomes and struggling through difficult times.

We are excited about this Budget. There is interest in what the Leader of the Opposition will offer and how much they will depart from election commitments and previous policy positions. Can they explain what they would do if ever, heaven forbid, they were given an opportunity to govern?

Tasmania is in a much better place than when we came into government. There is much more to do and that is what the 2018-19 Budget is all about. It is about taking our state to the next level.

Treasury Building - Proposed Sale

Ms O'CONNOR question to PREMIER, Mr HODGMAN

[10.14 a.m.]

Here is a policy you did not take to the election. When you were first elected, you said your Government would not be privatising public assets. You keep telling Tasmanians everything is rosy, budget-wise. Your Treasurer crows about a surplus that does not exist in reality. Why is the Government committed to flogging off one of Tasmania's most significant heritage treasures, the Treasury building, in Hobart? Was it just a grab for cash? Last November the Treasurer all but ruled it out, meaning Tasmanian voters, the owners of this heritage treasure, went to an election

without knowing that the plan was to sell the Treasury building. Premier, do you agree your Government has no mandate to sell the Treasury building?

ANSWER

Madam Speaker, the Treasury building and precinct is a magnificent site, with extraordinary heritage and history. However, it is not suited to modern and efficient office accommodation. We believe that beautiful buildings such as this can add to the strong growth in our visitor economy, much of which is supported by a great interest in heritage assets. This is an opportunity to provide accommodation in a precinct that will not only enhance the characteristics of the area but also allow us to promote our state as a progressive, attractive -

Ms O'CONNOR - Point of order, Madam Speaker, relevance. I asked the Premier whether he agreed that there is no mandate to sell the Treasury building.

Madam SPEAKER - Premier, please resume. I assume you will get to the point.

Mr HODGMAN - Thank you, Madam Speaker. We have a mandate to continue the strong growth in Tasmania's visitor economy, to make decisions that support that growth. It supports more investment, more jobs and more prosperity which allows us to make the record investments we now are into schools, hospitals and in supporting the most vulnerable. This is what our party stands for, as opposed to the fiscal wreckers and vandals of those members opposite, and the Labor-Greens government they used to represent.

Strong finances in a strong economy are essential.

Ms O'CONNOR - Point of order, Madam Speaker. The Premier has digressed from the subject matter, which is the sale of the Treasury building for which his Government has no mandate.

Madam SPEAKER - You all know the strange rules that apply in this place. We have a lot of latitude for questions and answers. Unfortunately I do not know what is in the Premier's head so I do not know what he is going to say next.

Mr HODGMAN - Thank you, Madam Speaker. We will take decisions that are in the best interest of the state. We will stand firm and defend them. That is what I was doing. The members opposite will have different positions on this issue. The Labor Party has suggested that we look at alternative options for the use of the Treasury building and we should have an open process. When we considered doing this, Labor accused us of selling our heritage. When we decided not to proceed with the sale they attacked us for retaining the site.

It was classic Labor. Scott Bacon said, 'Let us put everything on the table and have a discussion about whether there is another use for the Treasury building that would allow more people to enjoy it while maintaining its heritage value and integrity'. That is what we are now proposing and the serial complainer, the member for Denison, whinges about it. It is a classic example of an Opposition under a leader who stands for nothing and is willing to change policy positions when it suits. That is why people voted for you to serve another term in Opposition.

We are going to see today that they do not stand for an alternative budget, they do not stand for -

Ms O'CONNOR - Point of order, Madam Speaker, continued irrelevance and tedious repetition. The Premier has significantly digressed from the subject matter.

Madam SPEAKER - Premier, you have one minute, so please wind up.

Mr HODGMAN - The Labor-Greens coalition has displayed its hypocrisy not only with this issue, but also with the sale of significant properties during their term of government. We will not be lectured to by the Labor-Greens opposition after they flogged off 1 Franklin Wharf; 7-9 Franklin Wharf; Highfield House; 9 Barrack St, Deloraine; the cottages in Wellington St, Launceston; and 32 Church St in North Hobart. I am happy to table the list. They also sold off Tasmanian business assets, including the Hobart International Airport, Printing Authority, Southern Regional Cemetery Trust and the TAFE. This is just an example of properties and businesses that have been sold off by a Labor Party that is entirely hypocritical, alongside their colleagues, the Greens. They stand for nothing. It is an important test. I know you do not take it seriously, but if you were to be considered for once as a serious alternative government, then surely you would release an alternative budget.

Budget 2018-19 - State Net Debt

Mr BACON question to PREMIER, Mr HODGMAN

[10.20 a.m.]

In a speech to CEDA in December last year, you said:

I can confirm today that for the first time ever, total state sector - that is the general government sector, including our state-owned companies and GBEs - is net debt-free.

Given that you proudly trumpeted this just six months ago, can you explain why the total state sector will be in net debt of more than \$1 billion within four years?

ANSWER

Madam Speaker, I was very pleased to confirm at that event, as I was on the weekend, that Tasmania's economy is one of the strongest in the country and our budget position is one of the best in the nation as well. It is a fact that we are the only jurisdiction, as economist Saul Eslake has pointed out, that is net debt-free. That is an indication of good financial management alongside the important indicator that is operating surpluses, which we will deliver again; something members opposite were not able to do. In fact, when we came into government we inherited \$1 billion in cumulative deficits, net debt approaching \$400 million, a recession, and an unemployment rate, now 6.3 per cent, which under members opposite became as high as 8.6 per cent. That was when the shadow treasurer declared it to be a bit of a disappointment. There are now 13 400 more Tasmanians employed. I think there has been a fair turnaround in Tasmania's economic fortunes and our budget performance.

This budget includes significant investments into job-creating infrastructure and an investment program that will create many thousands of jobs, but it will also provide greater facilities for our state and allow us to invest in additional assets to our state. The new *Spirits* that will be coming online, as the Treasurer has mentioned, will continue to support Tasmania's economic growth

capacity and more tourist numbers coming into our state, which will continue the growth in Tasmania's economy. I am quite happy to defend our track record when it comes to finances against that which was left to us by the Labor Party - debt, deficit and recession.

For the chippiest of members opposite, who you would have thought after four years might have himself gained a little bit of humility but has been keen to come back in here and tell us how much he did when in government, I remind members and the Tasmanian community that it was under the then finance minister and the then economic development minister that 10 000 jobs were lost in our state, we had negative growth in our economy and slipped back into recession, and business confidence was at its lowest levels. You left us \$1 billion in deficit, so do not talk to us about debt.

Treasury Building - Proposed Sale

Ms O'CONNOR question to TREASURER, Mr GUTWEIN

[10.23 a.m.]

Last November you issued a heritage report and media statement on Hobart's iconic Treasury building and sought to convince Tasmanians that your Government would not be selling it off. Now, three months after the election, it is apparently a done deal. What gives you and your colleagues the right, off the back of some deception, to sell a heritage treasure that belongs to the people of Tasmania? Do you agree that as the owners they should have been asked whether there was another public use for their public asset?

ANSWER

Madam Speaker, I thank the member for Denison, Ms O'Connor, for her question. Let us be clear: governments sell buildings and land all the time. In fact, even the Labor-Greens government sold buildings and land all the time. This is an opportunity for these beautiful buildings to provide a fantastic opportunity for new development, for new life, in that precinct and importantly, to ensure public access to areas of that building that are not currently seen. The site -

Ms O'Connor - What a load of garbage. It'll be for rich people. You lie.

Mr GUTWEIN - You should withdraw that.

Ms O'Connor - Do you think it's not a lie?

Mr GUTWEIN - That is unparliamentary. You should withdraw that.

Ms O'Connor - I withdraw it, but I'm glad it's on the *Hansard*.

Mr GUTWEIN - Madam Speaker, the Greens are all over the shop on this. At the weekend, I watched and listened and was incredulous when I saw some of the comments made about the investments we were making in this Budget. We have record spending on infrastructure, investment in roads and bridges, and also investments in hospitals and schools.

Ms O'CONNOR - Point of order, Madam Speaker, on relevance. This is about the Treasury building. The question was whether the owners of this asset, the people of Tasmania, have been asked if there was another public use for the public asset.

Madam SPEAKER - I have to rule against that because I am not certain where the minister is going with his answer.

Mr GUTWEIN - Madam Speaker, the point I was making is that we saw these inane comments from the Leader of the Greens on the weekend. We know they have taken a position against most things that Tasmanians enjoy. They do not like football; they do not like roads. I was appalled by the comments that were made on the weekend about a 'blokey' budget. My wife drives on those roads. Half the population drive on those roads, or use our health services, or go to our schools. Yet you took the view that you know better than anyone else. Roads and schools, roads used by the population -

Ms O'Connor - Point of order, Madam Speaker. The Treasurer has now completely digressed from the subject matter, which is the Treasury building.

Madam SPEAKER - I have waited for the Treasurer to explain what is in his mind.

Mr GUTWEIN - Madam Speaker, the point I was making is that we have heard some inane comments over time but what was said on the weekend was ridiculous. It completely took the view that 50 per cent of the population do not drive on our roads, over our bridges, do not use our hospitals, do not need affordable housing. That was the position the Leader of the Greens took.

Ms O'Connor - Could you explain yourself to Tasmanians about the Treasury building?

Madam SPEAKER - I ask the Leader of the Greens to calm down.

Mr GUTWEIN - Madam Speaker, regarding the Treasury building, we will go out to an EOI later this coming financial year. That EOI will be framed in such a way to ensure that Tasmanians get the opportunity to see parts of that building they do not get to see at the moment, so they get to share in the magnificent heritage that exists within that building, which is past its use-by date as contemporary office space for public servants. It will be given the opportunity for new life to be breathed in it, for new opportunities. At the same time -

Ms O'Connor - You are a cabinet of thieves.

Mr FERGUSON - Point of order, Madam Speaker. I do not want to repeat that offensive remark but it was highly unparliamentary. I ask you to instruct the member to withdraw.

Ms O'Connor - I withdraw my statement that this is a cabinet of thieves.

Mr FERGUSON - On the point of order, that is highly offensive. The member has in fact repeated the offensive remark. It should not be done. It is disorderly to defy your request in the manner that the member just did. Madam Speaker, I ask you to again ask the member to withdraw without qualification or repeating the offensive words.

Madam SPEAKER - Unfortunately I missed the offensive comments. I ask Ms O'Connor to retract them once more - formally and without qualification.

Ms O'CONNOR - On the point of order, Madam Speaker, I completely followed your instructions to withdraw the statement that they are a cabinet of thieves, but I withdraw it again now.

Members interjecting.

Madam SPEAKER - Order. We do have a little bit of latitude at this time of the day. You are testing my patience extraordinarily so I ask everyone to remember that they are professional parliamentarians and let us get on with the business of the House.

Mr GUTWEIN - The point I was making is that this is an opportunity to conserve, protect and re-imagine the uses of this special heritage precinct. It is an opportunity that should be grasped with both hands. I know that even the National Trust agrees. The National Trust is saying that adaptive re-use would keep Tasmania's heritage alive and well. That is exactly what we intend to do on this side of the House, but at the same time ensure that we breathe new life into this fantastic asset and give it a new purpose.

Budget 2018-19 - Motor Accidents Insurance Board Dividend

Mr BACON question to TREASURER, Mr GUTWEIN

[10.30 a.m.]

MAIB Chairman, Don Challen, told Estimates last year that MAIB had an agreement with the Government to return to a 50 per cent dividend policy. You went to the election dishonestly claiming you could rip a 90 per cent dividend out of the MAIB anyway. Given this is not contained within the 2018-19 state Budget can we now add Don Challen to the list of people who have defeated and embarrassed you over the last four years?

ANSWER

Madam Speaker, I thank the member for his question. What surprises me is that the failed former finance minister obviously has not read the Budget. Across the board our revenues are going beautifully. Our Government businesses are benefiting from the strong economy. Our revenues are strong, we are managing our expenditure, and we are providing surpluses across the forward Estimates at around 2 per cent to 3 per cent of revenue so that we have an insurance policy against adversity. That is what has gone on with this Budget.

Today the shadow treasurer has an opportunity to put up or shut up. He can release an alternative budget and he can explain what he would do. There is our Budget. That explains what this side of the House would do. This Budget demonstrates that we are in surplus right across the forward Estimates. It demonstrates that those strong surpluses will stand Tasmania in good stead against adversity. It continues to keep us out of net debt and it delivers a record spend in infrastructure, health, education and affordable housing.

Later today, the Leader of the Opposition and the shadow treasurer have an opportunity to explain what they would do; how they would manage the state's finances. We took that opportunity every year that I was shadow treasurer leading into the 2014 election. They have the opportunity to explain what they stand for and how they would pay for it.

I make the same point that I made last week: complaining is not a policy; whingeing is not a platform. Later today, they have their opportunity to explain to Tasmanians what they stand for. The question is whether they will take that opportunity.

Budget 2018-19 - Community Reaction

Mr BROOKS question to TREASURER, Mr GUTWEIN

[10.34 a.m.]

Can the Treasurer provide an update on how the Hodgman majority Liberal Government's 2018-19 Budget has been received by the community? Is the Treasurer aware of any alternatives for Tasmania's future?

ANSWER

Madam Speaker, I thank the member, Mr Brooks, for his question. On the other side we are seeing flipping this way, flopping that way. They do not know where they are today. As we understand it, the fact is that they will not be releasing an alternative budget and that will demonstrate to the Tasmanian people that they do not stand for anything.

The Budget sets out how this Government will deliver all its commitments to build Tasmania's future. We are making record investments into essential services and infrastructure, taking action on the cost of living, protecting our way of life, keeping our community safe, and delivering a stronger economy and more jobs.

On the fly last Thursday I almost changed the Budget speech because we had new job numbers out that there were 13 400 jobs - almost 2000 more - than were in the Budget speech. Those jobs are providing Tasmanians with an opportunity that was not evident under that side. Tasmanians were leaving the state in droves when they were in government. More than 10 000 jobs had been lost and the economy was in recession.

From the feedback we have received Tasmanians can see that the future is bright and there is opportunity in Tasmania. We are getting on with the job. Those opposite have been happy to quote Saul Eslake in recent weeks but let me remind the House what Mr Eslake said on Budget Day. He said:

... budget delivers on all of the Hodgman Government's election commitments.
It provides what should serve as a further boost to business confidence.

The *Mercury* in its Editorial noted that the Budget revealed Tasmania to be one of the fastest growing economies in the country and that the Hodgman Liberal Government has a proven track record of strong financial management.

Commentary such as this only confirms the positive feedback that I received last Friday as I presented the key outcomes to stakeholders at sessions in Hobart, Launceston and Burnie.

Those opposite will never be happy no matter what we do. To admit how good things are today would make it clear what a failure, what a contrast, there is between a strong majority Liberal Government and Labor and the Greens in the last term. Today it is time for the shadow treasurer to either put up or shut up: put forward an alternative budget or stop whingeing. It is complete hypocrisy for the Leader of the Opposition and the shadow treasurer to continue to carp and complain without putting forward an alternative budget. Those opposite do not seem to be able to make up their mind: one day they are calling for more spending and the next they are suggesting that the Budget is not strong enough. You cannot have it both ways. They need to release an alternative budget to explain what they would do and how they would manage the state's finances.

Last year they promised an alternative budget. Then what did they do? They brought down an alternative budget for the 2017-18 year, accepting everything that we had done. It is up to the failed former finance minister to bring down an alternative budget. The Greens with only two members - and I might be taking a leap of faith - but I expect they will bring down an alternative budget. Kooky as they are and taking policy positions that we do not agree with, they will bring down an alternative budget.

Ms O'Connor - We do not want you praising us, thanks.

Mr GUTWEIN - I actually say something nice about them -

Dr Woodruff - No, we do not need it.

Mr GUTWEIN - They will bring down an alternative budget. They will explain to Tasmanians what they stand for and, importantly, how they would pay for things. That is exactly what the Opposition should do. There are only two real reasons that they will not bring down an alternative budget: either it is because they are lazy, or because they are incompetent, or a combination of both. Their alternative budget would explain how they got it so wrong regarding their election commitments. How can you have a health policy that spends less over the period of the forward Estimates, yet you claim will employ more people? It is just extraordinary. I suspect Ms White is quietly trying to dump some of her policies. The opportunity for Ms White today is to explain what she would do if she were managing the state's finances, to explain what policies they still stand for and, importantly, how they would pay for them.

In the absence of that, all we will get is more whingeing and complaining. I make the point again that whingeing is not a policy and complaining is not a platform. This is their opportunity to put up or shut up, to explain Tasmanians what they would do, how they would manage the state's finances, what policies they stand for, and how they would pay for them.

Reproductive Services for Women

Ms WHITE question to MINISTER for HEALTH, Mr FERGUSON

[10.40 a.m.]

Last Wednesday in this parliament you committed to consult on how to adequately resource statewide terminations of pregnancy in a public/private system. Last Thursday you were unable to say who would be consulted, how they would be consulted, and how interested stakeholders could make a submission for consultation. Given you have committed to report to this House on this very

important issue by 3 July, in 14 days time, can you outline today which groups will be consulted, when they will be consulted, and how they are able to make submissions?

ANSWER

Madam Speaker, I thank the member for her question. I answered this question last week but I am happy to do so again now. In noting that the motion is well and truly on the record of the House, particularly the Government amendment which was agreed to by this House, the groups have been listed. As I also made clear in my answer last Thursday, the motion specifically calls for advice from the department and I indicated then that it would be a piece of work from the department which will be provided to me and I would bring the advice back to the House.

Implicit in my answer, which I repeat now, is that it is a matter for the secretary to determine exactly what other stakeholders advice would be sought from. I invite the member to not politick around senior public servants who are there to do their job without trying to cast a black cloud over their ability to comply. The Government's commitment is very clear and is on the record. Both the question and my answer today have already been asked and answered last week.

National Housing and Homelessness Agreement

Mr SHELTON question to MINISTER for HOUSING, Mr JAENSCH

[10.42 a.m.]

Can the minister please update the House on the progress of the new National Housing and Homelessness Agreement between the Hodgman majority Liberal Government and the Turnbull Government?

ANSWER

Madam Speaker, I thank the member for his question. I thank the Treasurer for bringing down the best budget ever for Tasmania which has allowed us, as a government, to bring forward investment of \$125 million towards the provision of housing to suit the needs of Tasmania's vulnerable people who need a housing solution. The reduction of homelessness and housing stress in Tasmania remains a shared responsibility between the state and federal governments and it is priority for our Government.

Today I am pleased to confirm to the House that Tasmania has signed the National Housing and Homelessness Agreement which comes into effect on 1 July. The agreement takes the form of a multilateral national housing and homelessness agreement signed by all states and territories and a bilateral agreement between the Tasmanian and Australian governments. The agreement combines the expiring National Affordable Housing Agreement and the National Partnership Agreement on Homelessness.

The Hodgman Liberal Government has worked constructively with the Turnbull Government to secure ongoing funding to continue important social housing and homelessness services. The Australian Government has committed certainty of over \$164 million over five years to assist the Tasmanian Government's commitment to increase the supply of new homes and improve outcomes for all Tasmanians across the housing spectrum, particularly those most in need.

Together with the Hodgman Liberal Government's investment of \$125 million and \$20 million from the last year of the Affordable Housing Action Plan stage 1, this brings the total investment over five years to well over \$300 million to increase the supply of new homes and improvement outcomes for all Tasmanians across the housing spectrum over the next five years. That is over \$60 million a year for the next five years.

The funding for the NHHA will contribute to maintenance of 1050 publicly owned houses per year, construction of new houses every year, and provision of private rental assistance for 1500 households per year. It will also ensure funding for frontline homelessness services is preserved and that funding will continue to prioritise support for people affected by domestic violence and vulnerable young Australians. As part of normal operations, this will contribute to support provided through 175 units of our crisis and transitional response, support provided through 236 of the supported accommodation facilities, our private rental incentive scheme and our rapid rehousing program.

As a state we have committed nearly \$200 million in funding over eight years, which is the largest-ever investment into affordable housing in the state's history. As at 31 March 2018 this investment had already delivered 243 households into home ownership; the supply of 65 affordable land lots; assistance for 101 families to escape family violence; \$500 000 to top up emergency assistance in the south; increasing the capacity of the Hobart women's shelter; a youth at-risk response centre in Moonah; a private rental incentive scheme which will support 110 low-income families into long-term rental in the private market; and the rolling delivery of 78 new two-bedroom units by 30 June this year.

We have also commenced planning for consultation with the sector on the next affordable housing action plan, which will deliver even more homes for Tasmanians who need them. This will be funded through our \$125 million budget investment into the second action plan and acknowledging that \$25 million brought forward into the 2018-19 Budget. This is all possible because the Hodgman Liberal Government's 10-year Affordable Housing Strategy which was released in 2015 provides a solid evidence base to deliver additional investment into affordable housing to meet the increasing demand and provide additional supply.

Our Government and I are focused and working hard to provide Tasmanians with safe, affordable homes and planning for their future. We will continue to work with our federal colleagues to ensure we deliver solutions to our current housing shortage and assist the most vulnerable members of our community to ensure they have a roof over their heads. We can do that because we have a strong plan. We have developed a strategy. We are delivering it through action plans and the plans are working. We have a budget, we have delivered a surplus. We are in a position to invest \$200 million alongside the Commonwealth Government over the next five years.

Budget 2018-19 - Health Services

Ms WHITE question to MINISTER for HEALTH, Mr FERGUSON

[10.48 a.m.]

You promised Tasmanians you would deliver \$757 million in health funding at the March election. The Budget you released last week contains less than half of that; only \$370 million over the next four years. You effectively conned Tasmanians with a promise to fix the health crisis that will not be delivered this term. The day after the Budget was handed down, yet another respected

doctor resigned. Dr Robert Pegram, the director of medical services at the North West General Hospital for the past two years, quit his position. Is this not latest resignation a sign that the health crisis you created and now have refused to fix is not getting better but in fact getting worse?

ANSWER

Madam Speaker, Tasmanians cannot trust the Leader of the Opposition with a single thing she ever says. I will now go through, item by item, the questions and the elements that the Leader of the Opposition has raised. I will begin by thanking Dr Rob Pegram, who is one of the finest clinicians I have worked with, for re-establishing services that were decimated by Michelle O'Byrne under the Labor-Greens government, particularly on the north-west coast. Dr Pegram, I regretfully inform the House, is retiring after a long and distinguished career as a medical professional. Dr Rob Pegram stepped up as medical director after a period of that position being vacant for a very long time and I think he is singularly responsible, more than any other person in our health system, for replacing locums with permanently employed specialists on the north-west coast. The Leader of the Opposition should be showering Dr Rob Pegram with praise, not trying to ridicule him as a sign of her claim of a health crisis. Shame on the Leader of the Opposition for daring to bring his name into a debate. Doctors, nurses, allied health professionals and support staff on the north-west coast appreciate Dr Pegram's work. He has been fantastic. He has been committed. He exceeded the expectations of someone occupying his position.

The Leader of the Opposition fails to recognise that this is a very good Budget for the health system in Tasmania. This Budget delivers precisely what was committed in the election.

Members interjecting.

Madam SPEAKER - Order. I have put up with this all morning. It is giving me a headache. Please remember what we are here for - the business of the House.

Mr FERGUSON - The Leader of the Opposition's question falsely asserts that the Government had not honoured commitments made during the election campaign. We have met the election commitment of a \$757 million six-year plan for our health system. When have you seen a government bring down a \$757 million six-year commitment to health and fully fund it?

The Leader of the Opposition is trying to mislead Tasmanians because she is aware that budgets are reported in four-year periods. Not only have we implemented all the commitments in the first four years, we have added \$20 million for elective surgery. The embarrassment for the Leader of the Opposition is that, just like this Government during the election campaign, the Leader of the Opposition, on behalf of her party, promised funding over six years. Unfortunately the Labor Party promised a lot less money for health over those six years. This was version one of the Labor Party's so called health policy. The Labor Party was embarrassed. Despite their attempt to 'mediscare' Tasmanians into voting for Labor, this Government has a health plan with more money to employ 1300 -

Ms O'Byrne - Pop down to the ED today and see how it is going.

Mr FERGUSON - I can see the discomfort from the former failed health minister: the former failed health minister who sacked a nurse a day for nine months. She says she did not, she says it is a lie. It is a fact. It is part of Labor's shameful record.

We have a real plan that is really funded. We have put in extra money. Tasmanians cannot believe what the Leader of the Opposition says on health. They cannot believe the Deputy Leader of the Opposition, who shut wards, sacked nurses and told people who were waiting for care that it was too bad because they could not manage their budget. I encourage the Leader of the Opposition to welcome what is a very good Budget for the health system in Tasmania.

Royal Hobart Hospital - K Block

Ms WHITE question to MINISTER for HEALTH, Mr FERGUSON

[10.54 a.m.]

The reaction by peak health groups to the lack of funding for health in last week's Budget and the way it will be spent, especially in relation to the Royal Hobart Hospital, has been scathing. On WIN News on Saturday you claimed in a statement that you have the support of psychiatrists and clinicians to proceed with the planned move to K block at the hospital. The same news bulletin has statements from the Medical Staff Association chairman, Dr Frank Nicklason and Dr Milford McArthur, from the Royal Australian and New Zealand College of Psychiatrists, both warning against the move. Whose advice are you listening to, and who is telling the truth, you or the doctors at the front line?

ANSWER

Madam Speaker, I thank the Leader of the Opposition for her question. The Government started the redevelopment of K block at Royal Hobart Hospital. Under the Labor-Greens government the redevelopment was in a mess. Mental health is vitally important to the Government. The Budget confirms the Government's \$95 million plan to build better mental health services. That is four times larger than Labor's mental health commitment. It also confirms that the Royal Hobart Hospital redevelopment is on track for completion in the middle of next year.

Acute mental health facilities in K block were subject to significant consultation through the Royal Hobart Hospital Redevelopment Rescue Taskforce in 2014, which was supported by the then shadow health minister, Ms White. It included consultations with a range of mental health clinicians, the chief psychiatrist, mental health consumers and key stakeholders. If the Leader of the Opposition wants to play politics with mental health at the Royal, I want every-

Mr Bacon - So when you fail, we play politics? That is what happened.

Mr FERGUSON - It was also the plan of members opposite for mental health to be given a new home in K block. People deserve to know that if the Leader of the Opposition wants to play politics. An important difference between the plan we inherited and the plan we are close to completing is that there is now more outdoor space. It was one of the key criticisms of the previous plan. The previous plan had a very small amount of outdoor space, which is important to the therapeutic environment. Through the work of the task force we increased the outdoor space sixfold and added extra beds. I welcome all feedback and advice. The Government accepted all 13 of the recommendations in the task force's report, which was also endorsed, as far as I remember, by everyone over there. We funded those 13 recommendations without exception. It cost taxpayers more than \$70 million to do so. The Leader of the Opposition should stop playing politics with mental health.

Ms White - I am not playing politics with mental health.

Mr FERGUSON - It is playing. We will never stop listening. We are also funding 25 extra in-patient beds for mental health, because we have been listening. The Leader of the Opposition should support our plan even though it is four times larger than her campaign commitment.

Budget 2018-19 - Infrastructure Investment

Mr BROOKS question to MINISTER for INFRASTRUCTURE, Mr ROCKLIFF

[10.59 a.m.]

Can the minister please update the House on the Hodgman majority Liberal Government's strong plan to invest in the infrastructure that our state needs?

ANSWER

Madam Speaker, I thank the honourable member for Braddon for his question and his interest in this matter.

This Government's investment in new infrastructure over the past four years and now committed over the next four year in this recent Budget, is unprecedented. To put this into context, in June 2018, our \$2.6 billion investment is nearly double what it was under Labor and the Greens in 2013-14. While those opposite are disparaging about the record infrastructure investment, the reality is that it is \$2.6 billion of job creating investment that will help deliver better services in our schools and hospitals, better housing and greater business productivity through better and safer roads and bridges.

This means the investment in the Royal Hobart Hospital will continue. Sorell will get a new school that is desperately needed, the Southern Support School will be significantly upgraded, the Penguin District School will be rebuilt and so will Cosgrove High School. Brighton will get the high school they have long lobbied for and communities around the state will receive early learning hubs to provide essential education, health services and outreach to families.

This unprecedented investment in infrastructure includes housing with \$64.3 million to be delivered in the 2018-19 Budget, stages one and two of the affordable housing strategy and the housing program. We will be getting a new Bridgewater bridge and we are commencing that work. This is a major milestone, ignored and squandered under 16 years of Labor and the Greens, and now it will be delivered. Importantly, this type of investment and all infrastructure investment ensures central and better services and it supports business and investment confidence. It creates social and economic opportunity for all Tasmanians.

It is not without its challenges, though, because this investment, Tasmania's growing workforce -

Ms O'Byrne - Where is my two-lane Midland Highway? That is the one you are supposed to do. Two lanes each way. I can send you the photo of the billboard in case you missed it.

Madam SPEAKER - Order.

Mr ROCKLIFF - Madam Speaker, Tasmania's growing workforce will be challenged to meet what is an unprecedented demand for skilled labour in all areas, from scoping, planning and design, through to construction and maintenance. This is why Infrastructure Tasmania is developing a 30-year strategy for infrastructure in Tasmania. This is also why we will be publishing a 10-year pipeline of work to give industry the certainty they need so they can plan and they can deliver. Clearly, we have a plan.

In early July I will sit down with industry representatives to discuss the extra actions the government can take to help industry to meet this ambitious pipeline of works over the next 10 years.

We have a plan. Those opposite have nothing. They have given up. When it comes to alternative budgets, they have raised the white flag and have given up. If those opposite want to be taken seriously when it comes to scrutinising our budget, they need to deliver their own alternative budget. It is lazy of the Opposition and they cannot be trusted when it comes to the state's finances. They realise that they had \$1.1 billion of accumulated deficits so they are scared to produce an alternative budget. That is the problem - they are scared. I challenge those opposite to produce an alternative budget, stop being lazy and anything else you say about -

Members interjecting.

Mr ROCKLIFF - They cannot be trusted.

Time expired.

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

CONSOLIDATED FUND SUPPLY BILL (No. 2) 2018 (No. 10)

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

Bills agreed to by the Legislative Council without amendment.

MOTION

Estimates Committees

Message received from the Legislative Council:

The Legislative Council having appointed two Estimates Committees reflecting the distribution of Government minister's portfolio responsibilities requests that the House of Assembly give leave to all ministers to appear before and give evidence to the relevant Council Estimates Committee in relation to the budget Estimates and related documents.

Motion by **Mr Ferguson** agreed to -

That the message be taken into consideration forthwith.

Mr FERGUSON (Bass - Leader of Government Business - Motion) - I move -

That the message be agreed to.

Motion agreed to.

TERRORISM (RESTRICTIONS ON BAIL AND PAROLE) BILL 2018 (No. 20)

First Reading

Bill presented by **Ms Archer** and read the first time.

SITTING TIMES

Mr FERGUSON (Bass - Leader of Government Business - Motion) (by leave) - Madam Speaker, I move -

That for this day, tomorrow and Thursday, the House not stand adjourned at 6 o'clock and the House continue to sit past 6 o'clock.

The House has already agreed the first and second consolidated fund bills should be afforded 16 hours of debate during the second reading stage so we need to at least provide the opportunity for all members to do that, which extends beyond the ordinary sitting times of the House. I will be speaking with Mr O'Byrne and Ms O'Connor regarding how we are travelling on that but it is my hope and expectation we can manage our business in order to provide for a usual adjournment of the House on Thursday.

[11.10 a.m.]

Mr O'BYRNE (Franklin) - Madam Speaker, the Opposition supports the motion. We have had discussions and we support it. My understanding is that we are hopeful of an adjournment at approximately 8 o'clock this evening.

[11.11 a.m.]

Ms O'CONNOR (Denison - Leader of the Greens) - Madam Speaker, the House needs to understand why there has been such a departure from the practice of previous years when the Budget has taken precedence. We are now in a situation where debate on the Consolidated Fund Appropriation Bill (No. 1) is being suspended and we will debate the Taxation Related Legislation (Housing Affordability and Payroll Relief) Bill 2018. We have been told it is an urgent bill but there has been no explanation to the House why the debate on the actual budget bill is being disrupted and why this is urgent now.

Motion agreed to.

MATTER OF PUBLIC IMPORTANCE

Preventative Health

Ms STANDEN (Franklin - Motion) - Madam Speaker, I move -

That the House take note of the following matter: preventative health.

Hospitals statewide, and certainly the Royal Hobart Hospital, are bursting at their seams. In the last 24 hours we were aware of least two people who had been waiting in the Department of Emergency Medicine for more than 24 hours to be seen, let alone be admitted into the hospital. We are keen to understand exactly what the Government's plan is to relieve this pressure.

We have within the budget papers an initiative called the Healthy Tasmania plan, a five-year plan which I believe was announced last year. However, there is little detail about what it is and over what period. It appears once again in the budget papers so is this five-year period starting now or was it last year? Is the funding more or is it less? What is this initiative and what is it going to achieve?

This Government's goal is to be the healthiest state in 2020, just three years away. As a former health professional, I have stood by the sidelines, taking note of this lofty goal but unsure how this admirable goal will be achieved. A couple of years ago I attended an interesting forum by TasCOSS where the former public health director, Dr Roscoe Taylor, said that this state boasts the oldest, the sickest and poorest population. Our demographic figures are such that we have the oldest population, the sickest population by any measure of chronic health disease, and in particular the burden of cardiovascular disease, obesity, diabetes and so on is the worst in the nation. We also have the poorest population, with socioeconomic figures giving little hope that this population is able to pull itself up by its imaginary boot strings.

Just how are we tracking? This observation by the former public health director was made a couple of years ago. I think he probably gave up with lofty goals such as this that the Government refuses to resource. After all, this is a population with the highest per capita indigenous population and a shameful and persistent track record around health and mortality statistics, the burden of chronic disease in particular, 10 to 15 years less life expectancy for our Aboriginal and Torres Strait Islander families in this state and elsewhere.

TasCOSS in 2018 said that preventative health needs at least 5 per cent of the budget and next week as we examine the Budget we will be very interested to have a look at what proportion of the Budget for 2018-19 and forward Estimates is dedicated to preventative health. I suspect the current funding is a long, long way from that figure. The Cancer Council of Tasmania says they have had no increase in base funding since their original grant in 1995 and with nine people per day receiving a cancer diagnosis and one in three cancers preventable, that is a terrible track record of this Government failing to support the community sector to work with government to provide proper services within our community.

I started my career as a dietician working in the north-west of Tasmania in the mid-1990s where there was a huge burden of preventable lifestyle and chronic health conditions, some of which I have listed - obesity, hypertension, stroke, diabetes, cancers. I worked at that time with GPs, developing nutrition-related kits to provide in-practice servicing across the entire north-west region

because there was only one full-time effective dietician working across the whole area. Later I worked on a primary prevention program called Burnie Take Heart, supporting the community through innovative ideas around physical activity and promoting better healthy eating.

Initiatives like this are very important. A couple of years ago Launceston had a measure of only 27 per cent of its children having access to fresh fruit and vegetables. This Government ought to be funding and boosting support to initiatives like Eat Well Tasmania because they are so important in leading cross-sectoral initiatives in healthy eating, expanding community gardens and food security initiatives that were commenced under the Labor government.

At the TasCOSS briefing I went to a couple of days ago CEO Kym Goodes said that leaders do the right thing, not just do things right. This ought to be a legacy budget but the observation was made that this Budget will not be enough to turn the corner just yet. One of the biggest disappointments, Kym Goodes said, is the lack of investment in preventative health, both in terms of dollar and percentage terms. She showed a graph produced by Saul Eslake showing that compared to the national average, the level of investment in community services here is less than 30 per cent of the service provision ratio for the rest of the country. That is a woeful statistic - there is a big purple downward line on this graph amongst a sea of investment in roads, transport, infrastructure and buildings.

Given the uncertainty over GST revenue and seeing as there had been the lowest investment in community services in Tasmania, the important question raised within that forum was what assurance could the minister provide that the Government will not cut investment or change priorities if the GST revenue declines? This Government is on the slimmest of margins in terms of its fiscal outlook. This Government also has form; let us not forget that over successive budgets there have been cuts in public health. Mr Jaensch talked about the social enablers of health, the cost of living, physical education and so on, but it is nothing more than a golf clap.

Time expired.

[11.19 a.m.]

Mr FERGUSON (Bass - Minister for Health) - Mr Deputy Speaker, it is always an honour to be able to speak about our health initiatives so I welcome the contribution made in bringing on this matter of public importance. Health is vitally important for all Tasmanians. As Health minister, four years ago I came into a genuine crisis of a busted-up health system that had been neglected for many years: in fact, worse than neglected without the sorts of reforms that were needed to get to a genuine statewide health system that supports people's health needs regardless of where they live. I inherited a situation where people were getting different levels of support based on what town, city or suburb they lived in. We had to deal with that, and we also had to deal with the fact there is rising demand. We also had to deal with the fact that just as the AMA and the Medical Staff Association warned, slashing the health budget by \$500 million as the Labor-Greens government did in 2011, it is a 10-year repair job so we had that immediate issue as well.

We have been working through that. The Government and I have also been busy working with clinicians and senior health administrators to get the policy settings just right, as best we can and that is an ongoing job. A new mythology started to grow, particularly from the Opposition, who were saying to Tasmanians, 'Do not look over here, do not look at all this important work around white paper health reform and One Health System. Do not look over here where all the effort is being extended; let us instead change the subject and talk about preventative health.' That is what the Labor Party tried to do because they were very uncomfortable with their own history, of the

way that they had appallingly cut down the health system during their time in office. We had an immediacy of an issue to deal with: very long waiting lists and systemic problems in the health system.

The Government has been able to work on that as well as on preventative approaches because this is not a contest between one and the other. With two-thirds of Tasmanians carrying too much weight, higher than the national average addicted to tobacco, and with high rates of teenage and pregnant mums who are also smoking, you need to do both. We had real issues around preventative health that we had to own up to as a community; not the government, but as a whole state. That is where this document comes in. This document which I will table - far from the member for Franklin's comments that it was released last year and the member is wondering how far through it we are and how it is going to be implemented - this was released in the middle of 2016. This is our five-year plan and it should not be political. It should be unanimously supported because this brought together the expert opinion of clinicians and public health advocates. It brought together a plan. I table that, principally for the benefit of the member for Franklin who, in bringing this MPI, seems unaware of its existence and key features. Importantly, that document was accompanied by \$6.4 million of taxpayers' hard earned money to resource the key actions that come through it. That plan identifies 24 initiatives and we particularly wanted to tackle smoking, healthy eating and physical activity. We wanted to tackle community connections and building tighter support around the continuity of care, and also the screening and management of chronic conditions.

For the member for Franklin and the Labor Party, it demonstrates that they want to talk about health, but they have not taken the time to understand the progress and the work that has gone on in this area. I am pleased to say we have made progress in these areas and we all have to be willing to continue to learn. Over the longer term, we also have to be willing to look at how those initiatives can be enhanced or improved. I am all for that.

The Cancer Council was mentioned in the member's speech. I want to say that we have provided an extra \$367 000 in 2017-18, specifically for the Cancer Council, through the Quit Initiative, to increase the reach of smoke-free messages.

We have been working closely with my colleague, the Deputy Premier, in education. We brought in a \$2 million student health initiative so that schools can work with their local community to boost their students' health. We understand the importance of young people getting the healthiest possible start in life. I am sure Ms Standen would agree with me, as we all would agree, that the earlier we can get in with health promotion messages and early intervention and prevention initiatives, the better the health of our whole state will be. We are all for that. I am.

We have also seen some important work in progress on school canteen accreditation. This Government was the first government that made it a rule that all school canteens in our public schools will commence the journey to accreditation and make progress on it. We have made some real progress on smoking, and continuing to reduce our smoking rates is going to be a long-term piece of work. We have a strong plan around this to beat the national average but we have to continue to take Tasmanians with us on this journey. We cannot reduce the smoking rate by imposing a rule on Tasmanians; we have to invite them to see the benefits.

When I speak to people who smoke I do not always understand what it is like for them to be addicted to smoking. I do not smoke so I do not know how hard it is to quit. From those conversations they tell me just how hard it is to quit. Almost universally when I speak to smokers on the subject of tobacco and smoking, almost always the conversation ends with, 'I wish I didn't

smoke, but it is just very hard to quit.' We get that, we appreciate it and we will continue our efforts in this regard, particularly our initiatives around the retail space and additional point-of-sale information, which is now in the law. It is in the Public Health Act as an initiative of this Government.

Also 'budget' might have been mentioned in the member's contribution and I am very pleased for members who have not spotted it: I am very pleased to tell you that in the Budget the Treasurer brought down last Thursday there is an extra \$6 million for a community health fund for initiatives that improve the health and wellbeing of Tasmanian communities. If that does not show a real commitment to genuine primary prevention initiatives then people are not paying attention.

This stands in stark contrast to members opposite who want to spend \$20 million on a new bureaucracy.

Time expired.

[11.26 a.m.]

Dr WOODRUFF (Franklin) - Mr Deputy Speaker, I had so many things in my mind preparing to speak to this matter of public importance, but they were all washed away by the minister's later comment that he just made. He said, 'We can't reduce smoking rates by imposing a rule on Tasmanians.' What a shock. What a shame that this person holds the responsibility of the ministry for health, because that is a fundamental rewriting of the global success of Australia's approach to reducing smoking rates. It is a fundamental insight into the atomistic, individualistic responsibility that this minister puts onto a person taking them outside of their environment. He clearly has no basis for calling himself any sort of an expert on health.

This is the person who was responsible for overseeing the future of Tasmania's health system and for overseeing the Liberal Party's own policy, which they took to the 2014 election and which they have dropped from their policy book. It was to improve Tasmania's health so it was the best in Australia by 2025.

If that was not an insight into why we will never get there under this Liberal Government I cannot think of a better example. It is precisely the systemic approach to population health that we need to do something about the mountain of chronic diseases that we have in Tasmania, the tsunami of chronic diseases that are building inexorably because we fail to do anything about what is happening at the top of the cliff, and we put the ambulance at the bottom of the cliff. Time and again we keep arguing over the small change in the health system, which is about the money going in and out of the public hospital system.

No-one in this Chamber would argue that we should spend less on our public health system. Anyone who is enlightened and understands the reality of mathematics, of statistics, of disease progression, of demographics would know that we will do nothing to shift the increasing rates of diabetes, of smoking amongst certain groups of people in Tasmania, the increasing rates of cancers and of stroke, the increasing rates of asthma, unless we put money into preventative health and community health services in regional Tasmania as well as in the major urban areas. The Treasurer does not understand. He accused the Opposition of having a health policy that defies the laws of economics. The Government has a health policy that defies the natural laws of disease progression and the natural laws of how humans work together.

Mr Deputy Speaker, I know you would like me to sit down sooner rather than later, which is why you keep looking at the clock.

Mr DEPUTY SPEAKER - Order. That is out of order. I will abide by standing orders, as will you. You have seven minutes allocated and I will check the clock when -

Dr WOODRUFF - How much time do I have left, Mr Deputy Speaker?

Mr DEPUTY SPEAKER - You have three minutes remaining. I will not have you reflecting on the Chair or its intention. You are formally warned and cautioned. Do it again and I will have no option other than to ask you to leave the Chamber. The member has the call.

Dr WOODRUFF - Thank you, Mr Deputy Speaker. Returning to the things that this Government has not funded: although they have had two years to work on the Chronic Disease Prevention Alliance plan and the submission to the Healthy Tasmania Five Year Strategic Plan, there has been no funding in this Budget for the drivers of the increasing poor health of Tasmanians. Because we have an ageing population, because we have one of Australia's poorest populations and because we have the worst health indicators, we must put health into all our policies. We must do something about tobacco legislation. The minister and the Government failed to do that in the last term.

They wound down the preventative health committee and killed off the conversation they brought to the 2014 election about taking strong action on smoking. They gave in to the tobacco industry. There were serious accusations that this Liberal Government was strongly influenced by Imperial Tobacco in the development of its smoking policy and lack of action on tobacco. The Government is prepared to take money from British Tobacco. The Liberals did indeed take funding from British Tobacco.

Mr Ferguson - You are just making this up.

Dr WOODRUFF - No, it is true, minister. It was previously on the record of *Hansard*.

Time expired.

[11.33 a.m.]

Ms DOW (Braddon) - Mr Deputy Speaker, investing in primary and preventative healthcare in Tasmania, particularly in rural and regional Tasmania, is very important. Last week I was in Ulverstone with our Labor candidate for Braddon, Justine Keay. During her time as local member she advocated strongly in Canberra for greater federal health funding for Braddon. It is interesting to look at the previous record on health of the Liberal candidate for Braddon, Brett Whiteley. Mr Whiteley and the Liberals supported a GP co-payment, they increased the cost of medicine, and they incurred cuts to hospitals. When she is again the member for Braddon, Justine Keay will continue to work hard for the people of Braddon, representing their unique needs in a regional and remote area of Australia and advocating for the importance of more place-based federally funded primary health care initiatives.

Tasmania has some of the poorest socio-economic health indicators in the country, yet we heard in question time this morning that Tasmania is reaping the benefits of growth in our export economy and tourism sector.

The Budget tells a different story. There is under-investment in preventative health in Tasmania, with \$6 million out of the \$757 million funding for health allocated to preventative health.

Ms Standen - \$6 million out of how much?

Ms DOW - \$757 million. The minister says the Government wants Tasmania to have the healthiest population in Australia by 2025. The Government admits on its Healthy Tasmania website that there are poor health outcomes in Tasmania in comparison to the rest of the country. They include diet, high tobacco consumption, high levels of obesity, low levels of exercise, low levels of educational attainment, an aging population and high levels of cancer. Rural and regional ageing Tasmanians have less access to specialist services to manage their chronic diseases.

It also outlines agencies which are really important in implementing this plan. They include CHaPS, the Child Health and Parenting Service in Tasmania. It also outlines primary health care and community nursing. There are no funding increases for community nursing across the forward Estimates. Community nursing provides a strong community base to help people to stay at home and keep them out of our hospitals. This reduces the burden on our hospital system. People in rural and remote Tasmania do not have access to tertiary hospitals, making community-based primary health care so much more important.

Mr Ferguson - Did you say we do not have tertiary hospitals in Tasmania?

Ms DOW - No, in regional Tasmania.

Mr Ferguson - You said we do not have access.

Ms DOW - You have to travel to access a tertiary hospital if you live in rural and regional Tasmania. That is what I meant by that comment.

Early intervention is important. Through my experiences as a community health nurse I know you can tell a lot about a person's health by the community they live and the status of the environment that they live in. Investment in the early years is essential, as is collaboration across government agencies. The social determinants of health are complex and integrated. Social structures and economic systems are responsible for health inequalities. This is evident in Braddon, where structural changes in the economy have caused intergenerational welfare dependence and low levels of education. High levels of chronic disease and cancer are evident with many people living in isolated communities.

The burden in our hospital systems can be reduced through greater investment in primary and preventative health. The Budget delivers a number of infrastructure projects, particularly in the north-west, but that is bricks and mortar. Bricks and mortar offers opportunities to cut ribbons in communities. Investing in primary health care is long-term intergenerational change. We do not see the immediate benefits outside an election cycle or a term of government. The challenge in Tasmania is to look beyond the cycle and invest in the future so we can see long-term health and education benefits for people.

My background is in community palliative care and the holistic health care model applied to that can be applied to the primary health care sector in Tasmania. The patient and family is the unit of care. It highlights the importance of multi-disciplinary care, which looks at all the needs of a

patient and their family. The multi-disciplinary approach should be applied across government agencies to address some of the long-term intergenerational challenges that have impacted negatively on the health outcomes of Tasmanians.

As my colleague said, TasCOSS has called for at least 5 per cent investment in the Tasmanian Health budget in primary and preventative health. It would be important for that to be an ongoing goal of any government in Tasmania going forward.

I acknowledge that currently we are seeing a great demand, more than ever, on our acute services, particularly in metropolitan centres. Our staff in our health services do an outstanding job.

Time expired.

[11.40 a.m.]

Mr SHELTON (Lyons) - Mr Deputy Speaker, I congratulate the Minister for Health on the tremendous work he has done over the first four years and now into this next term, not only in preventative health but across the Health budget, which we know is always a difficult portfolio to have. He is doing a tremendous job.

There has been much said this morning, and I must go to the contribution of the member of the Greens, Dr Woodruff, who totally misrepresented what the minister said, but that is no surprise. The Government recognises that laws have an essential role but real change to a person's life needs to be supported and empowered, which is exactly what the Government is doing and what the minister is doing. That is being done through the Hodgman majority Liberal Government's five-year strategic plan, Healthy Tasmania, which was released in 2016 to overcome the significant health challenges faced by Tasmanians.

We recognise that preventative health is an important component of a well-functioning health system and an important policy consideration for a government as a whole. That is why in the pre-election policies, Healthy Tasmania was outlined as a clear vision to work with the community to keep Tasmanians healthy for longer and make us the healthiest population by 2025. That is a great initiative and I congratulate everybody involved in that.

As has been said, laws are important as far as trying to coerce people into doing the right thing, but how we act and what we do is also important. I will raise the issue this morning about the good that has been done through the communities with the Burnie 10, the Launceston 10 and other events getting our communities more active. Over my time in this parliament I have seen a lot more activity in that area. This year I ran with my grandson in the Launceston 5-kilometre run. Tyson, with his mother, had been doing the park runs, which have also been bolstered by significant numbers. Tyson's best time for his 5 kilometres was 38 minutes prior to the Launceston run. It is interesting when you look at the motivation of people. I was running with him and his mother and we started off together. He was going fairly well and we ran away from his mother and told her we would catch up with her at the finish. Our motivation was to run a good time. We could see the 30-minute flag just in front of us. As a motivational factor he agreed we would try to stay with that flag. Running down Cimitiere Street at the end he looked up and the clock was only about 15 seconds off the 30-kilometre mark and his self-motivation to run faster to beat that time was fantastic. What I am saying is that it is about the intrinsic values of people, and getting them to want to do the right thing is just as important as setting laws and trying to make them. That is a really important lesson. It was great and I can only compliment the people in these organisations

for the work and effort they put in. Literally thousands of people ran over that weekend and that is a great thing for Tasmania and for Tasmania's health.

Getting back to Healthy Tasmania: it identifies 24 initiatives across four priority areas including smoking, healthy eating, physical activities, community connections, chronic conditions and screening and management. Since the release of Healthy Tasmania in 2016, significant progress has been made across all four priority areas. Key achievements over the last four years relating to each of the four priority areas include providing an additional \$367 400 in 2017-18 to the Cancer Council of Tasmania to increase the reach of the smoke-free message; committing \$2 million over four years through student health initiatives so schools with the greatest need can partner with community organisations to meet the health and wellbeing needs of our school communities; opening the first grants round of the Healthy Tasmania community initiative grants which provide up to \$25 000 to organisations across Tasmania for innovative approaches to improving the community's health and wellbeing; and commencing an action research project to learn about the strengthening of anticipatory care approaches in Tasmania which will be conducted by the Department of Health and Human Services over the next 18 months.

The Government has committed an additional \$1.1 million per year from 2020-21 to enable the continued delivery of successful Healthy Tasmania actions. In addition, \$6.6 million is committed to a new Tasmanian community health fund for initiatives that improve health and wellbeing of the Tasmanian communities. I note there is also the Ticket to Play pilot project, through Sport and Recreation -

Time expired.

Matter noted.

PERSONAL EXPLANATION

Answer to Question regarding the Proposed Privatisation of the ABC

[11.47 p.m.]

Mr HODGMAN (Franklin - Premier) - Mr Deputy Speaker, on indulgence, I want to clarify an answer I gave earlier in relation to a debate.

Members interjecting.

Mr DEPUTY SPEAKER - Order. The Premier has the call and will be heard without interruption or interjection.

Dr Woodruff - Clarifying his misleading -

Mr DEPUTY SPEAKER - Order. I caution you, Dr Woodruff.

Mr HODGMAN - In relation to a debate about the ABC at the federal council meeting of the Liberal Party last weekend, I inadvertently advised the House I was not present at the debate or vote. It has come to my attention that whilst -

Members interjecting.

Mr DEPUTY SPEAKER - Order. The Premier will be heard without interjection. I will start cautioning and naming members if they cannot abide by the Standing Orders. The Premier has the call and will be heard without interjection.

Mr HODGMAN - It has come to my attention that while I was present, I did not participate in the debate, nor did I vote in support of the motion. As the footage shows, I was more focused on my imminent address to the federal council meeting, which included a strong defence of Tasmania's GST. I apologise for any inadvertent error on my part and reiterate my support for the ABC remaining in public ownership. As the Prime Minister has said it always will, and I strongly support that.

CONSOLIDATED FUND APPROPRIATION BILL (No. 1) 2018 (No. 16)

Second Reading

Resumed from 14 June 2018 (page 38)

[11.49 a.m.]

Ms WHITE (Lyons - Leader of the Opposition) - Mr Deputy Speaker, before I begin my contribution, I have to say that is a remarkable admission from the Premier that he forgot where he was. Not only did he get up in this House and say he was not there but he said that had he been there he would have spoken in defence of the ABC. He was there and he failed to speak in defence of the ABC. Shame on you, Premier. If we cannot trust you to come to this House and say where you were and what you were doing, how can we trust you standing up for our state on critical issues like the GST? It is a clear demonstration of the failure of this Premier to stand up for Tasmania when it counts; to stand up for public institutions that are loved, like the ABC. You were in the room when it happened and you said nothing, and yet you stood up in question time today and tried to defend yourself by saying you were not even there.

Members interjecting.

Mr DEPUTY SPEAKER - Order. Interjections will cease, the Leader of the Opposition has the floor.

Ms WHITE - The Premier indicates that this is not an important topic. He was in the room and he failed to stand up for Tasmania's ABC and Australia's ABC. He should be ashamed.

I turn to my contribution on the Consolidated Fund Appropriation Bill. I indicate that I stand here with a real sense of optimism about Tasmania's future. As a proud Tasmanian, I am passionate about building the best possible future for my daughter, Mia, and for all Tasmanians. Jim Bacon's vision and his enduring legacy was to change the way we think about ourselves as Tasmanians. In the two decades since, this self confidence has fuelled ideas, attractions, investments and events that have changed the way the world thinks about Tasmania. The eyes of the world are upon us and they are wondering what we are going to do next.

My vision is for a state that is a beacon for fairness. We are small enough that we should strive to ensure that no-one gets left behind. That means providing the fundamentals like a roof over people's heads. It means investing in a world class health system because we know that when people are healthy and happy, they can be more active participants in our community and our

economy. A key part of my economic vision is to put the Tasmanian brand at the heart of everything we do. We cannot compete on volume and we should not compete on price but we can set ourselves apart by offering quality products and experiences, whether that is in advanced manufacturing, food and fibre, high value minerals, services or tourism. Tasmania should be synonymous with quality and innovation in the same way that Germany is synonymous with precision engineering.

My vision is for every Tasmanian to advocate for and staunchly defend the Tasmanian brand. Our shared pride and understanding of what sets us apart can be the thing that unites us. Our brand is our identity; it underpins everything we do. It is what adds value to our products, and it is what sets us apart from our competitors. It is the one thing that no-one can copy, but if we do not value it, if we do not respect it, if we do not invest in it, we can lose it.

The truth is that the current global and economic conditions suit Tasmania. The Australian dollar is trading at around 74 US cents and falling; low compared with the \$1.10 we saw in the early part of this decade. As an export-oriented economy, a low Australian dollar makes us more competitive so we sell more and Tasmania does better. The global and domestic economy is surging and you would be worried if Tasmania's economy was not also doing well.

If the Liberals want to claim credit for the turnaround in Tasmania's economic fortunes, they should be able to easily point to the economic reforms they have implemented to create them, but when the Treasurer was asked last week what economic reforms he had implemented, he could not name one. After 16 years in Opposition, the Tasmanian Liberal party came into government and spent four years claiming credit for the successes of Tasmania's businesses and workers, but doing nothing about the structural long-term issues that Tasmania faces.

Tasmania has the lowest GDP per capita of any state, the lowest average weekly wage of any state; the worst health outcomes of any state, lowest rental affordability and worst education outcomes. Our own state budget forecast continues to show Tasmania underperforming the rest of the nation. Our unemployment rate is forecast to stagnate at 6 per cent while the national unemployment rate falls to 5 per cent. Nationally, wages grew by up to 3.5 per cent annually while this Tasmanian Treasurer clings stubbornly to his 2 per cent wage cap policy. That is the only piece of fiscal restraint this Treasurer cares about, giving teachers and nurses a real wage cut. The average Tasmanian worker will earn \$10 000 a year less than they would on the mainland this year. We must lift this if we can truly say that our economy is keeping pace with the rest of the country. When the Governor of the Reserve Bank believes that wage growth should start with a three and not a two it is a clear sign that the Government's austerity era of wage policy should end.

The performance of this Government when it comes to standing up for Tasmania on the GST has been shambolic. On Budget Day the Treasurer declared that Tasmania's GST revenue was secure after a single phone call from the federal Treasurer. The Premier said that he was reassured about the Prime Minister's GST guarantee on Budget morning. By Saturday the Premier was in Sydney at a Liberal Party event, seemingly unsure whether Tasmania's GST share is safe at all. This Budget is built on uncertainty. Any change to the distribution of the GST will hurt not just this Budget, but every budget to come. That means fewer nurses, fewer firefighters, fewer teachers, fewer biosecurity officers and fewer paramedics for Tasmania, not just for this Budget but for decades.

Our GST revenue is not secure from the federal Liberal Government and the issue casts a shadow over the entire Budget, the services and the projects it is supposed to support. State and federal Labor stand united in defending the services that Tasmanians rely on. There has never been

such a disconnect between the rhetoric of a government and the reality of a fiscal situation than what we see today.

The Treasurer said in his budget speech that it is reckless to spend more than you have. Yet on a cash basis he is spending almost a quarter of a billion dollars more than the revenue he has forecast to receive over the Budget and forward Estimates period. The forecast cash deficits of \$195.7 million and \$222.6 million for the next two years will be the biggest cumulative two-year cash deficit for at least 20 years, if not in Tasmania's history. Let that sink in for a moment. The self-proclaimed budget gurus manage the Tasmanian budget worse than any government for decades.

Our net debt position is expected to deteriorate by well over half a billion dollars in just four years. After Labor eliminated net debt in 2005 this Treasurer stands ready to take us back to the debt the Liberals left Jim Bacon in 1998. This Government has enjoyed \$1.5 billion more in revenue over the last four years than expected and forecast a massive \$1.1 billion more in revenue across the Budget and forward Estimates than was expected just a year ago. This Government is not going to spend that money fixing the critical issues that continue to hurt Tasmanians or by building up the Budget to guard against future shocks.

Last Thursday's Budget was a profound disappointment. The idea that you outlined the biggest infrastructure spend in history before developing a long-term infrastructure plan is a staggering admission of ineptitude. Poor quality water and sewerage infrastructure is the biggest infrastructure handbrake on the Tasmanian economy, but this Government has placed it at the bottom of its priority list. The \$200 million supposed equity injection proposed for TasWater will not address the critical infrastructure issues. Financial modelling shows that all things being equal an average of \$20 million per year is needed over the 10-year forecast just to keep the Government's promise on the cost of water bills. There is no money left for additional capital expenditure.

The Launceston combined sewerage and stormwater system, MONA stage 2 and Macquarie Point remain unfunded. Even with a record spend the Liberals have managed to break their own promises. There is no real money or plan for the mythical Hobart underground bus mall, or the phantom Tamar River bridge. Hobart's northern suburbs passenger rail still is not funded and the five-lane Southern Outlet will apparently go out to consultation for at least four years.

When I look at the Liberal's fifth budget I see missed opportunities. I see missed opportunities to invest in people. The first budget of a parliamentary term is a time to be bold, to put forward big ideas, to embark on reform and to show vision, but we have got none of that from this Government. There is no reform agenda, no big-picture ideas, no planning for the future.

To the Liberals, success is measured in sound bites and newspaper headlines, not on whether the lives of Tasmanians are improving. We risk losing the Tasmania that we all know and love if we do not invest in protecting the things that make our state special. Consider the things that have traditionally drawn people to Tasmania - affordable housing, short commutes and travel times, accessible quality health care, good schools and small class sizes. Now ask yourselves if these attributes have been protected or enhanced by this Government. The answer is clearly no.

My primary concern and that of the Labor Party is that too many people are being left behind. The strength of any society is measured by how well it looks after its most vulnerable. We have a Government that is out of touch, not only with the plight of the poor and the disadvantaged but with

everyday Tasmanians. There is growing inequality that the Liberal Government has no interest in addressing.

How do we start to address growing inequality? We can start by providing the essentials. Health remains my number-one priority because it is the number-one priority for all Tasmanians. Tasmanian hospitals have been in crisis for the entire term of the Liberal Government. We have seen a steady exodus of medical specialists. Coroners' reports have blamed pressure on our hospital system for avoidable deaths. The Launceston General Hospital has lost accreditation for emergency medicine and physician training, while the Royal Hobart Hospital has lost accreditation for psychiatric medicine training. Tasmanian women cannot access affordable, safe, surgical terminations in their own state. Ambulance response times are the worst in the country and despite the best efforts of hardworking staff in our emergency departments, patients and their families are left waiting in agony for hours to receive the care they need because of bed block.

Everybody knows that there is a health crisis in Tasmania, yet according to the Premier's former chief of staff, the Liberals' election policy was designed not to fix the health crisis but to trump Labor. Tasmanians are suffering because the Liberals designed a policy not to fix the Tasmanian healthcare system but to fix their election fortunes. The fact that it took an election for them to recognise their failures in the Health portfolio and finally direct increased spending to the system is evidence enough of their disingenuous approach.

My colleagues and I spent hundreds of hours consulting with stakeholders, looking at critical areas of need, prioritising spending and costing Labor's health policy. I am proud of that work and it is a shame that members opposite are so proud of the political con they pulled. Alarming, not even half of the money the Liberals promised for Health at the state election is delivered in this term of government. The Liberals' health promises at the election have been proven in their own budget papers to be a massive con on the issue that Tasmanians care the most about. They should hang their heads in shame.

Stakeholders including the Australian Nursing and Midwifery Federation and the Medical Staff Association at the Royal Hobart Hospital have warned the amount committed will not fix the health crisis. It is true that money alone will not solve the long-term challenges of preventable disease and an ageing population. That is why Labor took a visionary policy to the election to establish a Healthy Communities Commission to seriously drive initiatives that keep Tasmanians healthier for longer and out of hospital. The Liberals used to say that they would make Tasmania the healthiest state in the nation by 2025, but after sending the state backwards for four years they now seem to have abandoned that aspiration altogether. We will continue to advocate for serious investment in preventative health because it is the only way to take pressure off our hospitals in the long term.

I welcome the Liberals' adoption of Labor policy to establish a private hospital co-located with the Launceston General Hospital, but what is still missing is a commitment to a broader health precinct bringing together a range of services including primary health care and specialists. A Labor government would have updated the master plans of each of our major hospitals to ensure we are able to cope with the pressures of a growing and ageing population.

The other area that has been wilfully and woefully ignored by this Government is mental health. Not only does this Budget fail to restore the cuts to mental health beds made by the minister, Michael Ferguson, the minister continues to ignore clinical advice about the best model of care for patients with mental ill health. Labor proposed nation-leading mental health reforms, including restoring beds and extending adolescent mental health care to the age of 25. We would also invest

in more mental health services by supporting mothers struggling with post-natal depression by funding 10 public mother and baby unit beds statewide. Again, of the \$95 million promised by the Liberals to be spent on mental health at the election, just half will be delivered this term. There is no more serious broken promise to the people of Tasmania than the Liberals' broken promise on health care.

Every Tasmanian should have safe and secure housing, but right now Tasmania is in an unprecedented housing crisis. Young Tasmanians are giving up on the dream of owning their own homes and families are living in tenuous housing arrangements, struggling to pay rent they cannot afford. Others are couch surfing, not knowing where they will sleep from one night to the next. It is no way to live and no way to create a healthy and stable family environment. In the most recent Rental Affordability Index, SGS Economics and Planning partner Ellen Witte said:

There has been a single-minded focus on population growth but a complete lack of vision of where this growth needs to go and how all households are going to be accommodated. Renting households, many of them working families, are now paying the price.

The Government's Affordable Housing Strategy promised to deliver 430 new social houses between 2015 and 2019. Just 37 have been built to date, with just a year to go to meet their target. It is clear that the Government's hands-off approach is not working. Labor took a comprehensive housing policy to the election which was thoroughly consulted with stakeholders. Whilst we cannot implement our election policies from opposition, we can and will advocate for policies that would make a real difference in the short, medium and long term.

Homeless Tasmanians took the remarkable step to camp out in front of this building during the first week of parliament. They were attempting to raise awareness for the plight of Tasmanians who have been forced to live in tents, but they were ignored by this Government. This Budget does nothing to assist people who are shivering through the bitter winter cold right now. Labor is calling on the Government to seek expressions of interest from local government and private dwelling owners to urgently secure tenure of disused buildings and accommodation and repurpose them for Tasmania's homeless. This short-term solution would be aimed at addressing the shortage of crisis accommodation this winter.

You only have to look at the approach of New Zealand Prime Minister Jacinda Ardern, who vowed to find shelter for the country's homeless population in time for this winter. By working on the ground with providers and communities, the New Zealand Government aims to urgently increase housing supply this winter by more than 1500 additional transitional and public housing options. The contrast with the do-nothing approach of this Government could not be starker. It is not a 'golden age' when you are living in a tent.

The impact of the sharing economy cannot be ignored for the role it has played in adding to the housing stress. The Institute for the Study of Social Change at the University of Tasmania released its updated report on housing and pointed to significant increases in whole-property short-stay accommodation listings of almost 200 per cent in the 18 months to February this year. The report says that this problem will get worse. It is time for the Liberals to acknowledge that their deregulation of the sharing economy has had a negative impact on Tasmanians needing a home.

Labor sees the need for sensible regulation of the sharing economy and is actively exploring models in place interstate and overseas. The Government should take immediate steps to rezone

the Hobart rail corridor for medium-density housing. This initiative would free up land that is close to services to increase supply for affordable housing. A greater residential population along the corridor would also help to underpin the business case for passenger rail and economic development in the northern suburbs.

Today I can announce that Labor will commit to the introduction of inclusionary zoning, which has been adopted in South Australia, New South Wales and the ACT. Inclusionary zoning incorporates affordable housing in residential developments as part of the planning process. It has been proven to assist with housing supply and helps to ensure that affordable homes are located close to services. The Labor Party will use this time in opposition to consult with housing and the property sector on the development of an inclusionary zoning scheme that will be ready for implementation in government.

Education is the common link between economic and social prosperity. If we get it right we can reduce inequality and achieve economic growth that is truly inclusive. Our education and skills training systems should be geared towards the pursuit of quality that underpins the Tasmanian brand.

Delivering and measuring the benefits of education reform takes time. Too often we see reforms falling victim to the political cycle. Tasmania spends more money per student on education but gets the worst outcomes.

Four years ago Labor proposed a powerful idea with a simple premise - to take the politics out of education. Labor's proposal was to commission the best and brightest minds to tailor the education system to Tasmania's needs and sign all political parties onto a long-term vision. The concept had wide support from educators, business leaders and the broader community. Unfortunately, the Liberals took on the premise of the idea but not the vision with the creation of the Underwood Centre. The Underwood Centre has never been empowered by government to be bold or to shake up the status quo. Nor has it fulfilled the inclusiveness of Labor's proposed education partnership, which would involve parents groups, education and peak bodies, including disability education, industry and workforce representatives. As a result, its contribution to important education debates has been limited. It is time to adopt a truly evidence-based and bipartisan approach to education policy.

Extending regional high schools to years 11 and 12 has had positive benefits but we should not be blind to long-term risks. You can count the number of students at these extension schools who have achieved results that allow them to go to university on one hand. There is fear the Liberals are creating a two-tiered education system. The long-term future of the college system, when all high schools are extended to year 12, has been ignored by this Government. The Government cannot put off a decision on the future of the college system forever.

If the Government is confident in the direction it has set for Tasmanian students then it should not be afraid to have its policies independently tested by experts. The Liberals should accept Labor's genuine offer of bipartisanship to deliver an education vision that can be carried into the next decade and beyond.

If we cannot set aside our political differences to deliver outcomes that are in the best interests of our children, then we truly have lost sight of what we are here to do.

This Government has made an art form of secrecy and spin. A government that spends more of its energy covering up its failures than addressing them is no friend of its people. Today I put the Hodgman Government on notice that your attempts to avoid scrutiny and hide information from the public will be put under the microscope this term.

Last term we saw shameful tactics to keep advice about the sale of the Tamar Valley Power Station and the true extent of the health crisis a secret. We saw persistent accusations of political interference in the Right to Information process. Today I am announcing a transparency committee, chaired by Labor member for Pembroke, Jo Siejka, which will be responsible for ensuring the Hodgman Government upholds its statutory and moral obligations to the Tasmanian people. It will fight to ensure Right to Information laws are properly enforced and resourced. The Government's own commitments to routine disclosures and information, such as housing and child protection statistics will be scrutinised. These updates are routinely hidden from the public for months beyond their supposed date for release. Labor believes that the public's right to know is a pillar of democracy. We will empower members of the public to contact the transparency committee so we can pursue information on their behalf.

The first four budgets of this Government reaped over \$1.6 billion in revenue above the 2013-14 forecasts. This additional money was not used for tax reform or for infrastructure. It did not go into health, housing or child protection because these areas have been chronically underfunded by this Government.

To hold this Government to account and ensure greater transparency, Labor will establish a waste watch committee to keep track of unnecessary and wasteful spending that can be directed into essential services. Our public sector employees work on the front line and have a wealth of knowledge about where waste exists and how it can be reduced. Their voices are ignored by this Government. The committee will be chaired by member for Lyons, Jen Butler. We will work with unions, public sector workers and members of the business community to collect new ideas, find efficiencies and boost productivity. We will work with experts to find ways to improve public services and make sure funding is directed to the areas of greatest priority.

My team put hundreds of hours into policy development before the last election. I am proud of the way we engaged, consulted and took an evidence-based approach to the policies we presented to the Tasmanian public. Losing elections is a hard thing: however, it allows us more time to ensure that our policy platform tackles the critical issues that confront our state. Our team is bigger, rejuvenated and passionate about making Tasmania a better place. We want to ensure that our engagement with Tasmanians is first class. Over this term we will tap into the expertise of the Tasmanian community.

Labor is keen to build its relationship with the business community and drive prosperity for all Tasmanians. The most common complaint I hear from business is that our education and training system is not linked to the skills needs of industry. Too often these businesses cannot recruit because of a lack of available skills. Just a fortnight ago a major employer on the north-west coast told me he would put on three skilled workers tomorrow if he could find the right young people. At the same time youth and regional unemployment in Tasmania remains unacceptably high. Clearly there is a disconnect.

During the last election Labor proposed the establishment of eight industry advisory councils across key sectors of the economy: minerals, energy and advanced manufacturing; innovation, information and communications technologies; primary industries and forestry; education, science,

research and the Antarctic; tourism, hospitality, festivals, heritage, built and natural environment and the arts; building construction and infrastructure; wellbeing, care and community development; employment, regional development and trade. These councils will be charged with providing direct input into the development of government policy and funding decisions, particularly when it comes to skills and training.

We will not wait until we are in Government to set up this invaluable consultative mechanism. Together with the relevant shadow ministers I will be writing to key stakeholders in each industry sector inviting them to join the industry advisory council relevant to their sector. The IACs will be used as a sounding board for Labor policy, while providing an avenue for industries to share their ideas and feedback. The IACs will provide engagement between industry sectors, unions and the Labor Party. What will emerge from this process will be an aligned set of policies and objectives that Labor will articulate in the lead-up to the next election.

I started my contribution by speaking about my vision to put the Tasmania brand at the heart of everything we do. Throughout history the most powerful visions have been those that are shared by the entire community. Developing a shared understanding of Tasmania's brand and the future direction of our state requires conversation. Over the next two years Labor will embark on a comprehensive community consultation process called Shaping Our Future Together.

Stage 1 will involve community forums in suburbs and towns where Tasmanians will be asked to share their ideas about what Tasmania stands for and what our future looks like. Too often politicians attempt to impose ideas from on high without first asking the people what future they want for themselves and their families. Our greatest asset is our people and we want to tap into that resource to ensure that all of our policies reflect the need and ambitions of Tasmanians.

A true measure of Tasmania's success needs to include how well or how badly its people are doing. Labor believes that a fairness agenda is a good economic agenda, because when people do well, can access essential services and get a job then the economy does well too.

Tasmania deserves a government and a future where growing inequality is tackled thoughtfully and meaningfully; a future where under employment and insecure work is acknowledged and government, business and community can come together to find solutions; a future where the integrity of the Tasmania brand is enhanced; a future where access to essential public services is provided in a timely way for all of its citizens; a future where ideas and innovation are encouraged and celebrated; a future where our economy can provide enough employment for each person seeking a job, and where each person employed is paid appropriately in recognition of their value; a future where people feel safe in the knowledge that there is someone there to help them when they need it.

I owe my daughter every effort to do everything within my ability to strive towards this Tasmania. We owe each and every child in this state every effort. Madam Speaker, we owe it to ourselves and leaders in our community to do better and leave a legacy we can be proud of.

Opposition members - Hear, hear.

[12.20 p.m.]

Mr HODGMAN (Franklin - Premier) - Madam Speaker, it gives me great delight to talk about the majority Liberal Government's 2018-19 Budget, our fifth budget, released last week that has received the strong support of many in our community and continues the work we started four years

ago after coming into government. We had to stop the bleeding in our budget and make sure we got our finances back under control, kick-start the economy that had slipped into recession under Labor and the Greens to ensure there were more job opportunities for Tasmanians, more prosperity for our businesses, higher levels of confidence to ensure they could continue to invest and grow but also, and most importantly, to reinvest the dividends of a strong economy in a sound budget position back into essential services that are priorities for this government, whether it be in our health and hospital system, schools or essential services.

This Budget contains a significant infrastructure investment that is not just about roads, bridges and rail, although they will be seriously upgraded by this Government due to a record level of infrastructure spending. It also includes our hospital redevelopments, building new schools and investing in TAFE facilities and upgrading schools across our state. It includes new ambulance stations and facilities for our ambulance officers and paramedics. It includes more affordable housing for Tasmanians.

It also allows us to do more to keep cost-of-living pressures down which we recognise are a significant pressure for many Tasmanians. It is an issue we have addressed over the last four years in government but will do so in this Budget with almost \$300 million dedicated to reducing household expenses such as water and electricity costs.

Our plan has always been to ensure that Tasmanians can be safe in their communities and to invest more into those who will provide additional protections in our communities, to take a tough-on-crime approach and to favour the victim over the offender, but also to return an additional resource to our community that was stripped from it under the former Labor-Greens government, and that is our police officers who are there to keep our community safe. This Budget will provide for an additional 125 police officers and funding for improved prison facilities, which is also the infrastructure that is supported in this Budget and is necessary. Our strong view has always been that if we need to house people who are a danger to our community, we should do so in better facilities that provide for them and the people who work within them. Our priority is to invest in that necessary infrastructure to keep our community safer in the first place.

Our plan also has a strong commitment to future-proofing the things that make our state special. There is more funding for our national parks and additional support for the infrastructure that supports the increased numbers of visitors wanting to go and experience those parks. It has often been called for by members opposite and includes additional personnel into our Parks and Wildlife Service, additional rangers and frontline staff.

I press the point again: it is critical that in considering our record significant investments into infrastructure, better systems and support for our public sector, and more public servants working at the front line, as we always said we would do once the budget was back on track, it is only possible for us to do this if the budget is back on track. Our fiscal approach speaks for itself. It has delivered results and allowed us to invest in a way that improves essential services, and they are improving with more to be done, but it also allows us to respond to unexpected events and circumstances. Consider the devastating impact of some of state's worst bushfires, floods and the extended outage of the Basslink cable during our first term in Government, and consider the devastating impact that had on our communities and on our budget. Hundreds of millions of dollars was required and we were able to respond to those natural disasters in a way that supported those communities in a very difficult time, rebuilding infrastructure that was damaged and allowing us to maintain strong budget conditions again into the future should circumstances like that occur again.

The 2018-19 Budget continues our commitment to remain in surplus and live within our means and importantly, all our election commitments will be delivered on time and in full. It is important, notwithstanding the constant negativity of members opposite, to reflect on the state of Tasmania now and the sentiment amongst the business community and indeed the broader community about our future. There is a more optimistic outlook and it is important to nurture and cherish that, being mindful that there are many Tasmanians who are not as confident about our future. Their futures can only be better supported by this continuing growth in our economic conditions, the strength of our economy, a strong budget position and a better capacity for government to invest in those essential services to support Tasmanians in need, those who are vulnerable and those who need support from government and the broader community.

Tasmania is much stronger, more confident and a prouder place now than it was a few years ago. Our economy is one of the strongest in the country. Our budget is under control and we are able to invest more into our essential services. This Budget is all about doing more, being able to take our state to the next level and to ensure as best we can that more Tasmanians experience the benefits of a strong economy and a strong budget position.

I want to note some of the significant strengths in our economic circumstances, particularly if you look at it in the context of where things were just four years ago. We have gone from an economic backwater to a powerhouse, with one of the strongest economies in the country. In the year to March state final demand grew at 4 per cent which is the second-highest rate of growth in the country. In the last quarter we had the largest growth rate in the country. During the last four years of the Labor-Greens government state final demand went in reverse, contracting by 1.4 per cent. This growth has been driven by the strongest growth in private investment in our country at 11.1 per cent. It is underpinned by strong business investment growth, which is quite evident when you travel across our state, with 16.7 per cent of business investment growth and investment in machinery and equipment with a growth rate of 49.6 per cent, which is quite extraordinary compared to what is happening in other jurisdictions and certainly to what has happened in Tasmania's recent past.

Our export sector is booming. It is the strongest export sector of any state in the country. Our exports in the year to April grew by around 35 per cent and that amounts to \$3.5 billion with more than \$1 billion going to China alone, but our export growth is in fact three times the rate of the next closest state and higher than the national growth rate over the same period.

As to our retail trade, again you can visit any part of the state but particularly here in our capital city and increasingly so in the north and north-west, we are seeing great investments from international chains, brands that want to be synonymous with a strong economy and high levels of confidence amongst the business sector and consumers. Off the back of that investment and confidence in households and our community more broadly, retail trade has had 42 consecutive months of growth and 23 months above the half a billion-dollar mark and it is still growing. In fact in April, turnover was 2.1 per cent higher than the year before.

Private new capital expenditure shows investment in new machinery, equipment, buildings and structures 19.3 per cent higher than the year before, the strongest in the country and outperforming the national growth. For dwelling approvals the average number was 228 per month, an increase of 28 per cent of the year before, compared to a national increase of 1.8 per cent. That does present challenges in our community with such high demand. We have had the strongest growth of any state or territory, and it is not that often you hear that Tasmania leads on so many key economic

indicators as we do now. It is inevitable that there will be significant challenges for Government and the community to deal with such high rates of growth.

If you put it in context, the average monthly dwelling approvals in the last year of the Labor-Greens government was 170 dwelling approvals and now the average number is 228 per month. Motor vehicle sales, again the strongest in the nation, are well above the national average: the highest monthly level of sales on record is often pointed to as a great indicator of consumer sentiment and the strength of an economy. All this shows and reflects the confidence that people have in our economy and in Tasmania as a place not only to invest, but to be involved in business and to be part of our improving education system, to be one of the many people who want to come and visit our state as a tourist, and be one of the many who are coming now to live in our state. Our population growth is increasing at the highest rate in seven years.

Business confidence is being consistently reflected in consumer and business sentiment surveys by all the key economic commentators. Most recently the NAB Monthly Confidence Survey shows for the third month in a row that Tasmanian business confidence is the highest in the country, well above the national average. Importantly, when businesses are confident, when they are assured of a more prosperous future, when they recognise a government wanting to support them and back them, rather than negativity, carping and complaint they will invest, grow and create more jobs. This is reflected in our latest employment statistics as the Treasurer outlined earlier; 13 400 more people in work now than when we came into government in 2014.

In that term of government, under Labor and the Greens, there were 10 000 fewer jobs, but it is up 13 400. Importantly, the participation rate is up at 61.4 per cent. That means there are more people wanting to be part of the labour force, they are more confident now in job opportunities that are available. Population rates of growth are the highest in seven years. It is wonderful to see the extraordinary levels of growth and investment in our great tourism industry. It is an industry that is well partnered by this Government. It is one that we support; its operators, and the wonderful people who work in the visitor economy and we will continue to do so. It is a fact we have more visitors coming to our state than ever before, they are staying longer, they are spending more and visitor expenditure has increased by 8.4 per cent to \$2.3 billion. International visitors have increased by more than 18.4 per cent.

That is a massive injection into Tasmania's economy. It not only supports jobs, investment and opportunities for people, including in regional areas, supported by fantastic operators, but it is a tremendous asset to our state to promote nationally and internationally and that is Tasmania as a destination of choice: one that is very much at the cutting edge of what we offer of world-class experiences, of an increasingly efficient and effective workforce that is part of our tourism and hospitality sectors. In so many ways we often are leading the pack as not only the country's best tourism industry, but one of the best in the world. We will support it all the time wherever we can and that is reflected in the additional allocations in this year's Budget. More on that later.

In respect of our finances, this is something that so often is glibly ignored or dismissed by members opposite. It is something that they clearly do not get or have any real interest in and it is reflected in the lack of any alternative budget being presented to the parliament today, the first in many years by an opposition party. It is critical -

Ms O'Connor - What? You're not even making sense.

Mr HODGMAN - It is critical that our Budget remains in surplus. We brought it back into surplus four years ahead of schedule. It came after inheriting \$1 billion in deficits from Labor and the Greens.

Ms White - You are taking us back into net debt. We never went into net debt, even through the GFC.

Madam SPEAKER - Order.

Mr HODGMAN - One billion dollars in deficits from Labor and the Greens. That was an assessment provided to us by the Department of Treasury and Finance, released publicly at the time by the Treasurer highlighting the extent -

Ms O'Connor - You actually think it is funny, don't you?

Madam SPEAKER - Order, through the Chair.

Mr HODGMAN - After 16 years of Labor and Labor-Greens management of our budget affairs, one of the first things we found on coming into government four years ago was that we had over \$1 billion in deficit, a government that was spending way more than it could afford. Year after year, spending more than it could afford and unable to make the necessary savings or rein in expenditure and keep the budget under control. They had net debt on its way to \$400 million, which we inherited, an economy that was in recession and the lowest levels of business confidence in the country. Then this year, in this budget, we expect to deliver a surplus in each and every year of the budget and over the forward years: a \$161.9 million surplus in 2018-19.

We have a positive net cash investment position. We have turned the net debt position that we inherited around and it is forecast we will hold net cash investments over the entire forward Estimates period. We will not do what Labor would have done, were they elected, and introduced new taxes for Tasmanians, nor will we increase them. We will do what we can through direct action to reduce cost of living pressures, to keep increases in government services' costs at or below CPI, to take real action to cap power prices, to cap water and sewerage prices through a new agreement and to make sure that Tasmanians have the best quality of life here with lowest cost of living pressures in our country. By way of context, it is important to remember that the power prices Tasmanians are paying now are less than when we came into government. That is not only a dramatic turnaround, it is a massive improvement for household budgets that they are now paying less than they were under your former government.

The strong financial position has not happened by chance. It has happened because we have repaired the budget. We are a government that lives within its means. The budget forecasts revenue growth of 2.1 per cent for the estimated outcome over the budget and forward Estimates, whilst expenditure growth is forecast to be 1.6 per cent. In contrast, in the last eight years of Labor and the Greens, expenditure grew at 4.9 per cent. I wonder what you were doing to stop that if you were in the room, and you were in the room during that term of government when it suited, because the Labor Party gave the Greens a get-out-of-jail-free card - a free pass to leave whenever it suited them. But you were in the room when budget expenditure grew at 4.9 per cent. In fact I believe one year it even went up by around 8 per cent. It certainly became very high and it was unaffordable and unsustainable. A key budget measure of ours was to fix it as soon as possible and invest more into important areas.

I will touch on a number of areas that are of particular importance to me across a budget that is chock full of them. This is a significant investment into literally building Tasmania's future and this budget touches on so many areas where so much more is being done by this Government than ever before. Combating family violence remains a priority for this Government. I am pleased that this budget will continue an allocation to support the effort under the Family Violence Action Plan that we commenced. It has within it 23 actions, all of which are being implemented. It is a responsive and evidence-based approach. It is one that we commenced in March and which we are evaluating and reviewing. We will consult with the broader community as well and it will be instrumental in developing the next phase of a five-year action plan, which will be prepared over the next 12 months.

As we anticipated when the plan was launched, there would be more women and children and, on occasions men as well, responding to a support structure that has provided new ways for people to receive the assistance they need to be empowered.

Ms O'Connor - You are so lacklustre these days.

Mr HODGMAN - I am more about substance than style. Even then, I would have a look in the mirror if I were you.

Ms O'Connor - Substance? How did you go during the ABC debate?

Madam SPEAKER - Order, Ms O'Connor.

Mr HODGMAN - Normally at this point after the Leader of the Opposition has spoken, the deputy leader of the opposition, the Leader of the Greens, would have spoken but clearly she has not been bothered enough to prepare a speech for today. We will have to wait until the lacklustre Leader of the Greens can be bothered to make a speech in reply to the budget. Between now and then I am sure all we will get is more whining -

Members interjecting.

Madam SPEAKER - Order. I call the House to order. We will listen to the Premier without constant interruption.

Mr HODGMAN - Thank you, Madam Speaker. The continuation of our family violence action plan is a subject I believe requires and deserves more respect from the member who constantly interjected. It is one this Budget substantially improves upon and will invest in. We have responded to additional demand through increased resources to the Safe at Home coordination unit, additional staff to work in our court system, counselling services, a new legal practitioner on the north-west, an additional prosecutor and an additional court support liaison officer in the south. We are making new laws - for example, an offence of persistent family violence - to make it less difficult to prove sustained conduct.

We are supporting community-led initiatives such as the Project O effort on the north-west, which is empowering young women to drive generational change in their community. That is an example of a great collaboration between government and a wonderful organisation that is using new ways to deal with old problems. I am thrilled that whilst they are cases where people are fleeing dangerous and violent circumstances, we have mapped so many more high-risk incidents, we have made available thousands of hours for additional counselling and have identified, sadly,

thousands of children who are at risk and are ensuring they are receiving better support and a better response from government and the community in this area.

The other issue which is a great priority of this Government is our investment into our education system. After a declaration by the Opposition three or four years ago that they would like to constructively engage in a debate about education outcomes and improving our education system, look at the record of constant negativity by the Opposition about our substantive reform agenda. If anyone wants to ask me about some of the important reforms we have made to improve the economic and social outcomes of our state, I will point to our reforms in the education system, backed up by significant investments in funding to support the staff and the infrastructure required to lift education standards.

It is working. There has been an increase in retention and attainment, with hundreds more kids involved and engaged in our school system now than they would have been. There are powerful and life-changing examples of these young Tasmanians I have met right across the state who are now able to be part of an education system that is more accessible and available in their local communities and turning their education prospects around. We will continue that and will happily work with anyone who comes forward with a good idea about our education system, but we will not sit back and let an opportunistic opposition party attack good policy for the sake of it when they have not had the courage to accept that the system was broken. Thousands of schoolkids were dropping out of an education system and we are bringing them back into it.

We are also investing in our education workforce. We have committed a record \$324 million over six years to invest in our schools with the first tranche in this Budget. It includes a record \$6.75 billion across the forward Estimates in education and training. Our well-established and demonstrated commitment to Gonski 2.0 is reflected in our budget commitments. We will be employing 277 new staff at schools. This is an example of us reinvesting in the front line, where we said we would. There will be 192 new teachers, 80 teacher assistants in prep to ensure kids are getting the support they need and the state Budget this year will include \$69.4 million for the first four years of funding of this initiative.

Teacher quality is important. Teachers are a critical element of Tasmania's education system and improving educational outcomes. We are targeting our efforts to increase improvement in literacy and numeracy. There is an investment into school farms, which are a wonderful interconnection between our wonderful education system and our fantastic agricultural sector. There is more for Early Years education. There is increased specialist expertise in difficult-to-staff locations and we are putting more teachers and teacher assistants at the front line to give our children the good education they need.

There is \$324 million in Education and a lot of it will go to new investments. There is \$31.3 million to provide free preschool to disadvantaged or vulnerable three-year-olds from 2020; \$10.5 million to build the first of three early learning hubs; and \$15 million to build new and upgrade existing kindergarten facilities. That is an example of the investment in our infrastructure and we will continue to make sure we do that including at TasTAFE, with \$18.9 million in job-creating infrastructure; \$7 million to establish a trades and water centre of excellence; \$5 million to establish an agricultural centre of excellence; \$2 million for Drysdale in Hobart, and \$1.5 million for the Devonport Living City project. Our commitment will remain to supporting investment in our schools.

I again press the point that you do not need an audit or some other body which would do only what our fine Department of Education does in assessing the progress on the Tasmanian Government's policy to extend our high schools to year 12. A total of 688 students are studying in the 38 schools around Tasmania that we have already expanded. Since 2014 the retention rate has risen to 74.1 per cent and the TCE achievement rate has now reached 58.9. I will not embarrass members opposite by pointing out what the figures were when they were in government, but they were a long way below that. This is a substantial increase that does not require some audit or inquiry by the Opposition. If there are any suggestions on how we can improve further they are always welcome but we will not stop from getting on with the job with an investment -

Ms White - You just rejected our offer to work together.

Mr HODGMAN - You made the same promise four years ago and immediately after making that promise you were getting stuck into every meaningful reform, tearing down every policy that we were bringing forward and offering no alternative. When they have no idea, they will say, 'Let us work in a bipartisan way', but their record shows from their behaviour that they will not do that.

Madam Speaker, I take this opportunity to reflect on our significant investments into the Department of Health and Human Services. I know that respective ministers will want to do that, but when it comes to a budget that cares about Tasmanians, as the president of TasCOSS said, this demonstrates a budget that cares because we are investing more into a number of ways that will improve the health and human service outcomes of Tasmanians. There are extraordinary levels of investment into our hospitals right across the state. I have mentioned our four major hospitals but there are also investments in a number of other regional and community health facilities on King and Flinders islands and the midlands, for example. We will complete the redevelopment of the Royal Hobart Hospital. This is another example of a major reform that has happened under our Government -

Ms O'Connor - It's not a reform, it's a completion.

Mr HODGMAN - No, it is a major reform to restructure our health system and build a hospital that for so many years, including under your government, was just a series of incoherent plans. We are building a project that is going to open up more beds, provide better facilities for staff and, importantly, for patients who need to be treated there. This Budget will continue to work in that regard.

There is much planned at the LGH. We are willing to engage with a private provider to co-locate at the LGH. There are significant investments at the North West Regional Hospital. Part of our reforms to Health also went to saving the Mersey Hospital, which was at risk of being closed. There is a reform for you. Labor and the Greens were planning on closing that hospital and it now has the brightest future it has had for many years under the investment by my Government and the Commonwealth to ensure it can remain open and provide services.

Dr Woodruff interjecting.

Madam SPEAKER - Order. Dr Woodruff.

Mr HODGMAN - There is more support for ambulance services, which was recognised by the sector's union. There was \$31.9 million for the new aero-medical service, the centrepiece of

our strong plan for ambulance services in Tasmania. It is the first time the state has had a dedicated aero-medical service. It will allow us to respond more quickly to rural and remote incidents.

Dr Woodruff - Where are your kids going to live?

Madam SPEAKER - Order. We have 10 minutes to go and I would like some respectful time given to allow the Premier to finish his speech. I do not want to growl at everybody, but it sounds like I need to.

Mr HODGMAN - Forty nine new rural and regional paramedics will be employed. We are establishing a statewide operations centre to make our service more efficient. New ambulance stations will be built at Glenorchy and Burnie. There is a wonderful support package for our volunteers to recognise the exceptional work they do and improve coordination training.

The Budget reflects the Government's increased investment in housing in response to circumstances that are a result of several factors. They cannot be simplistically addressed by motions such as the one brought forward by the Greens last week. The Greens leader said it would not fix the problem but then carried on like getting facts and evidence and making an informed decision about how we can deal with this complex problem was the worst possible thing anyone could do. Our Budget commitment to deliver more affordable housing options will be welcomed by those wanting a constructive contribution to this important area of public policy.

Several major investments in intergenerational infrastructure will support our growing state. New irrigation schemes will take agriculture to the next level. New moves in water and sewerage will ensure communities have better infrastructure, better services and lower prices. The new Bridgewater Bridge is under way. It is long awaited and will be well received.

There is much investment in our tourism infrastructure, such as the Cradle Mountain master plan. There are plans for a new iconic walk, tourism journeys in each of our regions and significant investment in visitor roads to support increased visitor numbers.

We are investing in our key industry sectors: agriculture, aquaculture, seafood, mining, forestry, IT, building construction, hospitality, the arts, and our heritage sector. Our great community assets, great community infrastructure, like our Neighbourhood Houses, do a tremendous job supporting local communities. They will get more funding under this Government.

I am conscious of the need for other members to make contributions to this debate, but I will briefly talk about some areas of my portfolios which are important. We will invest \$129 million into our tourism, hospitality and events sectors. It was dismissed this morning by someone. Luke Martin, from the Tourism Industry Council of Tasmania, described it as unprecedented and extraordinary. It recognises the importance of our visitor economy and the continued growth in this sector. Last year there were more than 1.26 million visitors to our state. They spent \$2.33 billion on accommodation, attractions, transport, other goods and services. We want this to grow sustainably. We want to encourage more people to stay here longer and we want them to see more of our state, and more of our regions while they are here.

We have initiatives to support this, including \$1.4 million for three new drive journeys in the north, south and north-west to build on the success of the Great Eastern Drive. Work is underway on a new driving route in the west.

We are spending \$4 million to establish a new event attraction fund to target and secure events that bring more people to our state and deliver the greatest return on investment. It will enable a broad ranging events calendar to be developed so that every region can share in the boom. There is \$12 million for more marketing. We have committed \$51.73 million over the next four years for investing in the roads that support our key destinations. There is \$6.8 million to grow our hospitality sector. It was an industry sector that was under siege during the debate by the opposition parties, but it is worthy of strong support, because it employs close to 22 500 people. It supports thousands of businesses across our state, so we will invest \$1.7 million a year in targeted initiatives to meet demand to ensure that the visitor experience matches our reputation: the great Customer Experience Program, workforce development, Stop the Coward's Punch Campaign, which we are really thrilled to be a partner in, workshops and skills development. We have given Drysdale the ability to be a more industry-led institute with management and budget oversight under a board that has strong industry representation. We are providing \$9 million for increased training, investing to turn Drysdale into a true centre of excellence.

Regarding the offer of the Treasury building for sale by an EOI process, which has been welcomed, particularly by the tourism sector, we recognise the fact that it is a superb site and significant heritage, but it is not well suited to modern and efficient office accommodation. We will call for expressions of interest later this financial year and ensure that the heritage and historic values are protected. We will provide for the input and consideration of community views. I point to the duplicity of the Labor Party on this issue. When we first said we were considering investigating alternative uses for the Treasury building some time ago, Labor said, 'You have to have an open process. You must have an open process.' Then they changed tack and accused us of wanting to sell Tasmania's heritage. When we said, 'Okay, due to circumstances at the time we will not proceed with this.' The shadow treasurer said, 'talk about a back flip'. Quote:

Let's put everything on the table and have a discussion about whether there is another use for the Treasury building that would allow more people to enjoy it while maintaining its heritage value and integrity.

They come in here and talk about trust. They should look in the mirror and look at what they have said. It is exactly what we are doing.

Ms O'Byrne - What was your previous position?

Dr Woodruff - Make your mind up.

Ms O'Connor - Why are you talking about the Labor Party?

Madam SPEAKER - Ladies, I am asking you to please allow the Premier to finish speaking.

Mr HODGMAN - Thank you, Madam Speaker. Our strong commitment to the tourism and hospitality sector will continue. It is entrenched in our partnership agreements with industry such as T21 and more recently in a MOU with the Tourism Industry Council of Tasmania to combine our collective efforts to support the ongoing growth in our visitor economy. Our investments will target initiatives that support our vision to get more visitors at a sustainable rate, staying longer and spending more in our state and in our state's regions while they are here.

There is much work being done in response to a matter that was raised by the Leader of the Opposition concerning Tasmania's brand. It is one of our great competitive strengths and it has

high value. It is important we preserve it, but also allow us to better promote it on the national and international stage. There has never been a better time for that to occur.

We are to turn our Brand Council into a new statutory body with legislation that will be introduced this year. For the first time ever our brand will be able to have resources, funding surety, permanent staff and independence from the government of the day. We took a similar approach to Tourism Tasmania when, on coming into government we established it as an independent statutory authority and it has gone from strength to strength as an operation, delivering on its important responsibilities to market, promote and support our tourism sector.

The Brand Council of Tasmania is currently working with the Government to support the transition to the new authority. Legislation will be introduced later this year. We plan to have the authority up and running.

Sitting suspended from 1.00 p.m. to 2.30 p.m.

CONSOLIDATED FUND APPROPRIATION BILL (No.1) 2018 (No. 16)

Second Reading

Resumed from above.

Mr HODGMAN (Franklin - Premier) - Madam Speaker, in seeking to cover the elements of the Budget that concern my portfolio responsibilities, I want to touch on heritage. This Budget includes over \$86 million in new funding which is designed to take our parks to the next level, to help us meet our targets of not only increasing visitors to our state, but also having them stay longer and spend more time in regional areas, which includes being able to access our wilderness areas. Not necessarily always like Dr Brown wanted to do in a helicopter, but being able to access these areas is something that all Tasmanians would relish the opportunity to do. We know that our visitors are keen to do so as well. They want to enjoy the world-class tourism experiences, the magnificence of our natural environment, and do so in a way that is well supported by infrastructure and more staff in the Tasmania Parks and Wildlife Service, which will also be provided for in this budget.

This investment stretches from the significant contribution to the Cradle Mountain cable way and iconic tourism development at the gateway precinct, which includes matching funds from the Australian Government. There is \$31 million in new tourism infrastructure, maintenance, new rangers and frontline staff. There is a budget provision for the next iconic walk for our state. We have seen the success of all our great walks and, most recently, the Three Capes. There is no reason why another walk that provides a new experience and is well developed and established will not deliver similar benefits for another community in our state.

There is also strategic investment to ensure that our parks can be enjoyed for many generations to come. That meets our goals to be the ecotourism capital of the world and to make sure that our parks' assets are well maintained and infrastructure is upgraded and new experiences meet the very high standards Tasmanians expect.

With respect to heritage, there are a number of exciting initiatives in this Budget, including a \$3.6 million commitment to invest in the visitors' centre at the Royal Tasmanian Botanical Gardens.

This will help to provide a better experience for our visitors there. Large numbers of people go to the Royal Botanical Gardens, more than any other site, and that includes many Tasmanians who have a very close connection with what is a wonderful asset for our capital city and the state. This funding will improve the visitor experience and will also enable the Gardens to generate additional revenue to ensure its sustainability.

A \$10 million loan has been set aside for the Heritage Renewal Loan Scheme to provide support to our historical assets, maintain and upgrade in a way that will enhance visitor experiences, boost local economies and support local jobs. This will enable those people who own and work in those wonderful assets to get support from government to increase their investment and upkeep. It is an issue that is often raised with us that the owners of heritage assets have difficulty in maintaining them. They are expensive to run, but they are also potentially wonderful for tourism and visitor economy experiences. They could be a business or retail opportunity. Helping to preserve their heritage values and conserve and adapt the property to support new initiatives is part of this exciting new scheme.

In relation to trade - and I am the Minister for Trade - I mentioned the fact that Tasmania's export sector has increased by about 35 per cent from the previous year. That is an extraordinary rate of growth, three times the next closest state and well above the national average.

It is not just trade to international markets and yes, nine of the 10 markets that support our export sector are Asian countries, which we welcome. We welcome the opportunity to export our high quality products with such great value and reputation attached to them into international markets and that does include into Asia. There is nothing wrong with that and nor should there be. They support our economy, they support jobs and they support Tasmanian businesses.

We want to expand our reach into new markets. We want to demonstrate we are open for business. We are not going to sit back or worse still, as the Greens might suggest, put up a wall around our state perhaps to prevent trade. No doubt our trade strategy will help to develop international exports and interstate opportunities. Imports and trade are an important part of the trade strategy which we are developing. It is the first time the state will have such a thing. We have started work on developing a whole-of-government trade strategy which will deal in the short term between now and 2025 but we will have a longer-term focus to provide strategic direction to government, to businesses and our trading industries.

Over the past month or so we have had meetings with a large number of businesses across the state as part of the development of the strategy. They range from the small to the very large advanced manufacturers, primary producers, forestry, energy sectors, education and the ICT sector. The message has been very clear, we are on the right track. Now it is all about turning up the volume on our trade. As part of that we will be taking a trade mission to Asia later in the year which we anticipate will take in Hong Kong, China and other destinations in Asia to be determined in consultation with the people who are interested in trading with our state, doing business with our state and supporting Tasmania's strong economic growth.

I will conclude because there is important business. As I said to the Leader of Government Business, I could go on for a long time about what is contained in our budget. I will spend a minute reflecting on the contribution of the Leader of the Opposition in what was one of the more bizarre openings to a reply to the state Budget.

Mr Bacon - Were you in the room to hear it?

Mr HODGMAN - I was here.

Mr Bacon - Are you certain, not telling fibs again?

Madam SPEAKER - Order, Mr Bacon.

Mr HODGMAN - It is the latest in a set of what can only be described as very weird speeches by the Leader of the Opposition in keynote speeches which demonstrate a lack of temperament and judgment. In this case, it demonstrates the fact that the Opposition has not produced an alternative budget. There was very little of substance in the Leader of the Opposition's reply and this was classic Labor politics 101, an attempt to distract from the issues that really matter to Tasmanians. It is one of the reasons why you are still sitting opposite and without wanting to offer gratuitous advice, if the election result does not demonstrate that Tasmanians -

Mr Bacon - I will give you some advice. Remember where you go and what you do.

Madam SPEAKER - Order. Mr Bacon, I have some advice for you. Respectfully, I am asking you - and I am giving you your first warning - please stop this constant interruption.

Mr HODGMAN - I will not offer gratuitous advice but if the election result did not demonstrate to those opposite that substance is necessary to be taken as a credible alternative government, you would have thought that year one in a four-year term in opposition - the second term - would have been to produce an alternative budget. Apparently they hired the services of a stylist in the election campaign. I understand that was so. I think that is what we are seeing, all stylist and no substance from this Opposition.

We have delivered a budget which is packed full of substance. There is so much in this Budget that it will represent incredible opportunities for our state. It will deliver on all our election commitments, it will support those in our community who need it - the most vulnerable. Those who need better government services, which they are getting under this Government, and it is delivered because we have one of the strongest, if not the strongest performing economy in the country. A budget which is back in balance and allows us to invest in this fashion. I want to thank the team that is the very strong majority Liberal Government that will take Tasmania to the next level with this Budget.

I congratulate the Treasurer and thank the Department of Treasury and Finance that are the best in the business in this nation.

Debate adjourned.

TAXATION RELATED LEGISLATION (HOUSING AVAILABILITY AND PAYROLL RELIEF) BILL 2018 (No. 18)

Second Reading

[2.40 p.m.]

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

That the bill be now read the second time.

Today, this Government is delivering on its promises to support more apprenticeships and traineeships, create more jobs in regional Tasmania, promote increased employment and economic growth across the state, and improve Tasmania's rental market and home ownership.

Following the 2018 Tasmanian state election, this Government committed to introduce legislation to give effect to its suite of tax reform initiatives within its first 100 days of government. These initiatives included:

- a new tax bracket with a lower payroll tax rate;
- a regional business relocation payroll tax exemption;
- an extension of the payroll tax rebate scheme for apprentices and trainees in targeted areas of skills shortage;
- a three-year land tax exemption for new long-term rentals;
- a 50 per cent duty concession for first home buyers of established dwellings;
- a 50 per cent duty concession for seniors downsizing their homes; and
- a Foreign Investor Duty Surcharge.

In response to the housing summit on 15 March 2018, the Government further committed to introduce a land tax exemption for short-stay accommodation listed for long-term rental in the Greater Hobart area and lastly the Government announced on 20 May 2018 that it will extend the \$20 000 First Home Owner Grant for newly constructed homes by one year from 1 July 2018.

This bill delivers on all of these commitments within the first 100 days of the Government's second term as promised.

This Government's number-one priority is jobs and we have listened to businesses that have argued that payroll tax is an impediment to job creation. Now that the Government has balanced the budget and is in a strong fiscal position, we are able to address this issue. This bill therefore amends the Payroll Tax Act 2008 to introduce new arrangements that reduce the rate of payroll tax paid on taxable wages between \$1.25 million and \$2 million per annum to 4 per cent. A payroll tax rate of 6.1 per cent currently applies to all wages above the tax-free threshold of \$1.25 million. This change will potentially save a business generating taxable wages of over \$2 million per annum more than \$15 000 a year, freeing up funds to invest in the business or to boost employment. For example, if just 25 per cent of those businesses currently paying payroll tax were to create one extra job as a result of this measure, around 650 new jobs would be created. The new payroll tax arrangements will apply from 1 July 2018 and continue this Government's commitment to having among the most competitive taxation arrangements in Australia.

The Tasmanian economy is now performing strongly under this Government's leadership. However we know that the benefits of our growing economy are not being felt in some regional areas of Tasmania. To help address this the Government is providing payroll tax incentives for mainland businesses to relocate to regional Tasmania.

This bill further amends the Payroll Tax Act to introduce a three-year payroll tax exemption for mainland businesses that relocate to Tasmania between 1 July 2018 and 30 June 2021 and establish their operations in a regional area. This increase in business will not immediately impact on the Budget, as businesses that relocate to Tasmania would not have been paying Tasmanian payroll tax. However, after three years there will be a positive revenue impact on the budget in addition to the added benefit of regional economies being supported by the relocation of business and people to those areas. This measure will be subject to eligibility criteria designed to establish that a business relocation has occurred and that the business or any part of a related corporate group does not already have employees in Tasmania.

This Government is committed to increasing the number of apprenticeships and trainees in Tasmania. It has a target of a 40 per cent increase in apprentices and trainees in the private sector by 2025. To support our local businesses that invest in an apprentice or trainee the Government will extend the successful Payroll Tax Rebate Scheme for apprentices and trainees from 30 June 2019 to 30 June 2021. The extended scheme will focus on addressing identified skills shortage areas in the Tasmanian economy. This bill therefore amends the Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Act 2017 to provide that businesses that employ apprentices and trainees from 1 July 2019 will be eligible for a two-year rebate of the payroll tax paid for those eligible apprentices and trainees employed in the areas of building and construction, tourism and hospitality, and manufacturing. This will ensure a more productive workforce, now and in the future, to the benefit of both young people and businesses.

Six of the nine measures in the bill are directed towards improving housing access and security for all Tasmanians by increasing housing supply, managing demand in the housing market and making housing more affordable for those seeking to enter the market as property owners.

Under this Government, business confidence is high and the population is growing. Since this Government was elected, Tasmania's population has grown by more than 8000 people, of which more than half are new arrivals to Tasmania. There is no doubt that the attractiveness of Tasmania as a place to live and work is driving strong demand in parts of Tasmania's property market.

The Tasmanian Government has set a target to grow Tasmania's population to 650 000 by 2050. This is an ambitious target, but it is key to underpinning Tasmania's continued economic growth. Growing our population will deliver significant benefits for Tasmania. However, as a Government we recognise that growing our population requires a greater supply of housing, including affordable long-term rental accommodation.

As promised, this Government is introducing measures aimed at improving Tasmania's rental market. This bill amends the Land Tax Act 2000 to provide a three-year land tax exemption for all newly built housing made available for long-term rental for up to three years. This measure is aimed specifically at encouraging the construction of more long-term rental accommodation. To be eligible for the land tax exemption a property must:

- be a new dwelling that has not been previously occupied;
- have an Occupancy Permit issued between 8 February 2018 and 7 February 2021;
- be rented for a minimum lease term of 12 months or, where the property is in between tenants, be untenanted for no more than six weeks each financial year; and

- be rented out entirely.

If the criteria are met, the land tax exemption will be provided the following financial year. This is in keeping with the current application of exemptions under the Land Tax Act which determines land tax liability based on usage as at 1 July.

Following the Housing Summit held on 15 March 2018, the Government announced that, to assist with Tasmania's housing shortage, it would implement a one-year land tax exemption to encourage short-stay accommodation properties to be made available for long-term rental accommodation within the Greater Hobart Area. This measure is subject to eligibility criteria, and similar to the land tax exemption for newly built properties, will be provided in the form of a land tax exemption in the following financial year. The exemption will be available between 15 March 2018 and 14 March 2019.

The Government will also increase housing supply and improve the accessibility of the housing market by encouraging more first home buyers to build residential housing or purchase newly built homes. To do this the Government will extend the \$20 000 First Home Owner Grant for a further year. Without this extension, the grant amount of \$20 000 would fall to \$10 000 on 1 July 2018. This bill therefore amends the First Home Owner Grant Act 2000 to extend the grant of \$20 000 for eligible first home buyers who enter an eligible transaction for the purchase of a newly constructed home or construction of a new home from 1 July 2018 to 30 June 2019 inclusive. This means that Tasmania will continue to have one of the most competitive home owner grants offered by any jurisdiction in Australia.

The Government's continued focus on the construction of new homes will promote employment and increase new housing supply.

To address the increasing demand from foreign investors in Tasmanian property and to assist local buyers to remain competitive in the housing market, this Government is introducing an additional duty on foreign acquisitions of residential and primary production land in Tasmania. This bill amends the Duties Act 2001 to impose a Foreign Investor Duty Surcharge. The Foreign Investor Duty Surcharge imposes an additional duty of:

- 3 per cent on residential property which is acquired by a foreign person; and
- 0.5 per cent on primary production property which is acquired by a foreign person.

The Government believes this surcharge will help level the playing field for Tasmanians and ensure that foreign investors contribute their fair share to our state. The surcharge will commence on 1 July 2018.

First home buyers of established homes will now also benefit under the Government's housing strategy. As part of its election commitments, the Government announced a 50 per cent duty concession for first home buyers purchasing an established home with a dutiable value which does not exceed \$400 000, saving first home buyers up to almost \$7000. The concession, which will apply retrospectively from the date of the Government's announcement on 7 February 2018, will be available where the transfer or settlement occurs during the 12-month period from the date of announcement until 6 February 2019. This measure will be implemented by providing a concessional rate in the Duties Act, and will be subject to certain eligibility criteria. This measure will provide assistance to eligible first home buyers who purchase established properties as their first home. However it will not apply to vacant land purchased with the intention to build; newly

constructed homes; spec homes; or owner-builder homes as first home buyers for such properties may already be eligible for the \$20 000 First Home Owner Grant.

This bill amends the Duties Act to provide a 50 per cent duty concession for eligible pensioners that downsize their existing home to a new home or unit at a lower cost. The concession will be available for the purchase of an eligible home if a pensioner's existing home is sold and settled within the 12 months from 10 February 2018, and will be implemented by providing a concessional rate of duty subject to eligibility criteria to ensure that the concession targets the intended taxpayers. Key eligibility criteria include:

- the purchased home having a dutiable value which does not exceed \$400 000;
- the purchased home costing less than the dutiable value of the existing home upon sale; and
- the sale of the existing home occurring within six months of the purchase of the downsized home.

This measure will help seniors to downsize, freeing up larger, family style housing for growing families and allowing pensioners to move to homes which suit their lifestyles and require less maintenance. This will save eligible pensioners up to \$7000. This measure will apply retrospectively from the date of the Government's announcement on 10 February 2018.

Both the duty concession for first home buyers of established properties and the duty concession for seniors downsizing will be reviewed in the lead-up to the 2019-20 state budget prior to any decision to continue or modify the measures beyond their original 12-month availability.

This bill gives effect to the Government's suite of tax reform initiatives and affordable housing commitments in accordance with the Government's 100-day plan. It implements measures that:

- promote employment and economic growth in Tasmania;
- provide incentives to increase the supply of housing, including affordable rental accommodation; and
- level the housing affordability playing field in Tasmania.

This bill reflects the government's commitment to improve the life of Tasmanians and their families.

I commend this bill to the House.

[2.52 p.m.]

Mr BACON (Denison) - Madam Speaker, the Labor Party will be supporting the bill. As the Treasurer said in his second reading speech, there are nine measures in this bill. I thank the Treasury staff for the briefing they provided to the Opposition on short notice. There were seven Treasury staff, including the Treasurer's own staff. I thank all of them for the briefing. I also thank my colleagues who came to the briefing. You have never seen more people in the party room so excited about tax reform. Of course you do not see any tax reform when it comes to this Government. We know that and the Treasurer knows that, because when he was asked last week to outline the economic reform or tax reform he has brought down in what is approaching five years in the job,

the cupboard was bare. This is further tinkering at the edges with no real desire from the Treasurer to take on significant tax reform in the state to make sure it is efficient and effective.

Seven of the measures are from the election commitments contained in these documents around supporting our seniors, more jobs for regional Tasmania and payroll tax cuts to boost jobs. I recommend to anyone looking for a way to fill in a Saturday night to go through the promises from the Liberal Party at the last state election - it is always good reading.

This bill is really tinkering around the edges. We have seen a range of measures talked about by the Treasurer in his second reading speech. There is a range of election commitments in terms of reducing the rate of payroll tax for wages between \$1.25 million and \$2 million down to 4 per cent, which leads to a saving, I believe, of around \$15 000 a year for those businesses that are captured by this small change. It also provides a three-year payroll tax exemption for wages paid by business to its employees in regional Tasmania after the relocation of an established business outside of Tasmania into a regional area. It also extends the payroll tax rebate scheme for apprentices and trainees in skill shortage areas. It provides a three-year land tax exemption for new housing that is made available for rental, provides a one-year land tax exemption for short-stay accommodation properties that are made available for long-term rentals, extends the First Home Owner Grant of \$20 000 for a further year, and implements the foreign investor duty surcharge of 3 per cent for residential property and 0.5 per cent for primary production property.

Then there were the further announcements made after the election at the housing summit, where the Government committed to introducing the land tax exemption for short-stay accommodation listed for long-term rental in the Greater Hobart area. The Labor Party participated in and supported the outcomes of the summit, so we are happy to support that measure, although we have some questions on exactly how effective it will be. In the Budget there was the extension of the \$20 000 First Home Owner Grant.

We have a few comments to make about the bill and a few of my colleagues will ask a range of questions about the bill, starting with the reduction in payroll tax above the threshold of \$1.25 million up to \$2 million, to 4 per cent. Above \$2 million will still leave us with the highest payroll tax rate in the country, at 6.1 per cent. It is a very small change to make to this, when it was acknowledged in the second reading speech that payroll tax is a disincentive to employment and we know that 6.1 per cent is the highest in the country. It is acknowledged by the Treasurer that the tax rate he has in place is a disincentive to employment, yet there is no real appetite for the Government to even start a conversation about further changes to the payroll tax system to provide a bigger incentive for businesses outside of Tasmania but also existing visitors in Tasmania to put on new employees.

I have some questions for the Treasurer regarding the modelling; I could not see it in the Treasury briefing but it is in the second reading speech. When you are talking about \$15 000 a year freeing up funds to invest in business or to boost employment, the expectation of 650 new jobs is based on 25 per cent of those businesses currently paying payroll tax creating one extra job. If there is an expectation that these will be full-time jobs or if these are jobs that are expected to pay around \$15 000 a year, exactly how was that figure arrived at? Was it just taking 25 per cent as a figure, and how did you work out that 25 per cent would be the correct figure to use, if that was talking to taxpayers who are paying this tax at the moment? If there is some kind of modelling done by Treasury, it would be good if the Treasurer could outline that for the House. I would like some justification for that 650 new jobs figure. I am not sure if it was in more jobs for regional Tasmania, or payroll tax cuts to boost jobs, and whether the claim was first made in the election campaign.

In the glossy document it talks about the Treasurer's great record, so the claim is first made in this election propaganda. It says that there are approximately 2650 businesses that pay payroll tax. Businesses tell us that payroll tax is an impediment to employing more people and therefore if just 25 per cent of these businesses would create one extra job as a result of this measure, around 650 new jobs would be created. Obviously Treasury did not do that modelling given we were in caretaker mode so an explanation as to exactly how that was arrived at would be very much appreciated, Treasurer.

These measures will apply from 1 July this year. It is a strange claim in the second reading speech that you continue this Government's commitment to having the most competitive taxation arrangements in Australia, with the highest payroll tax rate of 6.1 per cent. It would be interesting to see how the Treasurer justifies talking about competitive tax arrangements when it is the least competitive in the nation.

Then there is the payroll tax incentive for businesses from the mainland to relocate to regional Tasmania. We have a range of questions on that. It will be a three-year exemption for mainland businesses that relocate to Tasmania after 1 July and establish in a regional area, as was explained to the Labor Opposition in the briefing, in the Hobart, Glenorchy, Clarence and Kingborough municipalities. It goes on to say that there is no impact on the Budget across the first three years because these businesses are not currently paying payroll tax, but there is expected to be a benefit to the Budget in the fourth year of the out years.

The second reading speech says -

A positive revenue impact on the Budget in addition to the added benefit of regional economies being supported.

How big will that positive revenue impact be? Will it equate to the 650 jobs that have been promised? How was it modelled for the Budget?

Will the Victorian Hermal Group that wants to operate a timber mill in Burnie be eligible for this payroll tax exemption? Are there other payroll tax measures in place to get that important project for the north-west off the ground? Were those discussions had with the Hermal Group before it announced plans to set up in the north-west?

How does your election modelling marry with Treasury modelling regarding the number of jobs created and what the budget impact will be in that final year?

There is an extension to the payroll tax rebate for apprentice traineeships and youth employees. The Treasury briefing said 867 rebates are in place - 768 apprentices and trainees and 99 youth employees. The Treasurer says this encourages local businesses to invest in apprentices and trainees. It is a worthwhile objective. The Treasurer says the payroll tax rebate scheme has been successful. It is now targeted to skills shortage areas in building and construction, tourism and there was one other -

Mr Gutwein - That is the new scheme. The current scheme will continue as it is at the moment.

Mr BACON - Yes, but the additional two years is targeted at those. What was the third? There was building and construction, tourism -

Mr Gutwein - Advanced manufacturing. They will be set by regulation depending on what the skills mix at the time is.

Mr BACON - This will extend it to 2021. If skills shortages become apparent in other industries, can you roll that out to those other industries? Can you break down the traineeships, apprenticeships and youth employees into different industries?

What impact will the three-year land tax exemption for newly built rental properties have on the Budget? Is this a statewide initiative, not just a Greater Hobart one? The briefing from the Department of Treasury and Finance on the one-year land tax exemption for newly rented, former short-stay accommodation properties said it would be up to the taxpayer to prove to the State Revenue Office they are exempt from land tax for this one year. We expected property owners would need to bring in their council permit to show they were registered to be a short-stay provider of accommodation. In the briefing we were told it may just be showing income from Airbnb or Stayz or another platform provider, or proving it was advertised as available at that time.

Mr Gutwein - I will get the detail.

Mr BACON - In May the Government announced it would amend the First Home Owner Grant Act to extend the grant to first home buyers of newly constructed homes. The amendment will extend that for 12 months. Why 12 months and not longer? Was consideration given to extending it further? Is there modelling showing the effect of the grant on the property market? What advice have you received that led you to believe that it needed to be extended and why was 12 months the appropriate period?

Regarding the foreign investor duty surcharge, you said there has been increasing demand from foreign investors. Can you quantify that increased demand? The Greens are hysterical about foreign investment. Is that hysteria justified? We would like a breakdown of how that demand is increasing and, if you have it, historical data about foreign investment, particularly in residential homes and the primary production properties affected by these changes.

An independent member of the upper House raised concerns about the bill amending the Duties Act 2001 to provide a 50 per cent duty concession for first home buyers of established homes with a dutiable value not exceeding \$400 000 for a 12-month period. What effect will this have on the property market, especially in regional Tasmania, which would suffer a flow-on effect from areas where most houses, even for first home buyers, are above \$400 000? This program is due to be reviewed after 12 months. The bill allows for it to be extended. Who will conduct the review? What will the review look in terms of the disallowable instrument?

The 50 per cent duty concession for eligible pensioners downsizing their homes was an election commitment from the Liberal Party under the Supporting our Seniors policy. We have advice from sectors of the community that says the incentive will not be attractive to seniors. Seniors decide to stay in their family home for reasons not related to the cost of duty in downsizing. Treasurer, how effective do think it will be? Will this 50 per cent duty concession have a noticeable difference in helping senior Tasmanians out of large family homes into smaller dwellings?

Does the Treasury data support the work done by the Liberal Party through the election campaign in putting that document together? What is the extent of the likely impacts on senior Tasmanians? That would be much appreciated. Also there seems to be a large range of changes;

nine measures brought in; really just tinkering with the tax system. Is there an extra imposition on the Department of Treasury and Finance, an administrative burden that is going to come out -

Mr Gutwein - It is what they like doing.

Mr BACON - I know. I saw when we got such a big crowd for the briefing that not only were we excited as a party, they were excited as well. It would be an interesting detail for the Treasurer to provide exactly what administrative burden this would place on the department, given that they are largely very small measures, a few just extended for one year, and a fair bit of tinkering. This is particularly the case with this payroll tax reduction in the rate down to 4 per cent for businesses between \$1.5 million and \$2 million in payroll. Exactly what burden will that place on the employer in terms of providing information? We understand from the briefing there will not be that much more information needing to be provided for that. Also, the regional payroll tax exemption in regional areas for that three-year period as well - that would be much appreciated.

[3.11 p.m.]

Ms O'CONNOR (Denison - Leader of the Greens) - Madam Speaker, I attended the TasCOSS community sector briefing after the Budget was handed down last Thursday. That is always an instructive forum in which to gauge the response of people who are working on the front line of human need and suffering in our community. We saw a quite stunning graph that had been prepared by economist Saul Eslake. It looked at the Government's spending in areas relative to the national average, the areas of public policy where we significantly spend below the national average, include health, housing and higher education. Where the graph goes almost off the chart in terms of spending above the national average is in services to industry. That is all you need to know about this Government's approach to the budget.

It is a Budget that puts bridges before homes for people. In this legislation that we are debating today, it is a Budget that, effectively, gives money to big business. It is not a reformist bill, not in any way, shape or form. In fact, many of the provisions within the various parts of this bill only have a one-year lifespan. A number of them are based on a lack of evidence to point to there being anything effective about these changes. It is short term-ism. There is no structural reform, either in the Budget or in the taxation-related bill that we are debating right now.

My first question to the Treasurer is: why are the provisions in a number of the parts of this bill backdated to a period when the Government was in caretaker mode? The Treasurer was not the Treasurer at the time, on 8 February, as we were in caretaker mode. It is very odd to have a bill that retrospectively provides bonuses to business going back to 8 February. That is highly unusual. It is more about the corporate welfare that has been a hallmark of the Liberals in government. At the same time they have been spending significantly less than the national average in those key portfolio areas that help lift people out of disadvantage, that make sure people live longer, that they reach their aspirations in life, that they have access to high quality, early years public education, skills and training, and that they can have a home of their own to live in that is affordable. It would be helpful if the Treasurer could explain to me why the retrospective provisions in this bill go back to a time when he was the caretaker treasurer?

Part 2 of the bill is a staged payroll tax change. Instead of 6.1 per cent applying immediately after a payroll of \$1.25 million, a rate of 4 per cent applies between \$1.25 million and \$2 million. Small business has often questioned the administrative burden that comes with paying payroll tax. It is difficult to see that this will change or alleviate that administrative burden, although we recognise that, to some extent, threshold based taxation like this is a progressive policy.

We also see another policy that will have an effect, which has very little evidence behind it that we can find. This is the three-year payroll tax exemption for businesses that relocate to regional Tasmania. If the Treasurer has any evidence that that relatively modest exemption will drive businesses and, particularly, manufacturers or agricultural producers to relocate to regional areas, it would be good if the House could see that because it may have no incentive policy at all.

Part 3 of the bill is a very odd piece of policy and it is oddly argued. This is the payroll rebate to employ trainees and apprentices in areas of skill shortage. The Treasurer is trying to tell us that this will encourage people to upskill. It has nothing to do with encouraging people who need to improve their skill set or increase training and skills opportunities. This is actually about employers. It is not encouraging a single worker - displaced, young or otherwise - to upskill. Again, this is about giving money to business. It is poor policy. It is an exemption of the payroll tax rebate sold as a measure to improve youth employment, but it has been adapted as a measure to encourage people to upskill in areas of skill shortage and it is a garbage argument. The benefit is to the businesses, not to the prospective employees. There is no incentive within this provision for any individual to upskill and this is an absurd argument. It is another handout to the big end of town, and that is what this Treasurer and this Government are all about.

Part 4 is the amendments to the Land Tax Act to provide the most temporary possible incentive to investors to move their home from short stay accommodation onto long-term rental. We have a three-year land tax exemption for new dwellings that are in the rental market for that three-year period. In most cases, that exemption is likely to be less than \$1000 per property. Given that investors who choose to put a property they have bought, say, in greater Hobart, onto Airbnb and Stayz, are making between three and four times what they would make in income if it was on the rental market, it is optimistic, at best, to think that this will encourage people who own investment properties to put their properties on the rental market. The actual mechanism for doing that is to prevent the listing of more whole properties on Airbnb and Stayz and to prevent the haemorrhaging of rental properties into the investment short-stay accommodation market.

Treasurer, you know full well, that you are shutting people out of housing. It will not make any substantial difference to the housing crisis or to the rates of homelessness in Tasmania which, as the Australian Bureau of Statistics data has made clear, went up by 21 per cent under the Liberals in government because they manifestly, wilfully, under-invested in building more affordable homes. It was not a priority in the last term of government. The people of Tasmania, who are sleeping at the Domain or the Showgrounds, or are scared of being kicked out of their rental property so it can go onto Airbnb, who are paying for that failure to prioritise homes for people, are paying for that failure of public policy.

This provision in Part 4 is likely to have minimal to zero impact. It is likely to be cost inefficient but to us, it seems that this is about giving a nod to acknowledging the impact of short stay accommodation on the rental market, but it is a bit like fiddling while Rome burns.

We have the one-year land tax exemption for new dwellings that switch from short-stay to the rental market. In most cases it is likely to be worth less than \$1000 for that year so it is maybe a \$1000 year saving. Land tax is around \$750 to \$800, I believe, for many investment properties, so arguing that giving a wealthy investor a one-year pass on paying land tax in order to incentivise that wealthy investor to put their home on the property market is optimistic at best and, at worst, highly cynical. These two provisions are about giving money to landlords. These provisions are about looking after the property class which, as we know, the Liberals prioritise when they are in government.

It is not clear in proposed new section 19E what would happen if the lease is ended mid-way through the term. New section 19E says that land tax is not payable in respect of land on which a dwelling is located during the exemption period for the land if the land is general land located in Greater Hobart, each dwelling on the land was the subject of the relevant residential tenancy agreement, the relevant residential tenancy agreement for each dwelling on the land commenced within the eligible period was in force at the commencement of the eligible period for the land, and the commissioner is satisfied that each dwelling on the land was lawfully used or was advertised as available for lawful use as short-stay accommodation during the majority of the three month period immediately before the commencement of the relevant residential tenancy agreement for each dwelling.

Can the Treasurer explain what happens under this provision when a landlord, in a moment of benevolence, decides that it is worth getting your land tax bill waived for a year in order to earn about a quarter of what you would if it was on the Airbnb market? What will happen if the lease with the tenant is ended mid-way through that term for whatever reason and the house re-enters the short-stay market? What is the Government's response going to be to that? Has Treasury or Housing Tasmania done any modelling on how effective this land tax exemption and the previous one, the long-term rentals and the switch to long-term rentals, are going to be? We are talking about very superficial short-term measures that in no way compensate for the fact that your Government has failed to invest in social and affordable housing, and in no way, in our view, will stem the haemorrhaging of homes from the rental market into the Airbnb market, because it is still happening today where whole homes that would otherwise be rented out to Tasmanian families are being listed on Airbnb.

Part 5 contains the first amendments to the First Home Owner Grant. Then we have Part 6 which is an interesting part of this legislation. This amends the Duties Act to hit foreign buyers with a duty surcharge. It is predicted to take in roughly \$50 million a year. What that very substantial figures tells us is that the level -

Mr Gutwein - Taking how much?

Ms O'CONNOR - It says it is predicted to take in roughly \$50 million a year. Is that the projection?

Mr Gutwein - No.

Ms O'CONNOR - What is the projection from the duty?

Mr Gutwein - Much lower than that. Closer to \$6 million.

Ms O'CONNOR - Would you be able to provide that information?

Mr Gutwein - I am happy to provide that. I don't know what you're reading from there.

Ms O'CONNOR - My notes.

Mr Gutwein - It is not going to bring in \$50 million worth of revenue. I am happy to answer that when I am on my feet.

Ms O'CONNOR - It was a bit difficult to see the impact of these taxation changes forecast in the Budget; we could not quite read them. Are they incorporated into the forward projections of revenue?

Mr Gutwein - Yes.

Ms O'CONNOR - Okay. This is a nod to the fact that an increasing number of Tasmanians are worried about the level of foreign ownership and influence in Tasmania. Mr Bacon can accuse me and a growing number of people in the community of hysteria but the facts speak for themselves. There has been an unprecedented surge in money coming in from businesses that are closely linked to the Chinese communist government; there is no way around that. Someone - and that will be the Greens - has to be brave enough to get up in this place and name it up in such a way that is not hysterical that makes it clear that this is not about race or ethnicity. It is about politics and the strategic objectives of the Chinese communist government. We know that if the owners of VDL in the north-west of Tasmania go bust and, frankly, is showing all the signs of being in a very precarious financial position, it will be a state-owned bank of the Chinese communist government that owns that north-west corner of Tasmania.

Mr Bacon - Wasn't it owned by a New Zealand council?

Ms O'CONNOR - The difference, Mr Bacon, if you want me to spell it out for you, is that previously it was a private business based in New Zealand. Now we are talking about a business that has - you really should read Clive Hamilton's book.

Mr Bacon - Wasn't it a local government?

Madam SPEAKER - Order, Mr Bacon.

Ms O'CONNOR - The difference is that in New Zealand they do not lock up tens of thousands of people and try to re-educate them to love Jacinda Ardern for example. That is what is happening in the north of China at the moment. The Chinese communist government, which owns the banks which finance the developments in Tasmania, is an oppressive, authoritarian regime. They have locked up tens of thousands of Uighur Muslims in the north of China to re-educate them. You can accuse us of hysteria but we are naming it up because it is important that we do not sleepwalk into selling out our sovereignty and our food security.

Mr Bacon - Racism - that's what I'm accusing you of.

Ms O'CONNOR - Mr Bacon, I absolutely and quite comfortably reject that accusation you made then -

Mr Bacon - Why? You don't think anyone does that?

Ms O'CONNOR - I do not know; I cannot speak for other people. What I do know is that the 'useful idiots', they are called, by regimes like Vladimir Putin's Russia or Xi Jinping's China, people who in other countries spruik for oppressive, authoritarian regimes, run talking points like the one Mr Bacon just put to me.

Mr Bacon - What about Pauline Hanson?

Ms O'CONNOR - Pauline Hanson made it about race. This is not about race and you know it. It is about politics and the fact that the Chinese communist government has its eye on Tasmania.

Mr Bacon - About politics?

Ms O'CONNOR - Yes, that is right. It is an oppressive, authoritarian regime. The Chinese communist government puts out talking points and condemns people like Clive Hamilton, who raised legitimate issues, and it uses the words xenophobia and racism in order to try to shut down the debate. We are not going to buy that. We will not be the useful idiots for the Chinese Communist Party. We will come into this place and defend Tasmania's sovereignty, our food security, our way of life and our cultural identity every single day of the week. For any member of this place to pretend there is no difference between a company based in New Zealand that had a local government connection and a company based in mainland China that is connected to the Chinese communist government is either stupid or disingenuous. It is also a very dangerous way to think because it implies that all that matters is the money.

That is all you can see. I was not saying all you can see, Madam Speaker; I was pointing to Mr Gutwein at the time, so it is very clear on the *Hansard*. All the Liberals in government see are the dollar signs. It is all the Glamorgan Spring Bay Council saw with the Cambria Green proposal. It is all the Treasurer sees now when he looks at the beautiful facade of the Treasury building; the dollar signs. That is what it is all about. Know the price of everything and the value of nothing. In that mindset we run a terrible risk of selling our souls and selling our treasures to the lowest bidder; because we have no idea as a state - and certainly the Premier and Cabinet have no idea -

Mr Bacon - He does not even know what room he is in when he is in there.

Ms O'CONNOR - That is true. He is not in the room here today. He has no idea how beautiful this island is, how fragile it is, how rare and precious our way of life is as islanders and privileged citizens of lutruwita, Tasmania. We will keep taking this argument up to you, Treasurer and to every member of the Liberal Party in this place, because at the moment, unfortunately, you are in government at a time when the move to seize, own Tasmanian land and Tasmanian property is unprecedented. We have the Premier and the Treasurer getting up in here and telling us how great it is. It is not that great when you are selling out the state's interest. That is what is happening here under the Liberals.

In response to a question we asked last Thursday relating to Cambria Green, was this the Premier's vision for the future of Tasmania? The first line that came out of his mouth was, 'Tasmania is open for business.' That is what happens when your policy is a call to big money and to developers to come and pour their money in here. It is clear that the mechanisms that this Government has set up to funnel that money in, the Office of the Coordinator-General are designed explicitly to shut Tasmanians out from having a say. The Cambria Green is one example of it where the Beijing-backed and based developer, Mr Liu Kejing visited the Premier in April 2015 and the next thing you know a massive, mega-development disappears into the Office of the Coordinator-General not to be seen again for three years. Suddenly it pops up four days before it is voted on by council to a now-traumatised community on the east coast of Tasmania.

We are also seeing the Tasmanian Wilderness World Heritage Area where projects that were initially on a website through the expressions of interest process, three or four lines outlining a project and then they go into the red carpet vacuum of the Office of the Coordinator-General out of sight, out of mind and out of reach to Right to Information. They pop up again two-and-a-half or

three years later and are just about on their way to being a fait accompli like that toxically destructive proposal for seven extra luxury huts, on the South Coast Track, one of the last great coastal wilderness areas in the world. It does not have a development application lodged to it, but for some reason the federal Liberals believe it is worth giving \$3 million of taxpayer's money to it. No public process, no public discussion about our public assets, no transparency, no proper process, and legislative holes you could drive a bulldozer through, straight through into the wilderness. That is what is happening here under this Government.

Open for business means open to all comers and the people of Tasmania can rack off. That is what has been happening here. It is so obvious over the past four years and the Treasury building is just another example of it. No conversation with the people of Tasmania. A denial, last November, in a public statement that it was the intention to sell the Treasury building. Here we are six months later and it is up for sale. I note for the purposes of *Hansard* that the Treasurer is hanging his head in shame and so he should.

Mr Gutwein - No, that is not true. I was actually writing here. Do not make things up.

Ms O'CONNOR - Well, you should be hanging your head in shame.

Mr Gutwein - I am not hanging my head in shame.

Ms O'CONNOR - You should be.

Mr Gutwein - Well, I am not.

Madam SPEAKER - Order.

Ms O'CONNOR - You should, because you misled the people of Tasmania over the Treasury building. You believe that it is yours to sell. That is why you should be hanging your head in shame, because any government of the day is only holding public assets in trust for the people of Tasmania. Everything that the people of Tasmania need to know about the mindset of the Liberals in government is there in the sale of the Treasury building.

Mr Brooks - Really?

Ms O'CONNOR - Absolutely. A lie, last November.

Mr Hidding - Really?

Ms O'CONNOR - Go back and have a look at your statement, Mr Gutwein. You let the people of Tasmania go to an election believing that you were not going to sell the Treasury building, but you would sell a building that dates back to 1824, one of the most beautiful heritage buildings that we have, that is a public asset, that is the home of governance in Tasmania, that is a symbol of our democracy. We are not saying that it should continue to house bureaucrats. We are saying the same thing that many people in the community are saying now. In fact the letters pages of today's *Mercury* newspaper were full of them, people who are saying that it is a public asset and why can it not be put to public use? We are the owners: why were we not consulted?

That is because Mr Gutwein gave the people of Tasmania the bird when he was writing up the Budget. We are told that everything is financially rosy; everything is peachy. We know that is not

the truth but where is the justification for flogging off that building? It will be a stain on your record for years to come, Mr Gutwein. It will not be as big a stain as being bought by the gambling industry and then forking over \$4.8 million to the Tasmanian Hospitality Association. It will not be as big a stain as that, but it sure will be a stain.

Mr Bacon might have put this question, but I would like to ask the Treasurer if he has any relevant statistics on the level of foreign ownership of agricultural land and residential property in Tasmania. The available statistics tell us that Tasmania has the highest level of foreign ownership of agricultural land anywhere in the country. It is at 23.8 per cent right now. It is the highest of any state or territory in the country. It was not helped along by the decision, the year before last, of the Liberals in government, to hawk 29 000 hectares of public plantations to a company that is based in the Cayman Islands, again privatising public assets by a Treasurer, a Government, where the Premier said they would not be privatising public assets.

As we know, a foreign company which is entirely owned by a foreign bank which is entirely owned by the Communist Party of China, VDL, is now in foreign hands. We have the 29 000 hectares of public plantations. Kangaroo Bay foreshore, again, handed over to a Chinese petrochemical company, and the list goes on.

We need to get some clarity from the Treasurer on the issue of foreign ownership and influence in Tasmania. We need to know whether during the election campaign, the Liberals took any more money from foreign companies after accepting money from the Yuhu Group of companies, despite ASIO's warning in 2015. They took the money from a foreign company which ASIO had told the federal Liberals was closely linked to the Chinese Community Party. ASIO had warned the federal Liberals not to accept money from the Yuhu Group, or Mr Xiangmo Huang, and yet the state Liberals do. That is what we call 'useful idiots'. So if the Treasurer has any information on whether foreign companies made donations to the Liberal Party during the campaign, just after the campaign or before it was called, that would be good because London to a brick, they did.

We will bring on our motion on foreign ownership and influence in Tasmania and we will bring it on after engaging in a respectful and careful community conversation about this issue. We are not going to be the party that fans the flames of fear and racism in our community. We are going to come in here and lay out the facts, and if Mr Hidding, the nominal member for Lyons, wants to point me to anything I have said on this issue that is demonstrably untrue, I will correct the record. I will, 100 per cent. I am happy to do that, because you will not be able to do it, Mr Hidding, because what I say on this issue is based on the facts and on the public record.

Mr Hidding - As you understand them.

Ms O'CONNOR - I am not saying I understand everything. I am saying that I have done my research. I have spoken to people who understand and I have spoken to members of the Chinese Tasmanian community who are very concerned. I have done my research. Have you done yours? I think not, Mr Hidding, because you think Cambria Green is all cool. The other day when I was on this subject during the matter of public importance debate it seemed to me that you were a big supporter of the Cambria Green project and creating an enclave just above Swansea with two golf courses on Moulting Lagoon and an airstrip that can take up to 20 flights a day. Ms Courtney pointed out the biosecurity implications of allowing 20 flights a day.

Ms Courtney - So you don't like tourists now?

Ms O'CONNOR - I beg your pardon, Ms Courtney?

Mr Hidding - There is a process, isn't there? It's called planning.

Ms O'CONNOR - We do not like tourists now? Do you think it is about tourists?

Ms Courtney - Sorry, I was concentrating on something else.

Ms O'CONNOR - Then you should not have opened your mouth.

Madam SPEAKER - Order. Come on.

Ms O'CONNOR - Madam Speaker, if the Treasurer could provide some information on the level of foreign ownership of agricultural land and residential properties in Tasmania that would be a positive. We need to recognise also that there might be a negative come out of this, which is about international students who come here who are currently able, under foreign investment review rules, to buy residential property or student accommodation. How will this impact on international students? If those students or their parents who are paying for the properties are having to pay this extra surcharge on properties they buy, will that have an impact on student accommodation? There is always a flow-on effect when you make these sorts of changes. Was that question clear to you, Mr Gutwein?

Mr Gutwein - It was, and I can give you an answer on that as best I can.

Ms O'CONNOR - In order to answer that fully you would probably need to have some information available on the number of residential properties currently owned by international students. That would be instructive to the House.

Mr Gutwein - I am sorry, I will not have that number available to me today. I can certainly explain what is occurring in other jurisdictions and where our surcharge sits compared to other jurisdictions.

Ms O'CONNOR - Thank you, Treasurer.

In Part 6 amending the Duties Act 2001, why does this provision come into effect on 1 July 2018 yet we can have a downsizing duty concession for seniors that comes into effect on 10 February. We are retrospectively giving a stamp duty exemption to Tasmanians but from 1 July to the date of the announcement of your policies, like most of the other provisions come in, we are not retrospectively saying to foreign investors, 'That property you paid \$2.5 million for has an extra duty on that', so there are retrospective provisions here for Tasmanians and no retrospective provisions for foreign investors.

Time expired.

[3.44 p.m.]

Ms STANDEN (Franklin) - Mr Deputy Speaker, I had the opportunity of a briefing on this with my colleagues a short while ago. I understand that the bill spans nine taxation measures, of which seven were election commitments, and looks to amend five acts. It is comprehensive and far-reaching in its impact, with two subsequent announcements coming under this bill. As my

colleague, Mr Bacon, has said Labor will be supporting this bill, but I have a number of additional questions I wish to put to the Treasurer through you, Mr Deputy Speaker.

The first part of the bill regarding amendments to the Payroll Tax Act 2008 I understand involves reduction of payroll tax from the current level of 6.1 per cent for entities on payroll above \$1.25 million to a new threshold of 4 per cent, estimated to provide a benefit to the employer of up to \$15 750. Although this figure was confirmed by Treasury officials in the briefing, there was no time to explore this figure. I would like some further clarity on how this figure was derived, if you are able to provide some insight into that.

The second part regarding relocation payroll tax exemption has important implications for regional Tasmania. I note that under the definition of the act it is intended to provide an incentive for businesses that have not had a presence in Tasmania for the past five years to relocate to regional areas of Tasmania, defined as being outside Kingborough, Hobart, Glenorchy and Clarence. As Mr Bacon has forecast, that raises a number of questions in relation to that five-year period and the type of entity. I understand that the test for eligibility is comprehensive and includes, amongst other things, that an employee is required to conduct 80 per cent of their work within regional Tasmania. It raises some questions about whether that would be on a per employee basis. For instance, in the fly-in fly-out workforce an employee hypothetically could be based in Melbourne and come down to regional Tasmania four days a week. That would be a simple observation. What happens if there are part-time employees, et cetera? I would like some clarity on that. Further to that, how would that compliance be monitored? It seems quite complicated to measure and monitor compliance in that area.

Mr Bacon has forecast complex, significant investments like the forestry initiative the Hermal Group announced for the north-west coast. It would be interesting to know whether there have been some discussions between the Treasurer and entities such as that and whether these incentives have already been forecast and have come into the equation for those entities.

There are also amendments to the Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Act 2017, a rebate extension in areas of skill shortage. I must say, having some exposure to youth employment and education in the past in my role as general manager of the Smith Family in Tasmania for six and a half years, despite having a health background, it does give one exposure to the area of skills employment pathways for young people. I have no problem with the notion of targeting skills shortage areas such as building and construction, tourism and hospitality, and manufacturing. But it does beg the question why those areas and not others have been identified. There are areas of the health workforce and perhaps others. There has been much discussion about the disability sector where it is forecast there will be a significant upswing in demand for a skilled workforce in the coming years. I would appreciate some clarity about the thinking in identifying those particular skills shortage areas for young people.

I am a mother of a 10-year-old and he is a long way away from a decision about higher education, but one would hope that in 10 years in the future when that is upon him there would be a well-articulated pathway for him from high school to complete year 12 and then beyond to a pathway where there is some certainty of employment. For too long there has been an unregulated gap in that part of the industry where less scrupulous providers have allowed for young people to gain qualifications where there has not been a clear pathway, and it is a sure way to ongoing unemployment and mental health deterioration.

The next area of the bill relates to the amendments to the Land Tax Act 2000, with land tax exemption for new long-term rentals. I understand this area of the bill provides for a three-year land tax exemption on all newly built housing made available for long-term rental, the design of which is to encourage construction of more long-term rental accommodation and ease the rental squeeze. There is no argument on this side of the House as to the need in this regard with rental affordability at an all-time low and people living in temporary, emergency accommodation. The rental squeeze is upon us with people living in tents, caravans and the like, so it would be good to see this measure come into effect sooner rather than later. I note the exemption will commence on 1 July. The Leader of the Greens mentioned this business of some of these measures taking effect on 1 July and others having retrospectivity. It would be interesting to hear the Treasurer's thinking on the rationale for that.

In relation to new long-term rentals, my colleague Mr Bacon may have mentioned this but in case he did not, I am keen to see some figures on the budget impact of this measure and also what happens with continuity of the rental period. In the short briefing from Treasury officials there was some exploration of this. I understand the measure is intended to incentivise continuous long-term rental. If a punter were to be eligible under this scheme for the first year and then withdraw that property from the long-term rental market and offer it as short-term accommodation or even live in those premises for 12 months, in the third year of this measure that would knock them out of eligibility. Some clarification about that design and the intention of this measure being around continuity would be good.

The fifth part of the bill goes on to explore land tax exemption for short-stay accommodation switching to long-term rental. This is an area where, sadly, last week when there was a motion before the House that would have brought effect to a temporary pause in short-stay accommodation instead the Government brought in amendments to the motion to bring effect to improve data sharing, which is a welcome step. However, I thought there was a missed opportunity to act decisively to bring effect to a pause in this area. I understand this measure is intended to make a contribution in this area and amongst other things, the eligibility criteria to look at properties that must be rented under a lease with a duration of at least 12 months and the property must have been used for short-stay accommodation purposes for the majority of the three months prior to being made available for long-term rental. This raises questions about what is the majority and how would one define that, who determines this, who measures this and what is the onus of proof? Mr Bacon talked about potentially advertising rather than permits, proof of income and these types of things. I would appreciate some clarity on that.

For that matter, some of these measures have the capacity to be extended beyond the existing term. This one is to March 2019, but if it proves to be the case that it is a good measure that has significant impact, I believe that if it brings just one additional entire residence onto the market that would otherwise have stayed in the short-term accommodation sector that would be good. The Government should have an open mind as to whether there is capacity to extend this measure further. If so, who would be the decision-making body for that? Who would review this measure, and how can we get a handle on the effectiveness, as it were?

The sixth change is amendments to extend the First Home Owner Grant for newly constructed dwellings for 12 months. I reiterate part of what I said regarding evidence of effectiveness. The eligibility criteria, I understand, are unchanged from those that currently apply. I am interested in any modelling or data Treasury can provide the House in relation to the effectiveness of both the existing First Home Owner Grant and what additional benefit, by extension, is expected out of this measure.

The seventh part of the bill relates to foreign investor duty surcharge. I understand the measure will apply an additional 3 per cent duty on the dutiable value for direct and indirect acquisitions of residential property by foreign persons, and an additional 0.5 per cent of the dutiable value of direct and indirect acquisitions of primary production property by foreign persons. I understand from the briefing with Treasury officials that these figures were simply pegged to the announcement made by the Government. There was a comment along the lines that this was at the lower end of other states. Could the Treasurer provide further advice on this and whether these figures of 3 per cent and 0.5 per cent have a basis of evidence and insight from other jurisdictions where any similar measure has been introduced?

I believe there is a definition of 'foreign' in the bill, but the Leader of the Greens has covered quite comprehensively some of the concern within the community. Just last Friday a man approached me who seemed not at all hysterical, but he simply wanted to make this point. He said, 'I'm a reasonable person and wouldn't consider myself a racist or xenophobe; I welcome multiculturalism to this state and the diversity that it provides but, as with all things, foreign ownership invites a question around balance and sovereignty, openness and transparency, which is important to the people of Tasmania'. I believe at the very least the Government ought to provide some transparency in relation to this measure and its intended consequences.

It talks about direct and indirect acquisition but what does this mean in terms of people's day-to-day lives? If I were hypothetically to purchase shares in a foreign company that were then to invest further in Tasmania, would that be considered within the purview of this bill? What is the intention and what is the consequence, and what is the evidence that this measure will be effective?

The eighth area of the bill provides for a 50 per cent duty concession to first home buyers of established homes with a dutiable value not exceeding \$400 000 for a period of 12 months. What available data shows the effectiveness of this initiative? Why is it retrospectivity? What is the review process? Downsizing the duty concession is a significant issue. It is about the duty of care. Does the Treasurer intend to provide financial advice to punters? Who would pay for such financial advice? I want to quote from *The Sydney Morning Herald* -

The clear message is that where obtaining or retaining an age pension is relevant, it's vital to consider the social security implications of owning a less valuable or no family home and having more investment assets.

Once the modest asset test threshold is passed, every \$100 000 generated by selling the family home reduces age pension entitlement by \$7800 per year.

I do not know what the implications would be for a couple under that measure. I go on to quote:

While investing the money in superannuation may help reduce ongoing tax bills, it won't compensate for losing the age pension entitlement at such a high rate.

The Australian Housing and Urban Research Institute provides an interesting overview of the barriers and incentives for downsizing. The top three reasons were not financial. They were lifestyle preference - 38 per cent of respondents; inability to maintain their house and/or garden - 25 per cent of respondents; and leaving their children at home - 17 per cent of respondents. When financial motivation is not the top reason for people seeking to downsize, what will be the impact of this measure? The barriers to downsizing are the dwelling, location and financial barriers. These

include finding a home of suitable size and close to current location, psychological barriers like emotional attachment to existing homes and neighbourhoods and having a pension reduced after selling the family home to buy a smaller one.

The ABS data reveals that between 2011 and 2016, nearly 40 per cent of Australians moved house, but only 18 per cent of people aged 65 and over did so. The overview of what motivates older people to downsize throws doubt on the potential effectiveness of this measure. There is no concrete definition for downsizing. Downsizing, according to the Australian Housing and Urban Research Institute, could be considered moving to a property with fewer bedrooms than before, that it is a physically smaller home on a smaller piece of land than previously, or transitioning to a dwelling of lesser value. The intent of this measure is moving to a dwelling of lesser value. Who is to say that there would not be a negative impact on age pension, on superannuation and so on?

The Government has a duty of care to pensioners. This measure targets pensioners owning homes currently at a maximum value of \$400 000. It begs the question where these homes would be, with the rise in property values in Hobart and statewide. It is part of the pressure in the rental affordability equation. I do not know where these \$400 000 properties are, much less the downsized properties people will be expected to move to. If such properties were already available, one would think that aged pensioners, as well as younger people, would have snapped them up.

That concludes my concerns. Labor will support the bill, but responses to those issues would be helpful.

[4.06 p.m.]

Mr GUTWEIN (Bass - Treasurer) - Mr Deputy Speaker, I thank the members for their contributions and I will do my best to answer the questions that have been raised.

I thank the members for their contributions and the indication that they will support the bill. I think that was also the Greens?

Ms O'Connor - We will not oppose it.

Mr GUTWEIN - I will do my best to deal with all of the matters that were raised.

The reduction in payroll tax from 6.1 per cent to 4 per cent. That makes us the most competitive jurisdiction in the country for payrolls up to \$4 million. As about 90 per cent of the jurisdiction's businesses are classed as small to medium, it is of significant benefit to many of them. About 2500 businesses are in the payroll tax net. They will all receive a benefit from this.

Ms Standen asked a question about the \$15 750. That is the difference between paying payroll tax at a rate of 6.1 per cent on the difference between \$1.25 million and \$2 million in salary, and comparing that to paying 4 per cent.

Mr Bacon asked me about the modelling. In talking to stakeholder groups, you get the same feedback that we do: that no business lobby group likes paying payroll tax. I have never met a business that likes paying payroll tax. The industry lobby groups that we met, not just in the lead-up to the election but over the last term, were very firm in their views that if you were able to reduce the level of payroll tax it would lead to higher employment. Some had very strong views that if you reduced it across businesses, they would employ more people. We took the view that if only a quarter of businesses that were to benefit from this measure employed an additional employee, then

there would be around 650 new employees. Business has continually made the point that if you reduce payroll tax, it will increase employment. We will keep the outcome of this measure under review because I think it will grow employment.

Regarding the payroll tax initiative, in terms of the three year exemption for the relocation of businesses outside of the greater Hobart area, I make the point that when considering this and speaking with industry regarding their view, because every Tasmanian business would have a view that they would like to have an exemption from payroll tax, some of the industry lobby groups were of the view that, first and foremost, we should provide an incentive to Tasmanian businesses which we believe we have done with the reduction of the 6.1 to 4 per cent. In many cases, the relocation outside of the greater Hobart area has been managed in an ad hoc way for a long period of time. Businesses of all persuasions have provided payroll tax incentives to attract businesses to relocate to Tasmania but it has been done on the basis that the business will turn up and it will be the one that is making the request.

We thought we would turn it around and take a strategic approach. For regional areas outside greater Hobart, there is a three-year payroll tax exemption for businesses that relocate. This also is matched with what we believe will be an opportunity for local government to sharpen their pencil as well. We have said in the policy that the Coordinator-General will now start to work with local governments in regional areas with a view to having local government provide packages that would be attractive for a business to relocate as well. There are some examples already. The West Coast, Dorset certainly, and on the east coast Break O'Day, already provide some level of business attraction or incentive built in to what they do with council rates, permit fees, et cetera. We will be looking at having a coordinated approach outside of the greater Hobart area with the Coordinator-General building packages to attract businesses to relocate. We expect those businesses would employ in Tasmania. To enter the payroll tax net you need to be paying at least \$1.25 million of Tasmanian wages. What we do not want to do is to have a relocation of a major multinational that sets itself up in Scottsdale and employs five people, for example, that is getting the benefit but not employing people here. This will be attractive to businesses that are nimble, relatively small to medium-sized but with a payroll that is within the payroll tax net that we are talking about.

The types of businesses - to be frank, I am not fussed. If we can find a business that will employ sufficient numbers of employees to be captured in the payroll tax net that wants to relocate out of the Victorian metropolitan area where they are paying much higher rents, where they have more difficulties in attracting staff, where they are looking for an opportunity to leverage their business off the back of what is a very strong Tasmanian brand, they are the types of businesses we are looking for.

In terms of payroll tax, Hermal, no, does not get the three-year exemption. The Hermal contract is based around that business meeting a range of conditions beginning with the purchase and building of the new mill but also then linked to the growth in employees over time. From memory, the total package is \$12 million plus \$1 million for training. The payments are linked to the size and the growth of their workforce over time as well as them meeting other conditions. Under the new arrangement that we have, we would have been talking to Hermal about this type of payroll tax exemption if it had been a policy of the Government. In the past, successive governments have worked hard once a business has indicated that they want to relocate or locate in Tasmania. We have a number of examples in the Hobart area where that has happened. Not so much around the state and we want that to occur outside of the -

Ms Standen - Would you cap the size of the organisation?

Mr GUTWEIN - No. To be honest, if we could get an employer of 500 people who wanted to relocate to Tasmania then we would take them. The type of businesses that will be attracted to this will be those that are of a size that are relatively nimble and are looking to benefit from the strong brand we have that will build on their own branding. We will be working with them.

Mr Bacon - What about the cost to the budget after three years?

Mr GUTWEIN - We will look at that in the lead-up to next year's budget once we have some sense of how attractive and successful this relocation is to business. I expect we will see an increase in the fourth year, and I am hopeful we will be able to do something with parameter adjustments in next year's budget. The proof will be in the eating and we will work through this.

Mr Bacon - You said in your speech that there would be a positive revenue impact on the Budget.

Mr GUTWEIN - There is the expectation of it. We will factor that in once we have some experience from this new measure, which we will have before we frame next year's budget.

Ms Standen - The 80 per cent measure?

Mr GUTWEIN - In terms of their operations here?

Ms Standen - Yes.

Mr GUTWEIN - The expectation is that with the 80 per cent measure each employee will spend the bulk of their time working in Tasmania. It is designed specifically so we do not relocate a fly-in fly-out business where we have employees working the bulk of their time outside the state. What we want to see is small, nimble firms of a size that fall within the payroll tax net that want to take up the opportunity to relocate into what we think - and I am sure you do - is the best state in the country.

Apprentices and trainees: in the speech we named the areas to be initially targeted. These would be hospitality, advanced manufacturing and construction. We will be able to determine what the areas of skill shortages are and where the rebate will be targeted by regulation.

Mr Bacon asked me about the three-year land tax for rental properties across the state and what we thought that measure might cost. Around \$1.6 million is the right number for that over the four years. That is the cumulative total and not on a per annum basis but over the period of this Budget.

The land tax exemption for 12 months: we wanted the exemption for 12 months, especially with those properties coming back in from the short stay market. We wanted the SRO to have the flexibility to set the guidelines. As you have rightly pointed out, with the majority of the three months prior they would need to be able to demonstrate with evidence they were in the short stay market before being able to benefit from this. The SRO will be able to look at whether the property has been advertised, receipts from short stay, et cetera, to form the view. With both of these measures - and Ms O'Connor raised the land tax issue as being one that is not a significant cost in the context of a property - but in Tasmania at the moment most residential property is rented out at around a 4 to 5 per cent return. That seems to be the yield you can get on a residential property. Many residential properties are not owned by the big end of town but by young people trying to get ahead who have bought a second property or a unit.

Ms O'Connor - Not so many.

Mr GUTWEIN - Let us agree that there are a number in that bracket. A land tax exemption, whether it be \$600 or \$1000, might just be what is required to encourage a property to be part of a long-term rental. I am now starting to hear quite regularly from people who have entered the short-stay market and are finding it is not all it is cut out to be. You are cleaning up and it may be on a regular basis -

Ms O'Connor - Sure, but you have one, haven't you?

Mr GUTWEIN - No, I don't. I don't have a short-stay property.

Ms O'Connor - Is it Mr Ferguson and Mr Rockliff? Have they been talking to you about the problems they have?

Mr Bacon - Paying land tax by the sound of that.

Mr GUTWEIN - Yes, we do pay land tax. My wife pays land tax. Regarding those properties, it may just be enough for a property to come back out of that short-stay market. The point I was making is that it can be quite a seductive proposition to get into the short-stay market, but somebody has to clean, wash the sheets, maintain the property, et cetera, and the comments I am getting back more regularly now is that for many people it is not quite what they thought it would be. Whilst it is only a small incentive in terms of the land tax - if I will call it a holiday, Treasury will hate it - the land tax-free period may just be enough to bring them back in and also provide the yield they are looking for to pay their mortgage.

In terms of the First Home Builders Boost, Mr Bacon asked me about the 12-month period. It is becoming more normalised now, but the objective of the First Home Builders Boost was to bring forward demand. One of the reasons a 12-month period is run is to ensure that those who would be looking to utilise this are kept relatively keen and decide to make the purchase in the period, because to not do so might mean that at the end of the period they might not have the option of the boost.

There has been quite a bit of discussion on the foreign investor surcharge. I might come back to that at the end and deal with some further detail then.

I wanted to touch on the 50 per cent downsizing for pensioners. This is not a panacea to solve the problem of pensioners or older people living in properties that are unsuitable for their needs, but it makes it slightly more attractive for them to consider moving into a property that might be better insulated, smaller, or closer to services. It removes what in some people's minds is an impediment. Nobody likes paying stamp duty, let us be clear, so we will run it for 12 months and then we will see what the result has been and whether we extend it or whether there is a range of other incentives that might be better in this space. The feedback we have had from stakeholders has been that they have welcomed it, but again we will see what occurs in this period.

Likewise for the 12-month period where we are applying a 50 per cent reduction in duty for first home purchasers. I do not believe that this will force prices up. It is not a 50 per cent cut in stamp duty for all properties. This is a discrete part of the market. When you are listing your home you do not look at it and say, 'I'll list it for \$300 000 but I'm going to target specifically first home purchasers so I'll whack 50 per cent of the stamp duty on the price and it will now be \$307 000'. People do not make decisions that way. They will put their property on the market for the price

they think their property is worth. The first home buyer is a discrete part of the market, but we will see what this does and we hope it helps some people make the decision to make their first property purchase. We think that is a good thing for them and for the state. The more people we have with the responsibility of home ownership and who are getting their foot onto the property ladder the better.

Ms O'Connor asked why those two measures are available from the date of announcement. We did not want to have Tasmanians who wanted to make decisions to either buy their first home or to downsize but said, 'What we need to do is wait until the Government is through the election period and is elected.' We wanted people to know that we did not want the market to distort itself.

Ms O'Connor - So they'd already been given the -

Mr GUTWEIN - No, but what they have been able to do through the SRO website is to indicate that they believe they will meet this measure. I think it is a matter of using a deed - if they meet the same criteria or the criteria that is required, it will be done by deed, similar to what we have done with the First Home Builders Boost.

I touched on the three-year payroll tax businesses, payroll tax rebate, land tax -

Ms Standen - What about the impact on pensions?

Mr GUTWEIN - I encourage anybody who is downsizing to seek their own professional advice. That advice is available through both the Commonwealth Government and their own financial adviser. There are a number of avenues people can get that advice from. At a federal level, there is a range of incentives that were brought in and introduced in terms of superannuation contributions. My recollection is that for pensioners who qualify to downsize, up to \$300 000 of the sale of their property can be contributed to superannuation. My understanding is that in some cases it might impact the assets test but it does not impact the income test. There is a range of incentives now and we have added to that suite of measures.

For somebody considering whether they should move, it is about removing disincentives and that is the way we have viewed this. Is it enough on its own? Maybe for some people, but for others, maybe not. As part of a suite of measures of the options that are now available, it may just be enough to ensure that somebody feels confident to take that next step and move into a property that is more suitable for their circumstances. We will review and keep looking at this and we will consider it over the 12-month period. Once we have some data and evidence, we will look at whether we take it forward again or we reframe it.

Part 6 amends the Duties Act and foreign buyers. Let me provide some information. As to the level of foreign investment in Tasmanian property in recent times, and by recent times I am saying very recent times -

Ms O'Connor - What is your source?

Mr GUTWEIN - The State Revenue Office. From 1 July 2017 to 30 May 2018, there have been 480 properties purchased by foreign persons. There are 451 residential properties, 87 purchases of vacant residential land, 364 non-vacant residential properties, 19 rural properties and 10 other properties. The average dutiable value of a property purchased by foreign persons was

\$290 000, that is both vacant and non-vacant land. The average dutiable value of vacant land was \$250 000 and the average dutiable value of non-vacant land was \$440 000.

Ms O'Connor - By interjection, on those numbers - 19 rural properties, 480 properties purchased, and is that 451 residential properties on top of that? So 364 non-vacant?

Mr GUTWEIN - No, the 451 is a subset of the 480 and -

Ms O'Connor - So that is 480 properties purchased by foreign buyers in total?

Mr GUTWEIN - Yes, in total over that period.

Ms O'Connor - Including the rural properties, the 451 residential -

Mr GUTWEIN - The 451 plus 29, so 19 rural properties and 10 other properties.

Ms O'Connor - Thank you.

Mr GUTWEIN - To give you a breakdown, 47 per cent of the residential properties purchased by foreign persons were in the greater Hobart area. The top three postcodes for foreign purchases of residential property, making up about 18 per cent of all residential properties purchased by foreign residents, were 7050 - Kingston; 7250 - West Tamar in Launceston; and 7018 - Warrane, Bellerive, Howrah and Tranmere. The nationalities of foreign purchasers were, from the bottom: New Zealanders - 17.6 per cent; British - 18.5 per cent; and Chinese - 19 per cent. It is quite evenly spread. There is not a standout nationality.

In terms of the tax applied by other states on foreign investors, Victoria - which is what we brought ourselves into line with - was 3 per cent, until 1 July 2016, when they lifted it to 7 per cent. In New South Wales it is currently 8 per cent; in Queensland it is currently 7 per cent; in South Australia it is 7 per cent; in the Australian Capital Territory it is 0.75 per cent; and in Western Australia it is 4 per cent.

We are where Victoria started at 3 per cent. Victoria has then obviously seen significant growth and they have moved to 7 per cent. We are broadly in line with Western Australia now. What we will do is monitor that and see whether we need to increase it.

Ms O'Connor - Why would you need to increase it?

Mr GUTWEIN - If we see significant growth in the market. One of the reasons for introducing a tax like this is that foreign nationals who own property in Tasmania or in any other state do not normally pay other state taxes. It is one way of ensuring Tasmanians get a share of having a foreign investor owning property while ensuring that we get recompense to spend on health or education or other things on the basis they do not normally pay taxes.

Ms O'Connor - By way of interjection, Treasurer, you talked about 480 properties purchased, of which 451 were residential. There are prohibitions in the foreign investment rules on the purchase of established residential properties. Does this mean that the state is not applying those rules?

Mr GUTWEIN - I am sure we are applying them.

Ms O'Connor - The only exemption is for student accommodation and new builds.

Mr GUTWEIN - I am advised that they meet the guidelines. Under Australia's foreign investment framework administered by the Australian Government -

Ms O'Connor - The one that delivered us VDL?

Mr GUTWEIN - VDL was owned by foreign interests.

Ms O'Connor - Yes, but it was not owned by a bank that is run by an authoritarian regime.

Mr GUTWEIN - You will have your view and I am sure that you will take every opportunity to make sure that people understand that.

So, under Australia's foreign investment framework administered by the Australian Government, foreign persons generally need to apply for foreign investment approval before purchasing residential real estate in Australia. New Zealand citizens and holders of Australian permanent residency visas are exempt from the requirement to seek foreign investment approval to buy residential real estate. It reflects the fact that foreign persons with temporary residence need a place to live during their time in Australia. Temporary residents can apply to purchase one established dwelling to use as a residence whilst they live Australia. Foreign controlled companies are generally prohibited from purchasing established dwellings although foreign companies with a substantial Australian business maybe permitted to acquire established dwellings for the purpose of providing housing for their Australian-based staff.

We are the first jurisdiction to apply a surcharge on agricultural land, at 0.5 per cent. Around 24.3 per cent, I think was the number you used. That is largely as a result of the sale of Gunns plantations to Forico. Other plantations are owned by other foreign interests. Regarding Sustainable Timber Tasmania plantations, because we did not sell the land, we only sold the trees on the land, that does not form part of that -

Ms O'Connor - Can you confirm that the Government then would not charge this surcharge if it gave a 99-year lease on Crown land to a foreign buyer after 1 July?

Mr GUTWEIN - We would have to have a look at it.

Ms O'Connor - We will go to the clauses and have a talk.

Mr GUTWEIN - In respect of a significant purchase with the lease arrangements -

Ms O'Connor - What is the difference between a 99-year lease and sale?

Mr DEPUTY SPEAKER - Order.

Mr GUTWEIN - The difference between a lease and a sale is that we still own the land. I believe that covers the issues members raised. I understand we might be going into Committee to look at some other matters. I thank members for their contributions and their interest in this bill. I believe it will take some pressure off the housing market, assist first home buyers, support our

apprentices and trainees, and make our businesses more competitive, which will enable them to invest more and employ more people.

Bill read the second time.

**TAXATION RELATED LEGISLATION (HOUSING AVAILABILITY AND
PAYROLL RELIEF) BILL 2018 (No. 18)**

In Committee

Clauses 1 to 16 agreed to.

Clause 17 -
Principle Act

[4.42 p.m.]

Ms O'CONNOR - Mr Deputy Speaker, this is the provision of the bill that relates to the changes to the Duties Act specific to foreign corporations, foreign natural persons, foreign persons, foreign trusts and foreign trustees. The questions I ask are on the basis of some of the answers the Treasurer gave in his second reading reply. I thank the Treasurer and his advisers for the data that has been provided on the level of foreign ownership in the past 10 months. What we can take home from that is that 451 homes were purchased by foreign buyers in the space of 10 months and about 220 of those homes were bought in Hobart, which will help to explain in some part why there is a housing crisis.

In the China Engagement Report released in 2015, there was some data included about the number of Chinese nationals who had received state-sponsored permanent or provisional skilled visas. Between 1 January 2015 and October 2015, the China Engagement Report states that 58 Chinese nationals were supported by the state for permanent or provisional skilled visas. Can you tell the House how many other nationalities were sponsored by the state for permanent or provisional skilled visas in that time, and since October 2015 to now, how many Chinese nationals has your Government sponsored permanent or provisional visas for?

Mr GUTWEIN - I am sorry but I do not have that information with me and it is not something that Treasury or SRO would have. If you want to put that question I am happy to provide what information I can to the House.

Ms O'CONNOR - Thank you, that would be good. This followed the signing of a memorandum of understanding between the Chinese Development Bank and the State of China, which was not made available to the people of Tasmania until after the election, after we had sought it through right to information and received it shortly after the state election. In that China engagement report it says that the report from the China Development Bank was to be provided to Government in 2016. Has it been received and if so, what did it say? As Treasurer, are you concerned, for example, that a large piece of prime agricultural land that is historically a place that is very treasured by the people of Tasmania is potentially owned by the Chinese communist government?

Mr GUTWEIN - Are you talking about VDL?

Ms O'Connor - Yes.

Mr GUTWEIN - No, I'm not. Regarding that property, I would have to check but my understanding is that was owned by a foreign interest for a significant period.

Ms O'Connor - Always, but in all its days it has never been owned by a communist government that has an oppressive human rights record.

Dr Broad - It is not owned by a communist government.

Ms O'Connor - The bank that funded the purchase is owned by the Chinese communist government.

Mr GUTWEIN - You are making some very xenophobic comments.

Ms O'Connor - I'm not xenophobic.

Mr GUTWEIN - You are. I am sorry, but I have to call that out.

Ms O'Connor - No, I grew up in Asia and I'm not making xenophobic comments.

Mr GUTWEIN - I am sorry, but I believe people listening to your contribution would form the view that you are being very xenophobic.

Ms O'Connor - We'll see. I don't care - someone has to talk about this.

Mr GUTWEIN - No, it does not worry me. That property has been owned by foreign interests, as you put it, forever. I hope they continue to invest into that property and employ Tasmanians.

Ms O'CONNOR - Just to be clear so there is no doubt in anyone's mind should they be watching this or reading the *Hansard*, I grew up in Southeast Asia. I am not xenophobic and I am certainly not a racist. I am an intelligent person who watches events, reads voraciously, and talks to many people. That is why I am asking these questions of you. If they cannot be asked and in part answered in this place, where can they be? It is a legitimate concern.

Of course we want foreign money in this state, but it should always be on our terms. This is not about a foreign company like New Forests, for example, investing in Tasmania. This is about an oppressive regime that imprisons people in order to re-educate them. This is serious, Treasurer, and I am not going to cop xenophobia or racism. I am channelling what people in the community are worried about. People are scared to talk about it for fear of being called racist. That is exactly what the communists want, so don't.

The question is, has the state received the report that was to be provided to government in 2016 from the China Development Bank? What is the status of the MOU with the China Development Bank or any arrangement with the Bank of China? It is a legitimate concern that large portions of agricultural land may be owned by an oppressive authoritarian regime. I ask you to answer that concern. Can you please update the House on the report from the China Development Bank? There are two questions: China Development Bank report to government and any concerns you may have

or any provision you think could be put in place so there is due diligence done on the sale of agricultural land so we know where the money is coming from. It is a basic rule of due diligence and this is where the Foreign Investment Review Board let down Tasmania. It let down the VDL company and its history because we had a consortium that was prepared to buy and they were shut out of the picture. The Foreign Investment Review Board approved the sale to a company which is now in an extremely precarious state financially, to the extent that their Tasmanian directors, people like Evan Rolley and David Crean, have run a mile. If you can make Evan Rolley run a mile, you have a problem, Treasurer.

As Treasurer of this state, with these provisions, are we saying it is open slather, it does not matter where your money comes from, we will take you? Where is the due diligence process for standing idly by while a very important part of Tasmania's landscape and arable land is potentially going to fall into the hands of the Chinese communist government?

Mr GUTWEIN - Regardless of where you say you grew up, you are sounding like a racist. You are sounding very xenophobic.

Ms O'Connor - I have plenty of Chinese Tasmanian friends.

Mr GUTWEIN - You can explain yourself as much as you want. Anybody watching this debate or reading the *Hansard* would have a clear picture of where you are coming from.

I am not aware of the status of that report. I am happy to look into that matter and report back or write to you, whatever would suit you. I am happy to get that information. In the last term I was not the relevant minister at the time, as you are aware. I will look into those questions you have raised.

Clause 17 agreed to.

Clause 18 agreed to.

Clause 19 -
Sections 4A, 4B and 4C inserted.

Ms O'CONNOR - I am speaking on this clause in order to set the record straight and make it very clear I reject your accusations. I know my heart and I know I am no racist or xenophobe. You can say what you like but when the Chinese Communist Party reads this *Hansard* they will be cheering you on because you have used exactly the language they use to shut down critics who question their strategic objectives around the world.

Mr GUTWEIN - People reading the *Hansard* will form their own judgments about your views and what you have stated in this place.

Ms O'Connor - Yes, they will and I am happy to stand by them.

Clause 19 agreed to.

Clause 20 agreed to and bill taken through the remaining stages.

Bill read the third time.

CONSOLIDATED FUND APPROPRIATION BILL (No.1) 2018 (No. 16)

Second Reading

Resumed from above.

[4.56 p.m.]

Mr BACON (Denison) - Mr Deputy Speaker, it gives me pleasure to respond to the Treasurer's Budget brought down last Thursday.

The Tasmanian Budget is a critical document for this state's future. While the basics of any budget are revenue and expenditure, budgets should also assess risk and outline a long-term financial management framework.

The 2018-19 Tasmanian Budget was Peter Gutwein's fifth as Treasurer and by far his worst yet. I say 'probably' because there is a lot of competition. The Treasurer is again crowing about delivering barrels of pork in election promises as if this is all a government exists to do. Yet we still have Tasmanians living in tents in the middle of winter. We have ambulances regularly ramped at our major hospitals creating agonising waits for patients in their greatest time of need. Staff have been talking about the redesign of the child protection system and the fact that it is not being delivered. We have seen infrastructure across the state that is struggling to cope with increasing demand. We have a government that is paying lip services to these challenges and we had the famous quote from the minister, Mr Jaensch, when it comes to the housing crisis saying that the Government was caught napping on the need to provide this essential service to Tasmanians.

We risk losing the Tasmania that we all know and love if we do not invest and protect the things that make our state so special. The Government is tone deaf to the plight of the disadvantaged. There is a growing sense of inequality that this Liberal Government has no interest at all in addressing. We are constantly told that this is the best Budget ever and that the budget has been repaired. Yet we still have hardworking Tasmanian public servants, nurses, teachers, child protection workers and other public servants being told to settle for wages growth below inflation. This means each and every year under this Government these workers will receive a real wage cut, with Treasury forecasting CPI rises of 2.25 per cent against the wages cap of 2 per cent. It is a disgrace and it is little wonder that health workers are leaving the State Government's employment and that the Government is finding it hard to recruit to fill vacancies.

This is not just a problem for people who are employed by the Government. Tasmanian average wages are the lowest in the country. We are talking about \$10 000 less than the average wage on the mainland and it is little wonder that more and more Tasmanians are struggling to afford to pay for the essentials, such as rent.

We have seen Hobart become the least affordable capital city in Australia, unbelievably even behind Sydney and Melbourne. If you think about that for a minute ask yourself, what is the Government actually doing when it comes to addressing this issue? We have a Government tinkering around the edges of the regulatory environment when they should be having a real look at what is going on in the rental affordability crisis. Everyone from the Real Estate Institute and the Planning Commission to the social sector, tourism industry, the local government sector are saying that the regulation of short-stay accommodation has not been effective and this has increased the crisis in our rental accommodation. We have a Government that has its head in the sand,

refusing to listen. In no way could it be accused of being proactive when it comes to tackling this problem.

When it comes to the budget and the economy, we have seen the Treasurer's rhetoric on fiscal management. He is so far detached from reality that it is hard to believe. We have been told that good financial management has achieved a surplus but this is simply untrue on any level. This is a Treasurer who received \$1.6 billion in above-forecast revenue in his first four years and still could not deliver an underlying surplus. We have had rivers of gold flowing from Canberra and this Treasurer has just gone on and spent it.

This is the biggest spending Treasurer in Tasmanian history. His first four budget forecasts saw a total of \$1.2 billion spent over and above what was forecast. By the end of this financial year, he will have spent close to \$1 billion more in the 2017-18 year than Labor did in the 2013-14 year. While we have seen the 2018-19 Budget set expenditure growth at an average of 1.6 per cent per annum, this is a Treasurer who has been spending at an average of 4.4 per cent above forecast for his first four years, far more than twice the rate that is predicted. How can this expenditure target of 1.6 per cent be believed when the estimated expenditure increase in this year alone is 5 per cent?

Peter Gutwein cannot be believed when it comes to his expenditure targets and we know that this has been a long-term problem for this Treasurer. We heard Moody's come out last week with a range of comments. I will read partially from some of the Moody's statement. It says:

This will delay the return to a surplus until fiscal 2021 - compared to a return to a fiscal balance in 2020 as previously forecast in the 2018 budget. This is a credit negative.

It goes on to say that maintaining average spending growth will be challenging to achieve.

This goes back to 2016 when Peter Gutwein, as Treasurer, saw a downgrade in the state's credit rating, which was at the time downgraded from AA1 to AA2. This was partially on the back of unrealistic expenditure targets set out in the budget, and Peter Gutwein continues to be dishonest with the Tasmanian people about exactly how much money he is going to spend. He is saying he is going to keep spending to 1.6 per cent. It has grown at 5 per cent in the last year alone and we know that his record over the last four years is growth of 4.4 per cent. He cannot be believed when it comes to expenditure targets built into the budget.

We have seen public services fundamentally under-resourced in Tasmania, so where on Earth has the Treasurer spent this \$1.2 billion? We have seen the public service effectively take a real wage cut under this Government time and time again. We know that Tasmania still has the worst health outcomes, the worst education outcomes and the worst infrastructure in the nation. Our health system has gone backwards under this Health minister and this Government. We have seen changes implemented by this Government in its first term already abandoned in the first sitting weeks of its second term.

The Treasurer has been allowed to go on this spending spree which has not addressed the problems in basic services like health, education and child protection. He has been allowed to go on this spending spree that has not been effective, because additional revenue on the back of the improved global and domestic economic conditions keeps flowing in. This is far from guaranteed. The Treasurer made much in his first year in Government of his risk report. He and the Premier now keep getting up and saying that we were \$400 million in net debt when they came to office.

This is a complete falsehood. We saw this risk report used dishonestly by the Treasurer to try to peddle that argument. You only have to look at the graph when it comes to general government net debt. When the Government came into government in 2014, we had over \$200 million of positive net debt. When the Labor Party came to power in 1998 we had over \$1.5 billion of net debt at that time, and that was paid off by the Labor Party.

We went above \$1 billion in positive net debt in 2008. We have not been in positive net debt since 2005. We were over \$1 billion in negative net debt in 2008. The global financial crisis had us down to around \$200 million. We never got back into net debt, despite what the Government says. They talk about this \$400 million figure of net debt but it is dishonest. The global financial crisis got us down to around \$200 million of negative net debt. Then it started to build back up as the economy improved over the last couple of years due to the low Australian dollar, low interest rates and confidence returning to the Tasmanian economy, but then, bizarrely enough, under this Budget it starts to go the other way again and you have to ask why that is the case, given that we are in the 'golden age' of the Tasmanian economy and we have a government that is going to get us back almost into net debt. We are going to have \$14.8 million when it comes to 2021 and that is the buffer.

Mr Deputy Speaker, this is a government with a shocking record. This is a budget that is dishonest and you only have to look at the Government's graph in its own budget papers to see that in this economic 'golden age' supposedly, we have a government that is going to drive us back into net debt, which we have not been in since 2005, when Labor paid off the Liberal Party's debt. This Government is dishonest when it comes to the Budget and you only have to read the budget papers to see it.

There is also the risk to the GST that the Government has been dishonest about, particularly over the last few weeks when we had a so-called guarantee from the Prime Minister which Saul Eslake has said that by the year 2021-22 will see the government \$367 million off in one year alone. We have a government that was saying we have a guarantee from the Prime Minister on Thursday when they brought down the Budget, so there is no need to have any extra information in there about how the Government will deal with this threat to our GST revenue. Then the Premier went to Sydney for the sixtieth anniversary of the Liberal Party council. I am not even sure he was in Sydney now, listening to his comments this morning. He was in Sydney or he was not in Sydney; he was in the room, he was not in the room. It is hard to work out anything beyond the fact that the lights are on but there is definitely nobody home.

He went to Sydney to fight for our GST in the speech he gave on Saturday. He told us on Thursday it was all guaranteed and there was no risk to the Budget in terms of the GST, but then they are battling away again. We know how important keeping the current GST methodology is and if it is changed, which could be only weeks away, almost half the Budget will be affected. Around 40 per cent of our revenue that supports Tasmanian public services is tied up in the GST distribution methodology. We have seen a bizarre disappearance of the Treasurer when it comes to this issue; missing for weeks. We have seen no advocacy from the Government when it comes to maintaining Tasmania's share of the GST until Saturday, after the Budget was already brought down, and where apparently there was no risk.

The GST is not the only risk that is identified in the Budget. We have nine pages of risks identified in the state Budget this year. I am not sure if that is a record and it would be interesting to know. You have GST first cab off the rank. The Government wants to play down the risk to our GST, but you only have go to page 14 of budget paper 1 to see exactly the size of that risk to our

GST. It goes on to list other Australian Government funding agreements as a risk, specific purpose payments, national health reform funding, education funding, national partnership payments as a risk, National Disability Insurance Scheme funding, Disability Care Australia funding, the Commonwealth redress scheme as a risk, and state taxation receipts all flagged as risks in the Budget as well. We have commitments subject to other funding sources flagged as a risk, things not funded in the Budget, such as Pembroke Park, Flinders Island Harbour, MONA FOMA in Launceston, and the list goes on.

We have the funding requirements beyond the forward Estimates period, which is an interesting risk that is flagged in the budget papers in the risk section. This is talking about all these election promises that were made not for this parliament, but for the next one. Half the Health funding and almost half the Education funding that has not been provided in the Budget is flagged as a risk because we know that the Budget is not sustainable. You only have to read the graph on net debt and then look at the number of risks that are identified and how they are set out.

We have general agency cost pressures - this is a good one - we know that the pressure to come in at 1.6 per cent of spending growth is not going to be met by this Government, it has not been met once and it will not be met again. Health expenditure is seen as risks, justice services, natural disaster relief, recovery arrangement receipts, and public sector wages are a risk. It is unreasonable to expect public servants to take a pay cut. The public servants at Treasury have been kind enough to include that in the Budget. We have seen returns from government businesses identified as a risk.

We know that this Government has an appalling record when it comes to ripping dividends out of GBEs. You only have to look at the dishonest financial policy they put out before the election where they were going to find an extra \$82 million and increase government business dividends. They were going to do this by squeezing a 90 per cent dividend out of the MAIB. There was an agreement between the Government and the shareholder ministers, the Minister for Infrastructure and the Treasurer. As shareholder ministers of the MAIB they had an agreement with the MAIB to return the company to a 50 per cent dividend ratio after a two-year imposition of a 60 per cent ratio. Even that was flagged as not being sustainable for the MAIB. During the election campaign, the Treasurer dishonestly told the Tasmanian people he would find an extra \$82 million from government businesses and that that would come from the MAIB by increasing that ratio by 90 per cent.

He was hit with reality when they got back into Government, no doubt. He does not want to talk about the consultation that happened with the MAIB and what took place regarding that 90 per cent. Did the Government seek to break that arrangement to go back to 50 per cent? Did they take that election promise to the board of the MAIB and what played out there? It would be very interesting to find that out. This is a Government with an appalling track record when it comes to ripping dividends out of GBEs.

We saw the way they treated Hydro Tasmania in their very first budget, demanding a \$75 million dividend on the same day the chair of Hydro Tasmania said that they could not provide a dividend for four years. We know that was based on the valuation of the Tamar Valley Power Station Combined Cycle Unit, valued at \$75 million, and coincidentally a \$75 million dividend that Hydro said they could not provide.

You only have to look at the dividend table from the budget papers. We have a couple of special dividends there with the \$15 million from Sustainable Timber Tasmania. It will be interesting, but we will have to wait until December to find exactly how Sustainable Timber Tasmania is going. The word around the camp fire is that it is not going that strongly. Whether or not that business is sustainable we will find out in the long run.

When the Treasurer could not get his \$75 million from Hydro he reverted to the next best trick he had up his sleeve the TT-Line vessel replacement fund, taking \$40 million out over four years to spend on a ship when he could have left those funds. The bulk of those funds are going to come from the TT-Line to purchase those ships. That money is being used to prop up the bottom line in a dishonest way. When it comes to the way this Government manages returns from government businesses we have become used to this. One of the key risks that has been identified is that the way the Government has treated the GBEs is not sustainable.

There are a range of major reforms: the Government's uncoupling of the wholesale electricity price and the impact that is going to have on Hydro Tasmania, given that the vast bulk of increases in dividends is coming again from Hydro Tasmania. We saw the Government plunge us into an energy crisis in their thirst for dividends. We just hope they do not go down that path again.

The Royal Hobart Hospital is flagged as a redevelopment, superannuation funding support to grow the Tasmanian economy and the Tasmanian Irrigation Tranche 3 irrigation program. All that leads to the next page of the budget papers where you look at the Moody's credit rating that Peter Gutwein has delivered to Tasmania. It is AA2 and that is built on dishonesty. We know that is the hallmark of this Treasurer. He is almost proud. With the leadership of the Premier we have seen today in terms of telling the truth in this place, it is no wonder that none of his Cabinet colleagues are worried about telling the truth.

Nine pages of risks have been identified in the Budget. This is the riskiest budget the Tasmanian people have ever seen and with that net debt profile there is no buffer to protect us from any economic shocks we have seen, such as a high Australian dollar. We are still exporting significantly more than we import and most of our major employers are almost all exporters. This is a budget that has come along when the Government proclaims there are boom times, the golden age for people with gold watches, as has been said. They continue to deliver underlying net deficits, unachievable expenditure targets and a total reliance on the federal government.

Tasmania's economic growth lagged behind the rest of the nation over the last term of government. Average wages are the lowest in the nation, our unemployment rate sits above the national average and our workforce participation rates are consistently too low. Given all those circumstances, you would think this would be a government that had an economic reform agenda. What they have said is that it is mission accomplished on the economy. They pat themselves on the back every chance they get. This is a government that did no economic reform in its first four years and, if you look at this Budget, there is none planned for the next four years.

This is a government that thinks this is as good as it gets for Tasmania. The Labor Party does not agree with that sentiment. How could you possibly justify not making a single economic reform in the first four years in government after 16 years in the wilderness? It seems they are going to continue that for the next four years. If you said the Budget is a road map for an entire parliamentary term, what we are in is a cul-de-sac. This is a government filled with slogans and no ideas. It is a government that has run out of steam somewhere in its first term and has no agenda to deliver at

all. It is a government that is complacent, it is arrogant and it thinks this is the best Tasmania can be. Labor knows this is not true.

We are being left to the uncertainties of national and international economic forces. For as long as the Australian dollar remains low, Tasmanian exporters will perform well. For as long as Tasmania remains the must see tourist destination, the visitor economy will help to support the economy. Everyone knows we cannot rely on good times forever. What have we to show for the last four years of Liberal government apart from the sugar hit of election pork barrel?

The Budget has been appallingly managed. We have cumulative underlying deficits of \$200 million until 2022. We have the biggest fiscal deficits since the global financial crisis. We have the danger of the first general government net debt position since 2005. We have the forecast cash deficits of \$195.7 million and \$222.6 million for the next two years. These will be the biggest cumulative two year cash deficits for at least 20 years, if not in Tasmania's history.

If you want to know whether the Treasurer's claim of a surplus is true or not, you just have to look at that graph when it comes to net debt. It is a stark indication of this Treasurer's performance, not only over the last four years but also in the next four years. That graph is appalling. We have seen net debt paid off by the Labor Party in 2005. We have not been back into net debt since. In this economic golden age, the Treasurer is determined to drive us back into net debt and it is not good enough.

In a speech to CEDA in December last year, the Premier said:

We've eliminated net debt and I can confirm today that, for the first time ever, total state sector - that's the general government sector including our state-owned companies in GBEs - is net debt free.

This is the Premier proudly trumpeting this six months ago. But this morning he could not explain how in four years time we will be back into net debt in the general government sector of over a billion dollars, in just four years. It is appalling to see the way this Government has approached the Budget. It is dishonest, it is not transparent. There needs to be a change to the way the Tasmanian Government presents its budget. We want to see a budget that is more open, more honest with the Tasmanian people. There has been discussion around changing the way the budget papers are presented.

Saul Eslake said that the Western Australian budget papers show the gold standard in Australia but has also talked about the New Zealand budget papers. We need to see an honest attempt by the Government to tell the Tasmanian people exactly where we are and where we are headed with our finances.

The Labor Party wants a parliamentary budget office established in Tasmania. We think there would be more honesty in the public debate, from all sides of parliament. We want to see better public debate about policies, particularly in the lead-up to an election. Under the legislation in place at the moment many of the election promises made by all sides of politics were not costed by the Department of Treasury and Finance before polling day. It is not good enough. It does not allow the Tasmanian people to appreciate the costings of the Opposition or the Government in the lead up to an election. If we had election promises properly costed before they are announced then we could improve public debate and solve long-standing issues in Tasmania.

The Government is happy to coast along, making no attempt at economic or tax reform. A bill just passed the House that tinkers at the edges with things such as payroll tax, stamp duty and taxing foreign investors. The Government does not have the guts to take on an easier reform that has happened around the country. It started in South Australia where they introduced a point of consumption tax on net wagering revenue of 15 per cent. It is now right around the country. Tasmania will be the only state that does not have a point of consumption wagering tax. The tax is 15 per cent in South Australia, Queensland, Western Australia and the Australian Capital Territory, 10 per cent in New South Wales, and 8 per cent in Victoria. Peter Gutwein was at the meeting of state Treasurers and the federal Treasurer that agreed to look at harmonising wagering taxes across the country. This is money for old rope.

This is money that the Government could use to support the racing industry. The Government came to power in 2014 with a promise to increase stakes money to the industry. Instead of increasing stakes money, they cut it in one of their first broken election promises. This is an opportunity to undo the damage the Government has done to the racing industry. A report from Tasmanian racing clubs, sent to the Minister for Racing and the Treasurer, urged them to adopt the point of consumption tax. The tax is paid by corporate bookmakers, the Ladbrokes of the world. The only place they will not be paying tax is in the Northern Territory and Tasmania. This is a source of revenue the Government could easily avail itself of, but it so afraid of its own shadow it will not even look at this when it has been adopted right around the country.

History will judge Premier Hodgman and Treasurer Peter Gutwein's 2018-19 Budget for the dishonest document that it is. It will drive us into net debt. It is not going to improve Government services at a time when the economy is on the up. We have the benefits of a low Australian dollar, a healthy global economy, and a healthy national economy. A responsible government would take the long-term view to build up cash reserves as a buffer and tackle economic and tax reform to set us up for the next 10 to 15 years. This is a very timid government. We hope the Government lifts its game in the next four years. There is nothing in this Budget to indicate it will. I do not know if the Premier is checking out any time soon. He appears to have half checked out.

There are huge risks in this Budget. Health funding promised before the election has only been half provided. It is almost the same in education. There is a risk to the Budget from the Prime Minister's so-called promise on the GST.

What the Leader of the Opposition put forward today was a real vision for Tasmania, particularly for its economy. The Deputy Premier would agree that education is the way forward for the Tasmanian economy. To improve the lowest wages in the nation and the lowest productivity, we must improve our educational attainment and the quality of our education. Four years ago the Labor Party put forward a policy to take the politics out of education. It is a very simple proposal - ask the best and brightest minds to focus their thinking on Tasmania's education system. Get all parties to sign up to a 30 year to 40 year vision, and take it out of the election cycle so that genuine, bold policy initiatives are taken to improve our education outcomes. This had widespread support. Rebecca White has again made this genuine offer. The offer remains for the Deputy Premier to take it up. I urge him to do so.

Time expired.

[5.26 p.m.]

Mr ROCKLIFF (Braddon - Minister for Education and Training) - Mr Deputy Speaker, this is the fifth consecutive budget of majority Liberal Government. I commend the Premier and the Treasurer for the Treasurer's fifth consecutive budget. He has much to be proud of.

Tasmania is a great place to be. It is a great place to invest, to holiday, and to experience wonderful festivals such as Dark Mofo. People want to come here; they want to raise a family here. They want to visit here, they want to invest here. This is a very positive time in Tasmania's history. The outlook for our economy is impressive with strong consumer spending and a confident business sector. Our farmers are the most confident in the nation. The tourism industry is booming, driving investment and jobs, importantly in our regional areas where jobs and investment can make a huge difference to small Tasmanian communities.

The Labor Party is good at rewriting history. I almost choked when and I heard the Leader of the Opposition today claiming credit for Tasmania's good economic news, statistics, buoyant economy and investment. You only need to go back five years when we had a Labor-Greens government in Tasmania that had racked up \$1.1 billion of accumulated deficits. We lost 10 000 jobs in that time. Net debt was heading towards \$400 million, unemployment was at some of its highest levels and education outcomes were some of the lowest on record.

Over the past four years we have maintained budget discipline and invested where it makes a real difference. We have invested at record levels in essential services, such as health and education. This Budget is no exception. Our efforts have been recognised and last week's Budget received very widespread support. Saul Eslake summed it up when he said:

Tasmanian Treasurer Peter Gutwein's fifth Budget delivers on all the Hodgman Government's election commitments and provides what should serve as a further boost to business confidence.

There are many great examples of that, but one I am particularly proud of when it comes to investments is infrastructure. Ensuring that we keep pace with a growing economy, rising population and increased visitor numbers requires significant investment in Tasmania's infrastructure. The Budget delivers an unprecedented \$2.6 billion infrastructure investment in our roads, rail, health infrastructure, education infrastructure, housing, and law and order. This will create over 9000 jobs as projects roll out around the state over the next four years and beyond.

The Budget includes a significant \$1.1 billion for road and rail upgrades to deliver better, safer and more productive transport systems for Tasmanians. There is \$121 million for the Bridgewater bridge to start development on this significant \$576 million project, which we expect to complete in 2024. Our funding to match the federal government's \$59.8 million commitment to tranche 2 of the Freight Rail Revitalisation Program will allow TasRail to deliver freight in a more timely, safe and competitive manner. There is \$53 million for the Launceston and Tamar Valley traffic vision, which includes funding to make the Mowbray interconnector safer and to start the West Tamar Highway upgrades, and over \$50 million towards our south-east traffic solution program, including funding for major works to ease congestion at the Hobart Airport junction.

We are continuing our funding commitment to the \$500 million Midland Highway 10-year action plan in partnership with the federal Liberal Government to bring the whole highway up to a minimum three-star AusRAP safety standard. We are halfway there and have already seen significant improvements for our road users. There can be no denying that the Midland Highway

through the centre of Tasmania needed a massive upgrade. We had former Labor members of parliament talking and referring to the Midland Highway as a goat track.

Ms O'Byrne - No, the goat track was what you called the one to the Mersey, remember.

Mr ROCKLIFF - No, I think it was Graeme Sturges. When he made the comment he was the Labor member for Denison and then became the minister for infrastructure. I miss Mr Sturges as he was a very nice person and I enjoyed his company. He held his own team to account well and truly. That was a great example of it, referring to the Midland Highway under a Labor majority government at the time as a goat track. We then had the disaster of the rail as well, on which we spent many questions and hours of discussion in this place in and around that at the time as I recall.

In addition, the \$51.7 million in the Budget for our roads package to support the visitor economy is the first ever tourism road-specific funding program and reflects the Government's commitment to our booming regional visitor economy. We have a strong commitment to public transport, with a record \$31 million investment in 100 new Tasmanian-built buses, the biggest single investment in public transport history in Tasmania, as well as funding for bus priority measures. We have a new Derwent River ferry service and are planning for future public transport needs.

There are a number of road upgrades across the state funded in this Budget, including continued funding of the Midland Highway 10-year action plan, which I have mentioned. It is great to see that considerable investment in that very important infrastructure to make it more productive and safer for the Tasmanian public and our visitors as well. Some parts of the Midland Highway are unrecognisable from what they were 10 years ago. I commend all the stakeholders, civil construction companies and those involved in the planning, development and the building of it.

Ms O'Byrne - Where are my four lanes? We're never going to get a bridge across the Tamar if you can't build four lanes down the Midland.

Madam SPEAKER - Order, Ms O'Byrne.

Mr ROCKLIFF - Your envy comes through a little too much.

Ms O'Byrne - No, I want the four-lane highway you promised.

Mr ROCKLIFF - The majority Labor government and the Labor-Greens government had their chance to invest in infrastructure. In this Budget we are investing \$2.6 billion in infrastructure and in the last budget of the Labor-Greens government in 2013-14 it was \$1.4 billion, as I understand it.

Ms O'Byrne - Is that what you understand?

Mr ROCKLIFF - Yes, that is exactly what I understand. It is right there in black and white. You should be embarrassed. Not only were they underinvesting in health and education but also infrastructure.

Ms O'Byrne - I don't think anyone on your side of the House should talk about embarrassment right now - and you know why.

Madam SPEAKER - Order. Ms O'Byrne, I do not want have to warn you.

Mr ROCKLIFF - There are the Richmond Road upgrades and Cambridge bypass, the Huon Valley/Sandfly Road intersection, Mud Walls Road, commencement of the duplication of the East Derwent Highway to Geilston Bay, safety upgrades on the Huon and Channel highways and cycling safety improvements.

The 10-year funding action plan of the Midland Highway is very important to northern Tasmanians. There will be pedestrian solutions for the Midland Highway at Campbell Town Oval, overtaking lanes to the Tasman Highway at Myrtle Park, road widening at Evandale Road between Launceston Airport and Evandale, road improvements across Dorset Council and commencement of planning for upgrading the Bass Highway between Deloraine and Latrobe.

That brings me to the north-west and west coast region. We are upgrading the Bass Highway west of Wynyard, including rebuilding works for Brittons Swamp, new passing opportunities between Wynyard and Smithton, safety improvements at the access to Boat Harbour Primary School, reconstruction of sections of the Henty Main Road, contribution to the Central Coast Council for a cycling connection across the Forth River, and construction of an overpass at Leith to improve safety at Bass Highway junctions with Leith Road and Short Street. We will also be taking advantage of the federal government's \$400 million Roads of Strategic Importance investment for Tasmania, particularly and initially in the north-west in upgrades to the Bass Highway and between Wynyard and Smithton.

We are all road users in one way or another and that is why it is important to continue investment in helping to improve the skills of our young learner drivers and provide support for pedestrians and cyclists. The Hodgman Liberal Government is extending the learner driver mentor program with an investment of \$1 million a year over the next four years, as well as extending our funding for the Rotary youth driver awareness program for a further four years.

Sadly and tragically, our young people are still too heavily weighted when it comes to our road trauma statistics. We need to do all we can to support our young learner drivers, not only in the infrastructure improvement we make such as on the Midland Highway but also for them to become capable and safer drivers, for them as individuals and for the public. Recently I was advised road trauma injuries and death has a cost to the community of some half a billion dollars a year so there is a very good reason we place such importance in this area, particularly from a human interest perspective. We all need safer roads on which to drive on and make sure our drivers are capable and safe.

We are supporting pedestrians and cyclists statewide with an \$8.4 million investment that includes \$2 million to the south, north and north-west for cycling improvements on the state road network. There will also be a further \$2 million made available to southern councils for a grants program as part of our Hobart traffic solution to create or extend bicycle routes.

The Hodgman Liberal Government is also helping special interest vehicle owners by doubling the number of days the vehicle can be used per year, from 52 to 104 days. We will also remove the cost of the motor tax from SI registered vehicles, meaning an average saving of about \$64.50.

In line with the Tasmanian climate action plan of 2017-20, we are committed to developing a coordinated approach to the uptake of electric vehicles and we have allocated \$250 000 to support this work.

I was pleased to read comments from stakeholders regarding our investment in roads, rail and infrastructure. For example, the Tasmanian Transport Association Executive Director, Michelle Harwood, in a media statement said:

Tasmanian Transport Association welcomes the continued focus on infrastructure investment, incentives for increasing apprentices and trainees, and support for mental health in the 2018 Tasmanian Budget. Confirmation that the long-awarded new Bridgewater Bridge will finally be operating in 2024 was good news for the freight transport industry. The old bridge is a massive handbrake on freight movements. It is slow and narrow, and constricts the flow of traffic badly so the budget funding to replace the bridge is very welcome.

This Budget also includes significant investment in important social services infrastructure, such as \$475.6 million on hospitals and health; \$205 million in human services and housing; \$192 million in schools, TasTAFE and education; and \$169.7 million on law and order. These levels of spending are unprecedented and well above long-term historical infrastructure investment levels.

We will also deliver the state's first 30-year infrastructure strategy, a 10-year pipeline of works to give certainty to our civil construction sector and host an infrastructure round table to help ensure our valued workforce has the capability to deliver on this unprecedented investment. Work on these important projects has begun and will be a priority for this Government throughout this year. This work should not stop us investing where we know there is need and we will continue to do that. We will deliver on our commitments while we deliver on this strategy, which will set us up for the next three decades.

We took a very strong, visionary, long-term infrastructure policy to the state election and we are going to deliver. Those opposite are struggling with that approach. They do not like what we are seen to be investing in. They certainly do not like the fact that we are developing a 30-year infrastructure strategy, from what I can gather. On the one hand, they want a bipartisan approach to long-term planning, but on the other they are not willing to get on board when the government gets things done.

We will deliver on our commitments, as we always have. We will deliver on them in this Budget and in further budgets as I have highlighted above, and in other areas.

In other key areas of infrastructure, we value our recreational fishing fraternity and we are improving facilities as well as investing in new projects through Marine and Safety Tasmania. This includes \$1.6 million to improve recreational fishing opportunities, including an investment of \$250 000 for a community-led master plan for the Bridport foreshore. To further improve marine safety, we are investing a further \$1 million on a number of projects including \$500 000 towards an extension of the rock breakwater at Coles Bay, \$200 000 towards onshore and in-water improvements following the removal of the derelict Scamander Bridge, and \$200 000 to extend the Nubeena jetty. A total of \$2.2 million will be allocated to local councils to improve boat and trailer parking at Burns Bay, St Helens, Pirates Bay, Eaglehawk Neck, Coles Bay and Swansea.

I look forward to delivering on our commitments for a new Derwent River ferry service, which I have mentioned in this House before, through a \$2 million allocation to Metro Tasmania. Metro will also receive an equity transfer to progress the consultative design of an integrated ticketing system.

The other hat I wear is education and I am very proud to do so. Education has always been at the very heart of this Government. We have always believed that investing in our young people is not only an investment in the future, but is an investment in the future of our state. It is a little staggering that the Leader of the Opposition would come in here and claim that education is somehow a mess, to criticise our educational outcomes, which were very challenging four years ago, but we have made improvements. I thank the principals, the teachers and support staff in all our schools for the work they are doing with additional investment, not only in infrastructure, but also resources and the evidence points to improvement. When the Opposition Leader talks about low educational outcomes we inherited some of the lowest educational outcomes in the country. That is why we are reforming.

I cannot think of a greater economic or social reform than education. Every time I get up in this place and talk about reforms or announce reforms, they whinge about it. They complain about it and they do not support them. They get up and say we want more reform, but when it comes to the crunch they are not willing to back the reforms that we are so passionate about delivering. Their current plan to roll back our extension schools policy is out of touch. Young people want greater access to education because they have told us through their contact with the Children's Commissioner. His report, after listening to Tasmania's young people in 2017, clearly indicates that Tasmanian young people want this policy extended. When you go to the high schools that have been extended - Ulverstone, New Norfolk, Huonville, Scottsdale, and Smithton - you hear of the people, the students, the parents, the families and the teachers who value this investment. This is a critical investment and it is worth every single cent.

People can criticise us for investing too much in this area, but when you hear about the educational outcomes of individual students who would not have furthered their education had it not been for that opportunity, you cannot help but think this investment is well targeted and in the right area. Not only has our extension of high schools policy worked for regional high schools, it has also worked for colleges.

The partnerships forming around Tasmania and the communication and collaboration between our high schools and our colleges is exciting. Not only is it exciting to hear about the collaboration, such as the tegana Collective around Rosny College, but the results point to themselves. TCE attainment is up by a massive amount, 58.9 per cent. Retention to year 11 and completion to year 12 has never been better. We have more work to do when it comes to our target in those areas, but we are on the right track and we have made a lot of progress and improvement in a very short time.

It irks me to hear of the olive leaf of a bipartisan approach, and the need for reform. Every single reform we have made in education - and which has been embraced by the community - they have opposed, criticised and whinged about it. If they want a bipartisan approach they need to look at themselves, not the Government, and I make that very clear.

Over the past four years we have driven significant improvements. We have an entirely new Education Act and 38 schools now providing education through to year 12. We have employed 142 additional new teachers and over 60 professional support staff. That is school psychologists, social workers, school nurses and speech pathologists. What is most pleasing is that the results have improved and we have now more students staying in school longer and achieving more while they are there.

This Budget is no exception, because over the next four years we will deliver \$6.75 billion into Education. That is exciting to me and to the schools across Tasmania and particularly the students

and parents. There is funding for an additional 192 teachers in Tasmanian schools over the next four years. This is part of our six-year commitment to place 250 teachers in our schools.

There seems to be some confusion by those opposite when it comes to this commitment. Let me make it abundantly clear: we took a stronger long-term six-year education policy to the last election than the Labor Party did. We also provided Tasmanians with four-year figures when we took that policy to the election. We know that the budget and the forward Estimates will only show four years and this Budget has delivered 192 teachers over four years and will deliver 250 teachers over the next six years. Our education policy did not only match Labor's or vice versa; it was stronger and set Tasmania up for a very bright future indeed.

I am excited about the workforce development planning that is going on at this time. To have the University of Tasmania, the Australian Education Union, the Tasmanian Principals Association, the Peter Underwood Centre for Education Attainment, and the Teachers Registration Board all sitting around the one table embracing the exciting opportunity that 250 teachers over the next six years brings to education in Tasmania and working together constructively is fantastic to see.

Our plan is fully funded in this Budget and includes placing a literacy coach in every school. Our plan includes something very dear to my heart: revitalising school farms across Tasmania with more than \$30 million in new funding going into school farms. This includes \$4.9 million over four years invested into 10 new full-time equivalent teaching staff to support the growing success of school farms, as well as \$800 000 to assist schools with the operational costs of running their farms. The benefits of this new funding will be felt right across the state.

This Budget also delivers on our commitment to extend our funding to support students with disability. This means that our additional investment in supporting students with disability and implementing the recommendations of the task force for education for students with disability since coming to government is now close to \$20 million, so not only do we have the reform in place, it is backed by a solid funding commitment as well. This includes \$250 000 to design and test a new needs-based funding model to support students with disability in Tasmanian schools, something that disability advocates such as Kristen Desmond have been asking for, which we will deliver. I commend Kristen and her team for her advocacy in this area.

Research consistently demonstrates that by investing in the early years of education - preschool to grade 2 - we can set our children up for the brightest future possible. That is why this year's state Budget includes an additional \$31 million to provide free preschool to disadvantaged or vulnerable three-year-olds from 2020. There is also \$10.5 million to build the first of three six early learning hubs and \$15 million to build and upgrade existing kindergarten facilities. It was great to be at Forth Primary School a week or so ago to celebrate their \$900 000 investment.

This Budget also delivers on our commitment to provide more access to early education. I am excited about our Working Together for 3 Year Olds initiative, providing fully subsidised preschool for eligible three-year-old Tasmanian children from 2020. An amount of \$2.3 million of this funding will be invested in 2018-19 year to co-design the initiative in partnership with the ECEC sector. This investment in the early years infrastructure is just a small part of our broader commitment to schools infrastructure.

The Budget includes \$192.2 million in funding for education infrastructure including new schools, school rebuilds and significant investment in TasTAFE. TasTAFE provides the skills that our growing economy needs to thrive and has been and will continue to be strongly supported by

this Government as a key component of our continuing economic development. Our 2018-19 state Budget demonstrates this commitment, which has \$18.9 million allocated for infrastructure investment in TasTAFE campuses across the state. We will see centres of excellence built to service our key industries and these centres of excellence will place industry at the heart of the training system through the direct participation in the Government's model.

Advanced manufacturing and defence industries is an exciting area of my responsibility. We clearly believe that without access to skilled workers our advanced manufacturing and defence industries would not be able to retain and build the workforce capability they need to succeed. That is why I am excited about the new trades and water centre of excellence, which underpins the continued future growth of the advanced manufacturing and defence sector. It is a great space to be in terms of advanced manufacturing. I am continually impressed with our capability across Tasmania when it comes to advanced manufacturing. Some of the most skilled people and businesses in the world -

Time expired.

[5.57 p.m.]

Ms O'BYRNE (Bass) - Madam Speaker, if I had to say where I think the Budget has failed, there are some economic points I wish to make, but it is also in the position of putting people first. This Budget put an election strategy first, a position that we know was backed in by the Premier's former chief of staff and key strategist during the campaign, who admitted that Liberal policies were designed not as the well thought-out policy response that we in the community might have, but cynically and callously, and I quote, 'to trump Labor'. I expect better from government. I understand politics; however I believe you can do politics and also be committed to good policy outcomes.

This Budget is built on a pretty tenuous foundation, and page 10 of budget paper 1 gives us that picture. The Government spends a lot of time claiming credit for the rivers of gold from Canberra and the changing value of the dollar and a number of economic conditions nationally and internationally that we know it had no capacity to influence. Frankly, if we were not doing well in these circumstances, I would be pretty shocked. To use Liberal Party language so that I am speaking the right language, I would be truly alert and alarmed if the budget position was not going better due to the national and international changes.

Liberal Party language: not quite the language I imagine was used at that branch meeting at Arncliffe. I should imagine it was slightly different language and not probably the language the Premier used when he was caught out on his deceit around the ABC. It has been a theme, hasn't it? This Government, this Premier and most of these ministers say one thing and do another. They say whatever they need to say to get out of trouble at the moment before them; the situation they are in at that moment. The reality is that that kind of business always has a way of being found out, as the Premier was found out today when he said he was not in the room when the vote was taken, then he was in the room but he was on his phone and was not paying attention. I would like a Premier who can do more than one thing at once.

I know we often say that men are not particularly good at multitasking but it is a terrible generalisation. I assume that if you have made it to parliament you are pretty good at multitasking. Certainly women are historically very good at multitasking, but I believe you can be in a room reviewing the contribution you might make at a conference and be listening to the debate at the same time and thinking about how you might vote. You can do that. I think what happened is that

he handed his vote over to his mate Senator Eric Abetz. Premier Will Hodgman does not run his party.

I am pleased we are in better economic times, having been a minister before and during a global financial crisis. It is better for all Australians. This Government has lived off the economic good times for four years without initiating a single economic reform. It has not pulled one lever that changed our economic situation. Most significant reforms take years to achieve an outcome. That is why they must be done all the time.

I do not know what lever this Treasurer and this state Government has pulled that has impacted on our better financial position. The Australian dollar is trading at around 74 US cents. Earlier on it was trading above \$1 and \$1.10. As an export-oriented economy that makes a significant difference for us. Rebecca White said that if the Government wants to claim credit for the turnaround in Tasmania's economic fortunes it should be able to point to the economic reforms it introduced. It did not reduce the value of the dollar. It did not deliver the rivers of gold in GST revenue, which are a bit tenuous now.

We asked the Treasurer what economic reforms he had implemented and he could not name one. Business people and economic experts, who are very happy to speak of the good economic times, also cannot find anything that the Liberal Party did to change our economic situation. The Government has been the beneficiary of them, but not the initiator. That will hurt us in the future.

The Treasurer claims all is going well, but we have the lowest GDP, the lowest average weekly wages, the worst health outcomes and the lowest rental affordability of any state. As wages grow nationally by up to 3.5 per cent annually, the Treasurer clings to his 2 per cent wage cap policy, a policy that was brought in during dire financial times. The policy this year will leave our teachers the worst paid in the country. Next year or the year after our nurses will be in much the same position. We believe in good faith negotiations with staff. Good employers believe in good faith negotiations with staff. Our industrial relations system, which has served us well, is predicated on good faith negotiations with staff. The Treasurer refers to it as writing a blank cheque. What a disrespectful way to speak to the thousands of public servants we rely on every day. What an offensive disregard of them. Offensive, but hardly out of character for Hodgman Government ministers. - arrogant, offensive and dishonest. It is a pattern.

They are out of touch with the real world. Even the Governor of the Reserve Bank believes wage growth should start with a 3 and not a 2. If times are so good and your management is so good then the austerity era of wage policy should end. There are significant risks to this budget, risks that are detailed in the budget papers. On page 10 of budget paper 1 the net debt position is worth reading. Clearly the Treasurer has chosen not to. The Government has committed to things that are not included in the pages on budget risks and sensitivities. Some of them are good things that we should do, but they are not in the budget papers as funded, and not included as a risk during the next four years of being delivered.

One of those is needs-based disability funding. I am going to lay London to a brick it is going to cost more than the \$6 million we spend now on STR and 55-70 IQ. Any expert in the area will tell you that. Any parent who has been campaigning for it will tell you that is the case. We have not yet considered its budget implications, unless the minister is intending to fund within the existing programs.

We are unclear what the Government received on the GST when it formed the Budget. The Treasurer said on Budget day the GST revenue was secure after a phone call from the federal Treasurer, his mate Scott Morrison. The Premier said he was reassured by the Prime Minister's GST guarantee on Budget morning. Most of the conversations our Premier has with the Prime Minister are not nice, such as when Mr Turnbull rang him up and had a go at the way they ran the federal election outcomes. That is the kind of relationship they have. Malcolm Turnbull does not answer the phone when Will Hodgman calls. By Saturday the Premier said, 'I need to go to Sydney and fight for the GST'. What happened in between? Either he has a commitment that we are okay, or he is concerned that we are not. Any change to the distribution of the GST not only hurts the current forward Estimates, it will hurt forward Estimates in the future.

Saying we are not going to be a dollar worse off does not mean we are going to be in a better position. The current distribution model of fiscal equalisation serves us well. The Treasurer says so. However, I did not hear him say that he had a commitment it would continue. He has framed this Budget without identifying that. The Treasurer said in his Budget speech that it is reckless to spend more than you have, yet on a cash basis he is spending almost \$250 million more than the revenue he is forecast to receive over the Budget and forward Estimates period.

The forecast cash deficits of \$195.7 million and \$222.6 million for the next two years will be biggest cumulative two-year cash deficit for the past 20 years, if not in Tasmania's history. The Liberals tend to leave the debt. We inherited debt from them in 1998. These Budget papers make it clear we will inherit it from them in four years time, when we will still be waiting for the bulk of the health investment promised at the last election, and much of the education investment.

The Government has enjoyed \$1.5 billion more in revenue over the past four years than expected, and forecasts \$1.1 billion more in revenue across the Budget forward Estimates than was expected a year ago. The Government will not use the money to fix critical issues that continue to hurt Tasmanians by building up the Budget to guard against rude shocks.

Some promises will not be delivered until after the next election. In Health, \$757 million was promised, with \$370 million set out for this term of government. Ambulance response times, which were the best in the country, are now the worst in the country. The Launceston General Hospital lost accreditation for emergency medicine and physician training and did not go well in hospital accreditation in the past few weeks. They have a short time to resolve those challenges. The Royal Hobart Hospital lost accreditation for psychiatric medicine training. Tasmanian women cannot access affordable, safe surgical terminations in their own state. Each of these can be laid firmly at the feet of this minister, through mismanagement or deliberate ill intent. Staff are working hard and struggling under the pressures. The system can take only so much before it gives. The best, most dedicated, most hardworking of staff can only give as much as they can give.

We are in the flu season and it is almost July, when there is increased demand on hospitals. The Government said all children under five will get access to the vaccine without cost. Try getting the vaccine. It is easy to promise the vaccine but it is not there. Young children need two vaccinations. You have your first one, then four weeks later a booster. We have had children who have had their first vaccination, but cannot get the booster. There is no point to that. Our vulnerable populations cannot get access to it. GPs are ringing pharmacists asking them if they have any left and pharmacists are counting the amount of vaccine they have on less than two hands. That is the circumstance we have now, and in the middle of that we already have a system that is completely at breaking point.

Looking through social media alone, the child of a person I know turned up at the ED, was triaged properly and assessed as requiring a bed, was admitted but did not get a bed. I do not know if they got one in the last few hours so I will not say they have not been able to get one but certainly all last night, after being admitted they were still waiting to get him into a bed because there was not a bed to be had. That is the circumstance we are having in our hospital. I guess that is what happens when you do not have a health policy but an election strategy, when everything you have done is predicated on winning an election, not necessarily on ensuring you can do the best thing by people who rely on health system. I guess that is what happens when your reproductive health provision is based on a fundamental belief that women should not have terminations.

In my 20 years in parliament, even through the global financial crisis, I have never experienced the type of housing crisis and stress we are seeing now. To have a safe and secure place to live is the right of every person. It is also the only way we can participate and survive. Tenuous housing arrangements, people struggling to pay rent that they simply cannot afford, couch surfing, sleeping in parks and not knowing where you will sleep, if there is a safe park, from one night to the next. I cannot imagine how it would be to live that way. I cannot imagine having my children in my car and not being able to make sure they were safe, housed, fed, showered and ready to go to bed with a story. It grieves me so much to hear the stories of people who have nowhere to go. It is no way to live and it is no way to create a healthy and stable family environment.

The Government's Affordable Housing Strategy promised to deliver 430 new social houses between 2015 and 2019. To date, with less than a year to go, only 37 have been built. Words in this place are very easy. Words in media releases are very easy but you need to have activity on the ground to deliver on those things if you want to effect change. As the great bard Billy Bragg says, 'You're judged by your actions and not by your intentions', and the intentions may be good but if you do not deliver on it then there is no point. What is the point? If you are just going to be here and make these commitments and not deliver on the ground, then what is the point of any of us being here? It is freezing out there tonight and every night. I cannot imagine that kind of life.

I am pleased that Labor and our Leader have taken some action in this place to give government a suggested way forward in the short term, something that would act this winter to get people housed and safe. We are calling on the Government to seek expressions of interest from local government and private dwelling owners to urgently secure tenure of disused buildings and accommodation and repurpose them as a short-term response. I am pleased she is committed to the introduction of inclusionary zoning, which has been adopted in other states and territories successfully and incorporates affordable housing in residential developments as part of that planning process. It is a proven strategy to assist with housing supply and helps to ensure affordable homes are located close to services. In the short-term, as people are cold tonight, tomorrow night and next week, we need to find something to get people out of the unsafe conditions they are in. We understand that it would be a short-term process but when you are freezing cold in the middle of winter in Hobart, it is something you would find would help you.

Among some of the Labor initiatives our Leader, Rebecca White, initiated and spoke of today, I applaud the establishment of a transparency committee chaired by Labor member for Pembroke, Jo Siejka, which will be responsible for ensuring the Hodgman Government upholds its statutory and moral obligations to the Tasmanian people. When this Government came in it had much to say about transparency. It was going to be the most transparent government and it was going share all its information and revamp the RTI system. Since then, most people would say there is a genuine belief that our RTI laws are not properly enforced and most importantly, they are poorly resourced. You can have the best laws in the country but if you do not resource the process well enough, it

cannot be delivered. When it is used in the way I think we have seen, in that the minister is told about the RTI that is about to come down and comes out and make a statement the day before, that is an abuse of the RTI process. There are better ways we can do this.

I have also been concerned about the dashboards, the routine disclosures that departments make, and Health and Human services has done it for some time. Those dashboards tell us where our targets are and where we should be hitting. Targets and measurables in this place matter because they hold us all to account on both sides of the House. When the Government puts them off for months before the supposed date of release we do not get that accountability in this place and that is a significant concern.

A good government would not be afraid of proper scrutiny. This Government runs a bit scared. The public's right to know is a pillar of democracy and good democracies are enhanced by good scrutiny, good oppositions, good media and good analysis. They actually make governments better. They are not always fun because sometimes they call you to account but the purpose of them is to make us better at what we do. If you know that people are watching you as a minister, you are going to make sure that you meet all those targets. You would not have this issue of not knowing that only 37 houses have been built if you had been keeping a tab on how many houses are being built. If you know you have a certain amount of time to build houses then you put in some time frames around what markers you might have to do. They are not all built immediately, everyone understands that, but to have only done 37 means that perhaps we lacked those markers and those reporting things.

Similarly, the capacity of Labor's waste watch committee to monitor government spending and identify efficiencies and service improvements is another very strong initiative. The committee will be chaired by the member for Lyons, Jen Butler, who I know from her working experience is one of those people who gets in and understands very seriously the way things can be done better. She has a significant eye for detail which will serve this committee well. It will work with unions, public sector workers and members of the business community to look at those new ideas, to find efficiencies and boost productivity, and work with experts to find ways to improve public services, making sure that when we do have funding it is directed to those areas where the most need is or the greatest effect can be given.

As a minister during the GFC I happened to know the capacity of these kinds of committees because we went to the health sector and asked them to tell us where we could make savings and do things better. The quality of documentation we received at that time that identified rafts of ideas was very useful, so when we made the savings we did, a lot of it we could do by those internal efficiencies, so it is very useful. It will focus on the best service delivery and be able to inform and lead debate in these areas.

I look forward to working with businesses to build stronger linkages between education training and service industries, the industry councils that Ms White spoke about. Before the election we proposed the establishment of eight industry advisory councils across key sectors of the economy. As education shadow, given that they are a training role, I look forward to working with all of them but I particularly look forward to the innovation and information communication technologies space and education, science research and Antarctica, as they fit within the portfolios for which I have responsibility.

I am genuinely excited about the conversation we are going to have over the next two years with the Tasmanian people shaping our future together. It will be a comprehensive community

consultation process involving many with communities in small towns and suburbs to share ideas and the well-founded belief that Tasmanians will have a strong view on our future, our opportunities and mechanisms to overcome challenges. We have great capacity in our state and we have found that when we allow people to participate in conversations we get really great debate and outcomes.

Additional funding in the portfolio of women and family violence will pick up on the chronic underfunding of services. Historically, in this last period there has been more money in the areas of women and prevention of family violence and all of that is incredibly welcome but every time the money has come it is for a new thing they have to do: 'Here is this new bucket of money for this new initiative that we are going to do'. They are all good initiatives, I do not begrudge any of them, but it does mean that that core responsibility they have had all that time becomes more and more constrained because demand increases because of all the other work that is about awareness and engagement and capacity in supporting women. When they turn up to the services for assistance because that core element has not been resourced properly, the demand is really high. That is why I had a homeless woman with two children who could not get into the women's shelter in Launceston because there was a two week waiting list. It is why when you talk to the Sexual Assault Support Service they say we have to triage and even in some of the most difficult cases there is a week before we can get to those people.

When people are in points of crisis they need that response straight away. As a woman if you have been brave enough to exit the circumstances, we know that one of the times they are at the most risk in domestic and family violence situations is at the point of leaving. If you make the decision to leave you have to have somewhere to go. If you cannot go anywhere and you have to go back that is an incredibly dangerous circumstance for women. We know that if you are brave enough to tell someone your story, to say this has happened to me and I need support that you need support at that time. If you are the victim of an assault from someone you know, from someone you do not know - it does not really matter these days, it can be any of them - and you seek support, you have to get that support straight away because there is compounding trauma if you are not immediately supported. Not to be able to get that immediate support is incredibly dangerous as well and once again it can put women back into a position of greater risk.

Any action that we take, in any form - and this House has a responsibility there - that undermines women's access to safe services, whatever those services might be, whether it be for shelter support, health services, or whether it be trolling from the Premier's office, all of those things are shameful. We are supposed to be better than that and intend to deliver better than that. It is a little unclear which minister has responsibility for all aspects of that. I am not yet clear which ones the Premier has taken responsibility for and which ones still remain with the minister for women. I need to seek some advice on that to make sure that in the Estimates process we do not get to that unedifying circumstance where a minister says, 'I do not have to answer that. You needed to ask the minister before'. Sometimes we have had both ministers respond and tell us the same thing. We will be looking to clarify the responsibility of people in that space.

I am looking forward to the innovation and the digital economy portfolio, and I am currently engaged with the industry about some opportunities. There are some things we will pursue in Estimates and there are some excellent opportunities in emerging technologies. A number of concerns have been raised about security of data across a number of agencies. We need to ensure that this Government is taking that seriously.

Turning to education, I was a little offended. The minister, Mr Rockliff, does care about education. He is quite passionate about it but it is a little disingenuous to say that bipartisanship

means just agree with me. It is not how bipartisanship works. It would be lovely as a parent if that is what it meant - 'I am sorry you have to agree with decisions I make but that is what working together means'. It is not that way. Bipartisanship is coming together with equal value to the positions that you bring to the table and working together. We are capable of that and the minister, in particular, is capable.

When I was health minister we looked at removing from politics the clinical decisions around health care. We all presented and spoke at the health conference that year and the health professionals who were leading that work and were doing some amazing stuff all stood up and presented it not as my plan but as their plan because we said we wanted to depoliticise. Both the leader of the opposition at that stage, now Premier, the deputy leader of the opposition and shadow minister for health, now Deputy Premier, stood up and gave a commitment to that room that they believed in this bipartisan approach. They gave their commitment at that space and anyone who was there recalls that. Then when they got into government, Mr Ferguson got the portfolio and that was the end of that. He pretty much tore up everything that had been worked on.

I believe there is a capacity around education and the minister stands in here and says you hate the years 11 and 12 roll out, you hate everything we do, you just criticise. We did criticise the early years work that the minister was doing because we did not think he had consulted with the industry. We did not think he understood the implications. It turns out we were right to think that and the minister had to tear up that plan. After sitting in the Estimates across this hallway and saying, 'I am nailing my colours to the mast; this is the right thing', and no-one could convince him of anything else, he had to change it because he was wrong. We could have done that better.

At the time when he first announced it we said we would be really happy if he had that as his intent but took it to the table and worked through this with the industry. Ask the industry what the implications would be, look at what the data says and talk to other people about what it would mean. He refused to do so. Had he done so, we would not have put the industry through the trauma that we put them through, and we would have potentially been much further down the pathway of looking at what do we do to support vulnerable families than we are with the minister's plan now not coming in until 2020. It is a plan that is still very unclear. It still seems to be a very school-based model in an early year sector. There are significant concerns in the industry that what he might be trying to do is to get his original intent by stealth. They would not think that if they had a trusting relationship with them but they do not anymore because of the way that the previous process was conducted.

I have stood in this House every time and said we supported years 11 and 12 extension where distance is a barrier to participation. We have also said that there are children for whom this model has worked - it has caught them. I have never said that it should not happen at all. Time and time again in this House I have said there are children who have been supported by this model. However, there are sustainability issues across the entire model that the minister's own independently-commissioned report has indicated. He already said that there were sustainability issues. Within their own budgets, colleges are having to fund all that wonderful outreach the minister has talked about, the great partnerships. Colleges are doing it without additional funding, under incredible pressure.

There are some programs in schools, and the schools listed as going to years 11 and 12, where they are running one small program. It is great that they running one small program but let us not pretend it is years 11 and 12. When we pick up a child and take that child to a college or to another

school to access their services, that is a great thing to do. If that is what that child needs, we should do it, but let us not pretend that years 11 and 12 are in every school.

We know that the wheel of fortune moves on and by the time the next election comes around the situation will be different but we do genuinely think there is a capacity in this state, if in no other, for our students to be able to say that education is a non-political matter. We tried it with health and we were close when we were in government, but this minister could do it in government on education. If he wants to set up an education partnership and call it the Jeremy Rockliff Education Partnership, I do not care. I do not care what it is called.

We want to commit to such a thing but I encourage anybody who is listening to the Budget speech who is worried about it, to spend some time on page 10 and consider some cynicism in their approach to the response.

Time expired.

[6.27 p.m.]

Mr BARNETT (Lyons - Minister for Resources) - Madam Speaker, I am very pleased to support this state Budget. I congratulate the Treasurer, Peter Gutwein, on a terrific effort. I believe it is the best budget in at least 21 years. It says exactly where Tasmania is at, and that is that we are building the future for Tasmanians. With this budget we are setting a plan for the future. We are honouring our commitments; we are meeting our promises. Those commitments we gave during the election campaign are becoming true in this state budget. We are delivering on all of those commitments, on time and in full. What is more, we are delivering surpluses over the forward Estimates. This is in stark contrast to a little over four years ago where we had a budget deficit of \$1.1 billion over the forward Estimates when we came to government, and a net debt of \$400 million.

Tasmanians were drowning in debt and red ink as far as the eye could see under the Labor-Greens government and that has been a massive change, a stark contrast, under a stable, majority Hodgman Government. With this particular Budget we are now delivering for all to see, record spending in health, education, infrastructure and surpluses over the forward Estimates. That is black ink. That delivers confidence not just to the business community, but to everybody across the community. All Tasmanians can, and do, have confidence. Why are we for the third, nearly fourth month in a row the highest in terms of confidence across Australia? We are more confident than any other state or territory across the country. That is good news for Tasmanians and paints a picture of the future where we will see more investment, more development, more growth and more jobs.

Just a few days ago, the night of the Budget, the latest jobs figures came out that showed an extra 13 400 new jobs since we came to government. That is encouraging. By contrast, more than 10 000 jobs were lost under the previous Labor-Greens government, we were in recession and the levels of confidence were plummeting through the floor. It is a massive contrast and now things are back on track, so we are delivering for Tasmanians and getting on with the job. We are honouring those promises. It is encouraging because it is a prudent approach that was rewarded at the election just a few months ago for our second term in office. That prudent approach is delivering fiscal management which enables us to make those record investments in infrastructure, health and education.

I want to touch on some of those numbers, because in terms of job-creating infrastructure that is record funding of \$2.6 billion. That means new schools, funding for hospitals and hospital redevelopment, and road upgrades. On top of that, in building a stronger economy I am encouraged to see the funding will support around 4500 more apprentices and trainees by extending the targeted small business grants and the payroll tax rebate, particularly in the Building and Construction portfolio I have. That is very encouraging indeed.

Some of the big-picture numbers in record funding for health and hospitals include 298 new hospital beds and recruiting 1331 new hospital and health staff with a \$757 million commitment over that six-year period. There are rural hospital and ambulance centre upgrades of \$15 million; a record boost for mental health, with 25 new beds worth \$95 million. In education, there is \$324 million to employ 358 more staff in our schools, to extend all schools to year 12 and invest in early learning. It is a super congratulations to the Deputy Premier and minister for Education in getting that commitment to extend to years 11 and 12, something the Opposition fought fiercely against and seem to continue to do so. The public has spoken, the students have spoken and the record is there for all to see. You can see a stronger economy and more jobs, and our commitment to health, education and Tasmanians in need.

Keeping Tasmanians safe, one of our five key policy parameters, is important and we are delivering with an additional 125 police officers, including special ice investigators, and that is a \$37 million commitment. This is showing that we care for our community. Security and safety is a top priority. The Hodgman Liberal Government and Liberals across the state strongly support this. The community appreciates the importance of being safe and secure. Protecting the Tasmanian way of life is important to all Tasmanians.

I was born and raised at Hagley in a rural and regional part of Tasmania. I love my fishing and being outdoors. The natural environment in which we live is important and appreciated by Tasmanians, so freezing the trout fishing licence fees for four years is terrific. We have funding for new and improved fishing infrastructure and I was pleased to be part of the \$100 000 commitment for the World Fly Fishing Championships to be hosted in Tasmania at the end of next year. Well done to Malcolm Cross and the team to help make that happen.

In the big picture, there is nearly \$300 million to reduce cost-of-living pressures. This is one of the key areas where our Government is committed to make it a top priority. I will talk more about this in my energy policy contribution but in terms of capping prices at CPI for three years, saving the average residential customer about \$179 a year, that is a saving because the Government is focusing on relieving the cost of living and reducing the cost of energy wherever possible, and we are delivering. This is legislation connected with the Budget, it is in this parliament and I am hoping we will receive strong support for that.

I will reflect on the Energy side of the portfolio. I am delighted to have the four portfolios and I will reflect on some of those. We have a Tasmania First energy policy and that is to deliver for Tasmanians the lowest cost prices for electricity. That will be implemented because it has been increasing markedly over past years at the national level in Victoria, South Australia, and New South Wales and we are keeping costs down. Sadly, prices have been volatile on the mainland but we are keeping them down so people and business in particular know exactly what is going on. We are protecting Tasmanians from those increased prices and will continue to do so. The Budget has delivered in that regard and that is part of our policy position to put Tasmanians first. Our policy position is to deliver the lowest regulated power prices in Australia by 2022 and to deliver fully self-sufficient, renewable power from Tasmania by 2022. We are on track; we are delivering. This

is happening as we speak. This is a plan; this is vision in action. We are doing it every day, working very hard with the key stakeholders and our government business enterprises to deliver for Tasmania. We are the renewable energy powerhouse of Australia. Around the world we are a renewable energy powerhouse and we are delivering for the Tasmanian people. I will talk more about that shortly.

I am pleased that for supporting small and medium businesses and other industrial users, there is \$10 million in the Budget to extend for a further 12 months the rebate for the commercial and industrial businesses coming off contract. Regarding the cost of power with the CPI cap we are delinking from Tasmania's wholesale contract price from Victoria's. We should be paying Tasmanian power prices for Tasmanian power. Why should we be paying Victorian power prices for Tasmanian power? It is ridiculous. The Labor-Greens government tied us up to this in 2013 and we have made the decision to delink. This will happen under our Government by mid 2020-21, in three years' time. There is much work to do and we will work very hard to achieve that as soon as possible.

With our on-farm energy and irrigation program for our farming community, I hear a 'hear, hear' from the Minister for Primary Industries and Water, because we were there together, standing shoulder to shoulder with representatives of the Tasmanian Farmers and Graziers Association who supported and welcomed our on-farm energy and irrigation program and our plans for the farming community, with a farm energy advocate being established through Aurora Energy, through our review of the irrigation tariffs, and through the solar feed-in tariff review. That is underway and will ensure a fair and equitable rate for Tasmanians. We have plans in store to ensure good outcomes for our farming community and that is very encouraging. That is what we are delivering. We will direct Hydro Tasmania to relocate Momentum Energy's Victorian call centre to Tasmania within 12 months of the election. We are about creating jobs, sustaining jobs and building opportunities for Tasmanians young and old in Tasmania.

The Battery of the Nation plan and the prospects of further interconnection are very encouraging. We are a renewable energy powerhouse with an energy capacity at the moment of approximately 2500 megawatts of capacity. We are working with our federal colleagues and the Australian Renewable Energy Agency. I thank Ivor Frischknecht for his support. Josh Frydenberg was in Tasmania recently and 14 sites were identified for pumped hydro. That will be whittled down in coming months to executable projects. Modelling shows it could create up to 3000 jobs over 10 to 15 years in a \$5 billion investment to double our energy capacity.

The Cattle Hill \$300 million wind farm development is on track. It will include 49 turbines, and create 150 jobs during construction and 10 jobs ongoing. Granville Harbour is worth \$280 million, will comprise 31 turbines and create jobs galore. The Budget backs our commitment and I am pleased to be part of a Government that is delivering. During the seven years Labor and the Greens were in Government energy prices kicked up over 65 per cent.

There is no better friend of the resources sector than the Hodgman Liberal Government. It supports thousands of direct and indirect jobs across the state, particularly in regional Tasmania. The resources sector is vital for our economy and for those families involved in it. We are backing the Hermal Group's proposed \$190 million development at Burnie that will produce cross laminated timber. It is the largest hardwood sawmill using plantation timber in Australia, covering 80 hectares. We are backing it with \$13 million in funding and training support and a loan of up to \$30 million.

We have a plan to double the growth of our forestry sector backed with \$4 million. The Regional Forest Agreement - a 20-year rolling agreement - provides resource security for the industry. Tasmania is the first and only state to have signed that. The National Institute for Forest Products Innovation is one of two hubs based in Launceston. Last weekend they advertised for funding support for research purposes to get the money spent in the community. That is backed with \$2 million from the Budget and \$2 million from the federal government's Budget. Thanks to Senator Anne Ruston and the Turnbull Liberal Government for their support.

Tasmania is the first state to sign up to the Wood Encouragement Policy, which has given further confidence to the forest sector. In the forest sector production is up, exports are up, investment is up and confidence is up.

There are more than 6000 jobs in this state in mining and mineral processing. More than half our exports come from this sector and over \$1.5 billion is delivered to the Tasmanian economy.

We are backing it in this Budget, with \$2 million for exploration drilling grant initiatives to find the ore, create the development, dig the mines and build opportunities for families. Mr Brooks knows the importance of that, particularly for the north west and west coasts. Along with Mr Jaensch and myself, Mr Brooks was at the Savage River 50-year anniversary. It is Tasmania's biggest mine. They want to invest \$10 million for exploration, trying to find ore. They could end up with an underground mine and that would be a job bonanza.

As well as the \$1.4 million geoscience initiative that provides scientific data to underpin the industry's future, the \$1 million mining innovation initiative will introduce exciting new technology solutions to mine rehabilitation and other cutting edge projects.

Minerals Resource Tasmania has moved to Burnie. Stages one, two and three are complete. This was opposed by the former opposition leader and the Labor Party. We still do not know whether they want to send Minerals Resource Tasmania back to Hobart or whether they would like to keep the jobs on the north west coast. We are backing the north west coast because it is the heart of mining and mineral processing.

The Tasmanian Minerals and Energy Council knows that under our Government there will be no more lockups. The proposal for a Tarkine National park is ludicrous. It is an extra 10 per cent of the state, an extra 180 000 hectares, 1 000 mineral deposits, eight current mining leases. The biggest mine in Tasmania is in the heart of it. It is a jobs killer. The only way this could occur is under a Labor-Greens coalition government, either at state level or at the federal level, or both. That would be a disaster for mining, mineral processing and confidence. The forest sector and recreational land users would also be very upset at the prospect. We say no more lockups.

Jobs in the building and construction sector have increased from 16 000 to over 25 000. There is growth and confidence. There are cranes in the skyline. There are record levels of housing and dwelling approvals. In the Budget the \$20 000 for the first home builders grant has been extended for a further 12 months. I was at the Housing Industry Association's HomeFest and they welcomed it strongly. Thanks to HIA president Paul Burnell and Rick Sassin. It was a great day and they are very pleased indeed with this initiative.

There is a 50 per cent duty concession for first home buyers who purchase existing homes up to \$400 000 in value; a 50 per cent stamp duty concession for eligible pensioners downsizing; and the introduction of the land tax exemptions for up to three years for all new-built housing that is

leased for long-term rentals. I mentioned in my opening remarks about the payroll tax rebate scheme to support the training of 4500 additional apprentices and trainees, not to mention the TasTAFE centres of excellence focused on industries to ensure young Tasmanians are equipped with the skills for the jobs of tomorrow. In that regard, the \$7 million trade training centre announced by Deputy Premier, Mr Rockliff, just a few weeks ago will be of such support to our plumbers and electricians.

Finally with respect to Veterans Affairs, this is a record funding commitment by this Government in the history of this parliament. We are making a record \$750 000 package to support our veterans, ex-service personnel and their families. I am proud of that. There are more than 10 500 veterans and ex-serving personnel around Tasmania and we want to give them support. Their service and sacrifice deserves to be acknowledged and that is exactly what we have done in this Budget.

I will quickly mention some of those initiatives. They include making the RSL Tasmania Branch a peak body with core annual funding of \$110 000; provision of \$50 000 per year for three years to the RSL to undertake projects that improve service delivery to ex-servicemen and women; \$50 000 to RSL Tasmania to deliver events celebrating the 2018 Armistice centenary, which also marks the end of the Centenary of Anzac; the Teddy Sheean grants of up to \$100 000 a year for three years for repairs and maintenance to RSLs; as well as the \$225 000 partnership with the Parks and Wildlife Service to enable participation in an active recreation and adventure program for veterans in Tasmania's national parks. I commend and thank the former parliamentary secretary, Sarah Courtney, who worked very hard on this and for her wonderful support for our veterans across the state of Tasmania. We are proud supporters.

In conclusion, Mr Deputy Speaker, the Lyons electorate, which you and I represent, has done particularly well in this Budget. We have delivered for the Lyons electorate. We have invested in more schools, more health services, building and infrastructure across the state and across the Lyons electorate, and that is more than half the state. I am very proud to be a representative of the Lyons electorate and all those regional and rural areas. To pick out a few in terms of the budget commitment this year we have the Campbell Town Ambulance Station, a commitment of \$2.9 million; the Sheffield School Farm redevelopment in northern Lyons; the Longford Police station, \$5 million; and the Cradle Mountain visitor experience of \$72 million which is matched with federal government support. We are standing shoulder to shoulder with the Turnbull Liberal Government and in that regard Brett Whiteley, the Liberal candidate for Braddon, has done a terrific job to champion that particular initiative. Cradle Mountain is going to be like Uluru, the Gold Coast and the Sydney Opera House. It is a tourism icon for Australia. It already is highly regarded and this investment will put it on the map.

Road commitments include \$12 million for the West Tamar Highway traffic solution, which is very important to the people of the West Tamar. I wanted to mention the Morven Park Club upgrade and am very pleased to support those sporting facilities there with my colleagues, Mark Shelton and Rene Hidding. In Lyons at Oatlands there is \$2.5 million for the multipurpose health centre, an important facility for that town and the southern midlands. There is the \$12.9 million upgrade to the Molesworth Primary School, and the new Sorell school from K to 12, with over \$25 million committed. The new Brighton High School commitment of \$3 million and the Brighton School Farm redevelopment fits with the Sheffield School Farm development. I have come from and studied at the Hagley Farm School. I am very proud of the school farms and what they do and the commitment for school farms at Sheffield, Brighton and school farms all around Tasmania is an important commitment by our Government.

Jeremy Rockliff mentioned the Bridgewater bridge. We are proud to deliver, working again with the Turnbull Liberal Government, the Bridgewater bridge. It will be built by 2024. The commitment is there, the funding is in the Budget by both the state and federal Liberal governments delivering for Tasmania. Thanks to the Tasmanian Liberal Senate team for the work that they have done - Jono Duniam, David Bushby, Eric Abetz and Richard Colbeck - thank you very much for the terrific support, as well as Brett Whiteley.

Last Friday I was at New Norfolk where there is a funding commitment for an electronic scoreboard at Boyer. Sport is very important to New Norfolk and the Derwent Valley and I was pleased and proud to be part of that and to provide that commitment for the electronic scoreboard and the goalposts. I know the local community is very supportive as well.

As a quick snapshot of the east coast, the St Helens Hospital redevelopment project is well underway and we are very pleased to commit more than \$7.8 million for that. There is the St Marys District School and the Maria Island improvement parks infrastructure. I see Maria Island as a jewel in the crown for the east coast. It has World Heritage value and tourism and natural aspects which almost beggar belief. It is fantastic and will get more and more people visiting year in, year out under a Hodgman Liberal government. We have funding support for east coast camping infrastructure, replacing those derelict jetties at Georges Bay and the mobile phone coverage on the Great Eastern Drive - \$3.5 million there. That will be terrific because the Great Eastern Drive is bringing more people and more tourists. We heard from the Premier and minister for our visitor economy that we are getting more tourists who are staying longer and spending more. That is happening on the east coast. Rural and regional Tasmania is benefiting and we have much more work to do but we are heading in the right direction.

As the Premier and Treasurer say, we are taking Tasmania to the next level. We are very pleased with the Great Eastern Drive and that funding support for the Tasmanian visitor economy and road upgrade. There is still more work to do. I get regular feedback on the fact that there is more work to do and that is not a problem. We will work hard to deliver results because we want to take Tasmania to the next level. I am pleased to wholeheartedly support this Budget.

Time expired.

[6.58 p.m.]

Mr O'BYRNE (Franklin) - Mr Deputy Speaker, members who were in opposition over the last four years warned me about the contrast and comparing of this Government, and that instead of talking about their own luck in the changing economic circumstances and the upgrades from the GST, they will be pointing out and completely ignoring the economic circumstances the previous Labor government faced.

Mr Barnett - It's all luck, is it?

Mr O'BYRNE - Do not quote me, mate: let us quote Saul Eslake. You are very quick at quoting other people so let us quote him. 'Four of the Hodgman Government's five budgets so far have been favoured by fortune'. They are not my words: that is Saul Eslake. Having gone through a number of budget processes where we regularly received updates from federal Treasury regarding GST and significant downgrades, apart from that first budget, in subsequent budgets we have seen year after year of upgrade and improvement in GST revenue for the state. That is welcome. That is the GST system that Labor has fought for and protected and we know we have a commitment from federal Labor around the methodology. We are hearing many words about the GST which

rightfully concern many Tasmanians. We hear from the Treasurer that not one cent, not one dollar, but that completely misses the point. The point is about the methodology used to allocate the GST funds across the Commonwealth, using horizontal fiscal equalisation.

When you hear a prime minister, off the back of a Productivity Commission Review, which they have been very cagey on up until this point, and whilst they claim that it will be released prior to super Saturday election in July, we know that the words of both the federal Treasurer and the Prime Minister could actually mean something altogether different.

Tasmanian Labor are not the only ones that have seen that. We have seen that commentary from Saul Eslake, a well-respected economic analyst and commentator, and a number of people commenting on the basis that both the federal Treasurer and Prime Minister have studiously avoided referring to the calculation and methodology of the GST allocation. This is of concern. Quite rightly, the budget papers identify it as a significant budget risk. We are very concerned. When you look at the numbers, the revenue, the expenditure and the state of the Budget, despite significant increases in GST and GBE revenue, the budget is looking pretty grim.

Let us have a look at the Budget. There is no doubt this is a deficit Budget. The Treasurer likes to quote the net operating surplus because it is the only measure that is in surplus. This is a Budget that delivers deficit on an underlying fiscal and cash basis through until 2021. The Budget lists almost \$200 million in underlying deficits across that period. The net operating balance that the Treasurer, Peter Gutwein, member for Bass, likes to quote is the least meaningful of all the budget balance measurements because it means he gets to show incoming money from Canberra for capital projects as revenue, but does not have to show that money being spent within his operating balance measure.

What we are seeing in this Budget is pretty thin. It is a house of cards, it is a pea and thimble show, and there is nothing more descriptive than the front page of the *Mercury* the day after the Budget where we saw a couple of snake oil salesmen, the Treasurer and the Premier, outside the Treasury building, 'Do we have a deal for you'. This personifies their approach to the Budget, and it personifies their approach to managing and leading this great state of ours. It is all about the pea and thimble trick; it is all about the perception, not about the depth or the reality, and it is not about making fundamental change.

With the global and national economic circumstances we face, now is the time to set the Tasmanian economy and the Tasmanian budget up for the so-called golden age, the golden age that the Treasurer referred to in his Budget speech.

I will refer to another front page where the Premier spoke at the federal Liberal council - if he can recall which room he was in at the time - and the *Mercury* on the Sunday referred to him as the greatest showman. He was talking up the state to a roomful of Liberal Party members and he feels again like he has to defend the share of the GST. When you look at the showman, he is not P. T. Barnum. There is a lot of sizzle but not a lot of sausage in the depth that is required to build a vision and a sustainable budget position for the Tasmanian community.

In late 2017, the Government started proudly saying it had eliminated total state sector government net debt and this is measure, the general government sector, the public non-financial corporation sector and the public financial corporation sector. Whilst that was true for a very short time, the forecast is that the total state sector net debt will re-emerge next financial year and build up to \$1.1 billion by 2021. This is the first time since 2005 this has happened and it appears as

though the Liberals will take Tasmania perilously close to net general government debt with only a slender \$14.8 million in net cash and investments forecast to be held by the middle of 2021. That is wafer thin. In the size of the Tasmanian budget when you are forecasting a \$4.8 million net cash investment forecast by the middle of 2021, that is wafer thin. With the mismanagement in energy with the Tamar Valley Power Station and Basslink failing, with a whole range of natural disasters, we have seen that anything can hit the budget. If you schedule yourself a \$14.8 million in net cash investment surplus, that is very slender, extraordinarily risky for the state and it takes us back to the work Labor did to get us back into a much better situation.

It was a very tough time during that global financial crisis. Not only were our government business enterprises unable to provide the revenue to make the bottom line a bit easier, we had downgrade after downgrade in our GST receipts, and that put enormous pressure on the budget. Even though that was the toughest of times, you look at the graph Scott Bacon, shadow treasurer showed, even during the toughest of times, general government net debt was in the black, significantly for Labor.

When you look at the forward Estimates, 2020, 2021 and 2022, it takes Tasmania into a worse situation in definitively better economic times than we faced. This is a concerning budget on a whole range of levels.

I will respond to the member for Braddon and Minister for Infrastructure, Mr Rockliff. He referred to a number of infrastructure strategies and compared and contrasted these to Labor in government. He said, 'We are five years into the 10-year Midland Highway strategy.' If you do your numbers on that, who built the 10-year strategy for the Midland Highway? It was state Labor and federal Labor, federal minister, Anthony Albanese. The 10-year strategy for the Midland Highway which we took to the 2014 election and was mirrored by the then opposition and the then shadow minister for infrastructure, Mr Hidding, was a Labor strategy, funded and committed to by both federal and state Labor. For the Minister for Infrastructure to claim credit for following what we had set out is a bit thin. It is pretty ordinary, to be honest, to claim that, is it not?

Mr Hidding, you have a big smile over there. It is a bit thin to claim credit for a 10-year Labor strategy as a Liberal strategy: we are five years in. Guess what, you are not even five years in government; you are four-and-a-bit. You cannot even count.

Mr Hidding - What is falling to bits?

Mr O'BYRNE - No, it is four-and-a-bit. That would be your budget, falling to bits, Mr Hidding.

Four-and-a-bit years in and he is claiming we are five years into our 10-year strategy. It is a Labor strategy. He referred to the rail revitalisation. It was Labor -

Mr Hidding - How many dollars did you leave in the budget - zero? Not one cent.

Mr O'BYRNE - No, it was there and you know it was. That is not the case. We had committed to it and it was Labor that brought the rail back and dealt with the below and above rail infrastructure to ensure we had a viable non-time sensitive off-road, internodal option for freight north and south in Tasmania. I remember when the rail collapsed, there was a massive - I cannot remember, Mr Hidding might help me. Was it 2008 or 2009 when the rail went off and we had the wettest of winters?

Mr Hidding - Yes, about then.

Mr O'BYRNE - We had all the heavy freight off rail on that Midland Highway. I reckon there are parts we are still working on to try to recover from that period. There was an issue at the top of the Coal Valley in one of the culverts when we lost a goods train and it was out of action for a comparatively long time to previous loss of time due to accidents for TasRail. The Midland Highway copped a tremendous flogging because all of the heavy freight went on that road and it deteriorated extraordinarily quickly. We had a combination of massive amounts of heavy freight on the Midland Highway combined with the wettest winter we had, a breaking of the drought, and the road suffered significantly.

Not only did Labor take the rail back and get below and above rail infrastructure up to scratch to get it competitive and provide options for Tasmania's exporters and importers, we set it up for the future for Tasmania, which is important. These are the tough decisions you make in government. For the Minister for Infrastructure to claim that there was a record low, or he made not have used those words but he gave the impression that there was no infrastructure spend when they took government, that is a very selective use of the timing in terms of the budgetary years because between 2000 and 2008-09 through to 2013-14 we had some of the biggest projects the state had ever seen on road.

We built the Brighton Bypass, over a couple of hundred million dollars worth of investment, to ensure we could continue to upgrade the Midland Highway and improve our freight links. We built the Brighton hub so we could move heavy freight out of the middle of Hobart into the Brighton community, so it was the intermodal options and the transfer of freight moving out of Hobart dealing with a significant amount of congestion around Evans Street. Hundreds of millions of dollars were spent at the Brighton Bypass, close to half a billion in the end between the Brighton Bypass and the Brighton hub - all under Labor, all between 2008-09 to 2013. We had the Dilston and East Tamar Highway upgrade. That was Labor investing in infrastructure to ensure we had efficient and safe roads moving our heavy freight from Launceston and beyond down to George Town, that heavy industrialised area. There was over \$200 million worth of investment between the 2008-09 and 2013-14 period, significant investment in infrastructure.

In the south, beyond the Brighton Bypass and the Brighton hub, we had the Kingston bypass, which was a significant investment. Labor has always been about infrastructure. Labor has always invested and taken a strategic approach to infrastructure. Regarding the infrastructure spend, if you take out the Royal Hobart Hospital and the Bridgewater bridge, which is a face saver for the state Government because all they could muster was a draft business case that was third rung down on Infrastructure Australia, so the investment by the federal government in the Bridgewater bridge was more out of frustration and face saving for the Tasmanian Liberal Government, and everyone knows that is the case, you could not see a starker example of a lack of vision and approach by the announcement in the Treasurer's speech last week of a construction industry round table to bring people together. It begs the question: what has Infrastructure Tasmania been doing?

During my period in 2011 when I was minister we had a very strategic approach to infrastructure and economic development because investment is crucial, but that investment must be connected to a strategy and driven. To build a Tasmania of the future, governments must have a comprehensive understanding of what is required to support industries and communities to build lasting and sustainable economic prosperity and social harmony.

In 2011 when I was minister for infrastructure and economic development we established a structure of consultation with industry in geographic regions with industry leaders, with business people and the key government business enterprises in energy, road, rail and ports, and we brought them all together in a joined-up conversation so that we could deliver a strategy for infrastructure for the future of Tasmania.

In the Treasurer's speech he talked about wanting a vision for 30 years plus for Tasmania. We welcome that and we had set the structure of that conversation up when we were in government. In fact, we were the first state government in the country to establish the Tasmanian Infrastructure Advisory Council that was directly aligned with Infrastructure Australia's framework. Other state governments followed us. We were the first state government to align ourselves with Infrastructure Australia to ensure we had a joined-up conversation. Its design was to play a key role in advancing the state infrastructure strategy and reform agenda. Its focus was on current and future infrastructure policy, planning and delivering opportunities, and narrowing in on the efficient utilisation of economic infrastructure networks, as well as the coordination and integration of economic infrastructure provision.

We then appointed internationally respected business leader Phillip Clark AM as chair to drive the work of the council. Mr Clark had broad experience in infrastructure investment and at the time was a member of the JP Morgan Australia Advisory Council and had valuable links to national and international infrastructure and investment groups. The council had all the key players at the table to ensure the strategy for Tasmania was aligned. The Chamber of Commerce was there, as was the Local Government Association, energy networks, retail companies, the Planning Commission, and water and sewerage corporation. Crucial pieces of infrastructure were also in play. We had the NBN, the road and rail, and essentially we had three departmental secretaries working with that group that reported to a subcommittee of Cabinet. The structures were in place to build that 30-year vision for Tasmania.

What did the incoming Liberal Government do in 2014? They scrapped the council, scrapped the regional economic development committees, trashed all of their work and replaced it with Infrastructure Tasmania, which to date has done what? There is no evidence of any major activity.

Mr Hidding - Complete nonsense.

Mr O'BYRNE - When you have five budgets later a Treasurer on his feet -

Madam SPEAKER - Point of order?

Mr Hidding - No, I was just pointing out that it was complete drivel that he was speaking.

Mr O'BYRNE - For the record, I acknowledge the fact that the member for Lyons now actually speaks in parliament. It is good to see him on his feet at some stage. He may even ask a Dorothy Dixer. Poor Mr Brooks, the member for Braddon, is exhausted getting up every day. It would be good to hear some contributions from the member for Lyons.

Essentially you trashed all the structures we had in place to have a conversation about building a 30-year strategy for infrastructure. You can see no more example of admission of guilt and fault when you have the Treasurer on his feet saying, 'We are going to create a round table and we want to talk about a 30-year vision'. What have you done for the last four or five years? This is a disgrace. You should hang your head, because we had the things in place. You did not have to be too proud

and you could have just taken it on. We would have said the structure is there, go for your life, you have good people at the table. All the people were there having that conversation, yet you chose to trash it.

The Government was very keen to say that we are moving into a golden age. On this side of the House we genuinely hope that is the case. We believe that Tasmania can have a golden age and that our best days are ahead of us but let us face it, Tasmania has the lowest GSP of any state, we have the lowest average weekly wages of any state, we have the worst health outcomes. We have the lowest rental affordability and we have the worst education outcomes. Now we know that that does not happen overnight but you cannot claim it is a golden age when you have people who cannot get a roof over their head, when too many Tasmanians are struggling unnecessarily and not able to get safe, secure and warm and dry lodgings. They are in tents, they are couch surfing, they are sleeping rough. This is not a golden age for Tasmania and to claim such is hubris.

When you have so many people who are stuck in ambulances, ramped at our hospitals; that is not a golden age for Tasmania. We have had an exodus of medical specialists. We have had coroners' reports critical of the system. We have had the Royal Hobart and the LGH lose accreditation. Women cannot access affordable, safe procedures. Ambulance response times are at their worst. That is not a golden age and those are the things that should be invested in by this Government. We saw an election announcement of x amount of money but we see in the Budget a significantly reduced budget.

Regarding wages policy, Labor believes the public sector drives and provides an example for employers in Tasmania. We call on the Government to negotiate in good faith with its employees. I will quote Emily Shepherd, the Secretary of the Australian Nursing and Midwifery Federation of Tasmania. She said:

With current challenges in recruitment and retention and close to 200 vacant nursing and midwifery positions across the state, there is apprehension that the Government will be able to successfully recruit staff to these new positions.

We see that with public servants where the Treasurer got up and said every public servant's average wage is \$110 000. If I had a dollar for every public servant who has come up to me and said 'I do not earn \$110 000', I reckon the state would be net debt free. The number of public servants insulted by that comment by the Treasurer is significant.

You need to study a bit of history to understand that in the 1990s when successive Liberal governments put the dead hand on the public sector wages, you are kicking the problem down the road. If Tasmanian workers do not get at least comparable wages, particularly in those professions that are in short supply, we lose skilled workers to the mainland and we cannot afford them and that has an impact on service delivery. If you do not deal with it now, if you do not bargain in good faith now - at least keep in touch with national and international wages - you cause a problem down the track for subsequent governments to clean up. That is what happened when Paul Lennon was Premier between 2004 and 2006 in a series of public sector wages deals. We had to deal with the issue of uncompetitive wages and Tasmanian workers not being paid fair wages. We implore the Government not to kick the problem down the road but to bargain in good faith with their employees and strike a bargain with Tasmanian public sector workers, particularly in the professions that are so desperately required, in the health service with the vacancies of nurses. If you are not competitive you not only create a massive problem in service delivery, you create a massive problem for

subsequent governments because the catch-up is greater. You cannot kick the problem down the road.

In my last few minutes I will refer to the positive outcomes of our Leader, Rebecca White's contribution and the strategic approach, the establishment of the industry advisory council is a way for governments to bring the community and industry together to come up with strategic approaches in minerals and energy, advanced manufacturing, innovation information, communication technologies, primary industries and forestry, education, science, research, the Antarctic, tourism, hospitality, festivals, heritage, built and natural environment, the arts, building construction and infrastructure, wellbeing care and community development, employment, regional development and trade. This is a hallmark of the strategic approach of Labor in government while also providing options outside of government for industries to come together to agree on strategies to move Tasmania to the golden age.

The community consultation is not just about industry. We live in a community: we do not just live in an economy. The community conversations we have announced in our budget reply mean Tasmanians will have a say in the future of their state. This is a house of cards budget. It is risky and does not deal with the fundamental challenges facing Tasmania. It shows a lack of vision and delivers only on the white-knuckle panic the Government was in prior to the election.

Debate adjourned.

ADJOURNMENT

[7.26 p.m.]

Mr FERGUSON (Bass - Leader of Government Business) - Madam Speaker, I move -

That the House do now adjourn.

Robert Legge AM - Tribute

Mr SHELTON (Lyons) - Madam Speaker, I pay tribute this evening to a former local government colleague of mine and the former mayor of Break O'Day Council, Mr Robert Legge, who passed away in the St Marys Health Centre on 12 June surrounded by his family after spending his life in the local area. The Legge family are an institution in the St Marys district, with the family settling in Tasmania in 1826. Robert and his wife, Jean, were the owners of Collingswood, a family owned and run farm. Both the family and the farm are well known in rural Tasmania. Robert joined Fingal Council in 1964, where he began his illustrious career that lasted 47 years until he retired in 2011.

When he started his career as a councillor, St Marys and Scamander were virtual ghost towns, where horses and carts were the main mode of transport. Councillors did not earn a salary until Fingal Council merged with the surrounding area to form the Break O'Day Council in 1993. From councillor, Robert progressed to being the mayor of Break O'Day Council and for 13 years he worked with the community in that capacity. He was also a sitting member of the Local Government Association and the Premier's Local Government Council. He also served on the General Management Committee from 1996 until 2011 on retirement. Robert was community minded and always available for any project suggested to him. His influence stretched beyond the council

chambers. He was an active member of the St Helens District Chamber of Commerce, the St Marys Lions Club and the St Helens Marine Rescue Association.

He was also on the board of the St Marys Hospital, where the Legge family ancestors laid the first foundation stone in 1927. Robert supported the health services in the district until his passing. He once commented that he had met a colossal number of people and learned a colossal amount along the way. His advice for prospective members of local government was that you needed to be fully dedicated, be willing to listen and talk to the community and stay involved. He said that being a councillor was the role that he loved. He passed away with his family alongside him after an illustrious career in the district. We pass on our condolences to his family and the people who were there to support him at the end.

The House adjourned at 7.30 p.m.