

Extract from Legislative Council Hansard

Tuesday 24 May 2005

Mr PARKINSON (Wellington - Deputy Leader of the Government in the Council) - Paraphrasing some of the Premier's own comments, this Budget has unveiled the biggest spending budget in the State's history. I think it is very significant, delivering \$3.4 billion to the Tasmanian community in 2005-06. The increase of \$300 million in a single year will provide an unprecedented level of public services to Tasmanians and in fact demonstrates the State Government's sound economic management. Three hundred million in a single year; I have never seen anything like that since I was elected to this place in 1994, almost 12 years ago, as the honourable member for Huon has already reminded me. When you look at the state of the economy in the period 1996-97 it is an incredible turnaround. It is worth noting, as the Premier has said, that this is the Budget of a strong, stable, majority Labor government and there is no denying that. It is a budget all about keeping opportunities alive for all Tasmanians through record spending in the key areas of health, education and infrastructure. It is also a budget that continues the Government's strong record on tax cuts, with a further \$234 million in tax relief over a four-year period. These are great numbers in anyone's view.

Ms Thorp - Absolutely.

Mr PARKINSON - I am just at this point giving an overview, Mr Deputy President, before I come to some of the points I want to highlight that are of particular relevance to my own electorate of Hobart, now called Wellington. One of the budget highlights of course was the news of the general government net debt to be eliminated by 30 June 2006. That huge black hole that we inherited - and never mind the prattlings of some in the other place about unfunded superannuation which of course we inherited as well, Hydro debts and so on - will be eliminated by 30 June 2006. So the State will be out of that debt a full two years ahead of schedule, bearing in mind that the Government has achieved that and still kept the Hydro, to use that overall term, in State hands. So Tasmanians still own that tremendous asset rather than it being owned by overseas shareholders. All of the dividends are being returned annually to the State as the good management - and I think nobody would dispute that those three enterprises have been managed very well under their current corporate structures - are building up their own asset base year after year, which again is an asset base owned entirely by the shareholders in this State, the Tasmanian people. By removing that millstone of debt from around Tasmanians' necks the Government has allowed the additional spending of \$150 million a year more on key public services out of the interest that is being saved which would otherwise have been spent because of that debt.

I am just looking at the major highlights of the Budget. I have mentioned the \$234 million in tax relief over four years. That includes a 25 per cent reduction in land tax of \$13 million per annum and extending the stamp duty reduction for first home buyers to now also cover land purchases, and I acknowledge the interest of the honourable member for Huon in that particular initiative. There is an extra \$187 million in health spending, up 20 per cent in a single year to a record \$1.2 billion; a \$50 million injection of funds into the Royal Hobart Hospital that I will elaborate on a little later, including a \$35 million redevelopment fund. Again, overall we have a record education budget of \$943 million, including a record \$50 million capital works program with additional funding of \$188 million over four years. There is a \$16 million skills package to improve the job readiness of Tasmanians, bringing the State Government's commitment in this

area to \$40 million in the past two budgets; a significant law and order investment headlined by an extra 48 police officers statewide, bringing the number of additional police to 137 - that is, the number of extra police to 137 since Labor came to office, so providing Tasmanians with more police on our streets and safer suburbs. There are 53 new positions within Tasmania's Prison Service to help with the transition to the new \$90 million prison at a cost of \$23.5 million over four years; a \$6.4 million biosecurity Tasmanian initiative over four years to help preserve the prestige of Tasmania's primary industries and our clean, green reputation; a further allocation of \$25 million for *Spirit of Tasmania III* on top of the \$40 million already spent on supporting the Sydney ship.

Mr Harriss - You should change 'clean and green' to 'clean and clever' or 'clean and fresh'.

Mr PARKINSON - There is a \$600 million program, Mr Deputy President, of investment in Tasmania's infrastructure over the next four years, and this includes \$271 million for roads and bridges with \$100 million to be spent in 2005-06 - \$100 million to be spent in 2005-06 on our State's roads and bridges.

There is a comprehensive \$4.6 million living environment program focusing on the urban environment and measures to help all of us reduce our impact on nature - I will say a little bit more about that shortly - and more than \$2 million in additional funding over the next four years for Tasmania's own symphony orchestra. And of course as far as our icons go, I will mention shortly additional spending on the Tasmanian Museum and Art Gallery and the Botanical Gardens.

Treasury's economic growth forecast of 3.25 per cent itself points to a further 6 000 new jobs in 2005-06 to add to the 24 600 already created since 1998.

Members interjecting.

Mr PARKINSON - There are a few comedians in this House.

So, Mr Deputy President, with all of that, this Government is clearly demonstrating its strong commitment to responsible economic and financial management.

The honourable member for Huon made great play of the role of the GST and I asked him just what point he was getting to. Of course it was quite obvious that he was trying to walk back in time and focus on the debate about whether we should or should not have it. It took place some years ago in a highly charged political atmosphere and I guess he was in some way trying to say, 'We were right and you were wrong' but I think the point to be made about revenue from the GST these days is that it all comes from economic activity within the State. I have made this point before by way of interjection to things that the honourable member for Huon has been saying in the past from this podium, that without that improved economic activity we would not be collecting that form of taxation in any event. It is an acknowledgment for the honourable member to stand here and highlight that the amount of GST which the Government receives back from the Commonwealth is simply another way of acknowledging the tremendous boost in economic activity that the State has enjoyed since this Government came to power, and I think that is worth recognising. Equally, if we were to get a severe drop in economic activity then those GST receipts would fall, and we will not speculate about that kind of scenario because we all hope, I know, that that will not happen.

So, Mr Deputy President, on the things that matter in the community such as health, education, law and order and the environment, as well as on taxation, this Budget delivers huge benefits really to the Tasmanian community. In my own electorate, just on health, the extra funding for the Royal Hobart Hospital is very welcome news. I want to focus on that for a moment and paraphrase from the Minister for Health and Human Services, the Honourable David Llewellyn MHA, his own words when he announced the \$50 million injection of funds to the Royal Hobart Hospital. That program includes \$10 million for the Department of Emergency Medicine and \$4.5 million for a new MRI scanner. That is welcome news indeed. Further, the funding includes creating two additional operating theatres to remove a major barrier to elective surgery throughput. It includes establishing a short-stay unit to relieve pressure as part of the new Department of Emergency Medicine. It includes expanding the neonatal and paediatric intensive care unit and creating a new adolescent unit. It also includes improving facilities for pain management, ambulatory care and acute nephrology. Fifteen million dollars has been allocated to implement these changes, with the theatres available by December 2005 and other extensions by the end of next year. This is a very substantial extension. The Government's support for the Royal demonstrates huge support, which I know people not only in my electorate but throughout Tasmania will support.

The redevelopment fund that I mentioned earlier will be used initially to finance a \$5 million project to double the size of the transition care unit in Davey Street. This will involve the conversion of another floor of the repatriation centre that will increase the number of beds for non-acute patients in the transition care unit from 22 to 44. This will in turn double the number of beds that can be freed up in the Royal to increase elective surgery. The fund will be used for further developments at the RHH as the needs are identified. The Royal will begin delivering significant service improvements this year with major initiatives coming on stream.

Overall, the first stage of the Better Hospitals program has created more than 25 specialist doctors and 114 additional staff across the State's hospitals. The second stage in this Budget provides another 25 specialist doctors, in addition to another 40 staff. The completion of the

\$2.6 million first stage of the Royal Hobart Hospital transition care unit will provide 22 beds for non-acute patients, freeing up the same number of hospital beds which will be quarantined for elective surgery cases. This is expected to significantly improve the hospital's capacity overall to address its elective surgery waiting list, which of course is a welcome move. Those benefits will increase when the second stage of the transition care unit is completed next year and the new theatres are operational.

There will be further benefits for Royal Hobart Hospital patients with work beginning on the new Department of Emergency Medicine, which will be excavated under the Liverpool Street forecourt. The new Department of Emergency Medicine will have four trauma resuscitation bays modelled on one of Australia's leading trauma centres at the Alfred Hospital in Melbourne. There will be another 15 treatment cubicles, taking the total number to 41, including minor theatre areas, a fast-track area and a paediatric area. There will also be a 10-bed short-stay unit. The new Department of Emergency Medicine is due to be completed in November next year. As the budget papers themselves point out, these improvements will mean more doctors, more nurses, more dentists, more health professionals working with better equipment in better hospitals and better health facilities delivering more services, not only at the Royal Hobart Hospital but, of course, statewide.

On education it is very pleasing to see the continuation of major capital redevelopments in my area at the Bowen Road Primary School in the general learning areas. At Ogilvie High School there is redevelopment of general learning areas and the arts centre; at New Town High the redevelopment of the gymnasium and other sporting facilities. All of these follow previous major redevelopments at Albuera Street Primary School, Mount Stuart Primary School, Goulburn Street Primary School, Lansdowne Crescent Primary School and New Town Primary School. The Budget provides \$1.8 million towards progressively reducing class sizes in prep and grade 1 to 25 or less - again, a welcome move.

The Budget makes significant improvements in the area of law and order. In fact there is an increase of \$132 million over the next four years. I have mentioned already the 48 additional police officers leading to safer suburbs around Tasmania. I have mentioned the new prison that we all know about, the new \$90 million prison. As part of the Budget input into that there is an extra \$23.5 million to ensure that the redevelopment captures, in the words of the Premier, a cultural change in the way that the prison system operates, including 30 more prison officers and 23 additional support staff, increasing the numbers of program facilitators, educators and psychologists.

There is to be an expansion of the Forensic Services laboratory at New Town, involving further expenditure of \$1.5 million, and that will see the better use of technology such as the DNA technology for solving crime. Even the DPP comes out better in this Budget with an extra \$800 000. Legal Aid gets an extra \$1.4 million. Each of these expenditures will be of considerable benefit to constituents in my own electorate this year. We are, there is no doubt, the safest State in Australia and this Budget will help to keep it that way.

On the environment I am pleased to note a number of initiatives, one of which is the extra \$1.1 million for the Royal Tasmanian Botanical Gardens which I mentioned earlier. Here we have a great Tasmanian icon in my electorate. It is a Tasmanian icon and it will be enhanced further with improved visitor facilities and other works.

I note improvements to visitor facilities in our national parks detailed in the Budget. I note more quarantine officers and the water-testing program.

I note the package of \$30 million over the next four years and all of that is on top of the recently announced Community Forest Agreement with the Federal Government, which on any measure is a tremendous step forward as far as Tasmania's environment is concerned. What does it do? Despite the criticisms from some radical quarters in the State, it protects 13 000 hectares of the Styx, including all of the tall old-growth trees around which there has been much controversy.

In addition to that there is a new 31 000 hectare reserve in the Tarkine which results in 87 per cent of the Tarkine being protected. In all, 308 000 hectares from the north of the Arthur River to the south of the Pieman and from the shores of the west coast to the World Heritage area near Cradle Mountain will be reserved. Clear-felling is to be dramatically reduced over the next five years. Putting all this in context, in context of all old growth on public land of 1 122 300 hectares, Mr President, less than 0.2 per cent is logged annually and only 20 per cent of that will be clear-felled. We are the greenest State in the world and this Government will keep it that way. This Government is using sustainable world's best practice forestry methods. I note also, Mr President, the move towards eliminating 1080 with \$4 million to be spent on fast-track research towards that goal.

I note in particular the package of urban environment initiatives totalling \$4.6 million announced by the Honourable Judy Jackson, Minister for the Environment, last Thursday as part of the Budget. On waste management, \$900 000 has been allocated towards working with local government on hazardous waste collection and disposal from householders. I note the initiative of working with industry to minimise waste and to promote waste exchange programs and identify recycling opportunities.

Mr President, if I can just put on my hat as chair of the Environment, Resources and Development Committee for a moment, a number of members of which are from this Chamber, four in all, we recently, just touring Tasmania's waste management facilities, learned that Tasmania produces a total of 489 000 tonnes of waste per annum, going into landfill. Going on comments that were made to the committee at various waste management sites which suggests that approximately 40 per cent of what goes into landfill is potentially recyclable, we are able to guess, and it is only a rough figure at this stage because the committee is yet to complete its work, that approximately 200 000 tonnes per annum of recyclable waste goes into landfill so we can see the need, as it were, and the importance of these budget allocations which will promote the Government working with local government to solve these waste management problems. Traditionally, they have been a local government area but of course the EMPCA act and other pieces of legislation governing overarching, as it were, this area mean that government will increasingly be playing a more important role in this area and one of the areas that we, as a committee, will be looking at related to this of course is the container deposit legislation.

The Green party recently made its position known. They came out very strongly a week or so ago and challenged the Government to introduce container deposit legislation. The committee itself of course is taking a slightly more cautious role in investigating whether that politically popular move would in fact work in Tasmania. It involves investigating management of a large part of the waste management stream to be able to determine that. It is not possible to just off-the-cuff say that container deposit legislation would in the year 2005 work in Tasmania. It may or may not. We are investigating that and we hope to be able to report to the Parliament on that particular issue before the end of the year.

Local government of course around the State has been very slow on efficient waste management in terms of both waste minimisation and waste avoidance systems and techniques. The 'bury it in the ground' mentality has been the norm and in fact even if you look at the state-of-the-art landfill, Tasmania's newest at Copping, that particular norm is still very evident, 'bury it in the ground'. Their greatest achievement in life is to measure the tonnage that goes over the weighbridge into landfill. That, after all, is where they get their revenue.

Mr Hall - Some of them have been proactive too. Some of them have done a good job.

Mr PARKINSON - And the honourable member reminds me of a small waste management centre in his own electorate of Deloraine where there have been a number of initiatives by the manager, who happens to be a female. It is one of the neatest landfill operations that I have ever visited. It is very tidy. The initiatives there designed to encourage residents to place and separate their own recyclables into the various bins that are made available are very encouraging. That particular one in Deloraine was an eye-opener.

Mrs Jamieson - We're due for an electoral tour. We could go to the recycling plants for the electoral tour.

Mr PARKINSON - Do not tempt me.

There are the exceptions of course which are very good indicators of attempts to more efficiently manage the waste collection stream and the recycling stream. I have mentioned the collection bins but there are also the various tip shops around the State that have been a really interesting initiative. But of course they only scratch the surface when you talk about potentially 200 000 tonnes of recyclables going into landfill. So there is a lot more to be done and as the committee gets its teeth into its investigations, I am sure the Parliament will be given the benefit of its work as time goes on. But, on balance, the Government's initiative in this area I think is very welcome.

On tax relief, I have already mentioned the \$234 million over four years and I might just again paraphrase from the Premier's own comments in this area. That figure of \$234 million includes a 25 per cent reduction in land tax of \$13 million per annum and extending the stamp duty reduction for first home buyers to now also cover land purchases. When added to the \$300 million worth of tax cuts already in place, this takes the value of tax relief to the Tasmanian community to more than half a billion dollars over a four-year period. That is well in excess of the \$500 million extra left in the pockets of Tasmanians to spend in this State and to employ more Tasmanians.

The tax relief measures will bring the total value of revenue forgone by the State Government to a record \$148 million per annum when fully implemented. That is the most generous range of tax cuts ever implemented in Tasmania and it clearly demonstrates the Government's commitment to maintaining our strong economic growth. Tax relief to the community in the 2005-06 State Budget includes, as I have mentioned, the 25 per cent cut in land tax, the abolition of debits duty from 1 July at a cost of around \$25 million in a full year, continuation and extension of the first home buyers scheme at a cost of \$8.3 million over a full year and a 50 per cent cut in mortgage stamp duty from 1 July 2006, with its complete abolition on 1 July 2007, and the abolition of stamp duty on non-real property business conveyances - that is, goodwill - from 1 July 2008, at a combined total cost of \$27 million per annum when fully implemented.

It is useful to compare this Government's record \$148 million per annum in taxation relief to the Liberal's record of just \$22 million a year between 1992 to 1998. Clearly, the Liberals are wrong, Mr President, when they criticise the State Government's record on tax reform.

I mentioned earlier the budget allocation to some of the State's icons, including the Botanical Gardens. If I did not mention the Tasmanian Symphony Orchestra, I do so now because the Government has implemented the initiative of a \$2 million funding commitment over four years to that particular icon, a very welcome move in addition to the Federal government funding which was announced in its Budget. That funding will give the TSO the necessary resources to continue building its international reputation as one of the world's finest small symphony orchestras. That will include a tour to Tokyo and Osaka in October. It is worth emphasising that the \$2 million funding commitment is separate to the negotiations between the State and Commonwealth governments for further funding for the orchestra.

Another State icon, the Tasmanian Museum and Art Gallery, will receive \$4 million over four years, including an extra \$2.3 million to help ensure that more people have access to the cultural heritage experience of the TMAG precinct.

That particular package of funding to the Museum and Art Gallery I note will allow better access to Tasmania's oldest surviving building and that is the Commissariat Issuing Store located in the TMAG precinct and built in 1808. The TMAG site itself in the centre of Hobart houses the most significant and diverse collection of heritage buildings on the one site in Australia. The Commissariat Issuing Store itself is one of the true hidden treasures of the museum complex. That increased funding for TMAG will include \$1.7 million to increase public access to the site's nationally significant heritage buildings. It is worth noting that the TMAG precinct attracts 320 000 visitors a year, so it is a very worthwhile funding boost for one of those Tasmanian icons that happen to be in my electorate.

Mr President, I do not intend to go on any further, I think that I have spoken for long enough, and I have no hesitation in supporting the motion.