



Peter Gutwein MP

House of Assembly

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Electorate: Bass

ADDRESS-IN-REPLY

Mr GUTWEIN (Bass - Inaugural) - Mr Speaker, I am very pleased to have the opportunity to address this House today. Firstly, I would like to add my positive endorsement to the comments other members have made regarding your election as Speaker and I would also like to extend my congratulations to all members on their election successes, especially those members who, like myself, are here for the first time. I acknowledge everybody's positive contributions to the debate so far.

With the indulgence of the House, in light of the attention given to Flash this morning, I would like to add to the record that I have two very photogenic young cats at home and my colleague, Will Hodgman, also has a fine cat called Daisy that is seeking a photograph at some stage.

Mr Speaker, I am humbled by the privilege that the electors of Bass have bestowed upon me by electing me to this place. It was seven years ago that I began my association with the Liberal Party. My good friend, Richard Trethewie, introduced me to Warwick Smith and together they spoke to me about Menzies and the Liberal philosophy about the rights and freedoms of the individual and the need to encourage initiative, responsibility and independence. After the recession of the early 1990s and Australia's growing indebtedness to the rest of the world, they knew that I, like many other Australians, was concerned about this country's future. They suggested that I should play my part in working for a better Australia, rather than being one of the many who complained but offered no real alternatives. That comment struck a chord in me and initially I managed Warwick's campaign to a successful conclusion at the 1996 poll. I then took on the opportunity to work as an adviser to Senator Newman in her capacity as a cabinet minister and Minister for Social Security.

In the period directly after the election this country could not continue with the Labor legacy of double digit unemployment, high interest rates and inflation. Tough decisions were needed; responsible decisions were made. When I left for Ireland in 1998 Australia's economy was righting itself, interest rates were falling and economic and employment growth was on the increase. Since then, strong fiscal management has provided us with a robust national economic framework of low interest rates, low inflation and increasing employment opportunities. All other States and Territories have grasped these opportunities and since January this year the number of unemployed in the nation has fallen by almost 45 000 people in this year alone, but in Tasmania we actually have more Tasmanians unemployed now than at the beginning of the year. This simply is not good enough. Tasmanians deserve better.

I have been fortunate enough to experience other economies, both interstate and overseas. I have experienced the optimism, the security and the opportunity that a vibrant, growing, well-managed economy can offer to its people. I believe that all Tasmanians deserve these same opportunities. I am well placed to draw comparisons between these other economies and Tasmania and I can assure you that for a very long time in this State we have practised nothing more than the economics of survival. This is not to say that some Tasmanians have not prospered; I know many who have. I know many who are at the leading edge of their particular field of endeavour. But ask yourself this question: if this State's economic performance had been on a par with the rest of Australia during the last 20 years, what other opportunities might have been available for Tasmania? What could have been achieved if we had been competing on a level playing field with the other States?

Let me explain what I mean. For most of the last century our growth rates have lagged behind that of mainland Australia and since the late 1970s our economy has grown at only about half the rate. In per capita terms the production of goods and services has been less than two-thirds the rate of growth of mainland States. This slow economic growth has also meant a decline in incomes for the majority of Tasmanians, which are now 20 per cent below the national average. This means that Tasmanians are about \$6 000 after tax worse off than the average Australian household.

During the last century it is unfortunate as well that our population declined relative to the rest of Australia by about 30 per cent. Of more pressing importance, though, is the fact that in the last 10 years the greatest change in our population has occurred in the 18 to 38-year-old age bracket, with nearly 20 000 leaving this State. Had our economy grown and our population increased at the same rate as the rest of Australia, we would have had tens of thousands more people living and working in this State.

Income and financial security are not everything, though. Many of us, myself included, would argue that the lifestyle and environment we enjoy in this State is without doubt one of the best and safest in the world. However, for the majority of Tasmania these advantages do not translate into a better standard of living. Other than the Northern Territory, Tasmanians have on average a shorter lifespan than other Australians. We are more likely to suffer from cancer, diabetes, heart disease and obesity. We are significantly more dependent on social welfare; our children are less likely to have attended higher education and more likely to be living in a household where no parent is employed. Is our poor economic performance a key factor in these outcomes? Of course it is. The correlation between wealth and health is well documented, as is the relationship between education and productivity. Healthy, wealthy and wise the majority of Tasmanians deserve to be, but unfortunately for many this is not the reality. This situation demands action.

Mr Deputy Speaker, Tasmania's problems are not new. A number of key studies have been conducted into this State's performance in the last 80 years. Let me share with you some quotes from the authors.

'The financial position of Tasmania is one of serious moment and calls for immediate attention.'

That was Sir Nicholas Lockyer back in 1926.

This one, if it were not so tragic, would be my favourite:

'Tasmania is beautiful. Tasmania is tranquil. Tasmania is economically challenged.'

That was Sir Bede Callaghan in 1977.

Highlighting these problems is easy. These eminent Australians, far more qualified and respected than I, have pointed out our shortfalls and offered solutions. Parliaments however throughout the last 100 years have grappled with these problems to no avail because the most difficult challenge of all still remains, and that is simply having the courage to take the necessary action. I want to take on that challenge. I believe that Tasmanians do want increased employment opportunities, improved health and longer lives. I believe that Tasmanians do not want to leave this State in search of opportunity, nor do they want to see their children have to leave. So what needs to be done? There are some key fundamentals that need addressing if this State is to grow its population and economy and provide more opportunities for all Tasmanians.

Economic growth is the key priority. If we can create jobs, people will remain in this State; if we can create jobs, people will return. If we can create jobs, we will create opportunities. How do I know this? When I was living in Ireland a couple of years ago their economy was booming. Nearly 1 000 people per week were flooding back into that country because of the opportunities available there. How did Ireland do it? How did they transform themselves from being considered the beggars of Europe to having a Celtic tiger economy. Firstly no-one can discount the infrastructure assistance they received from the EU. However, at the same time they made some key decisions during the last century which I believe we can learn from here in Tasmania. The Irish Government committed itself to developing a business base during the latter half of last century. We need to make that same commitment in Tasmania. We want to offer all Tasmanians the same opportunities that other Australians take for granted. If we want to lead the other States, if we want to truly compete, we need to create within this State the most attractive business environment within the nation for businesses to operate in. We need to be prepared to take bold but responsible action.

Our competitiveness regarding taxation and other charges on business is only one aspect that we need to address. Time is money is a well worn cliché but one that this Parliament must acknowledge. Businesses require relief from the added hidden costs of the duplicitous paperwork work of regulation and compliance. A business environment that encourages expansion, a business environment that is capable of allowing businessmen and women to go to work on building their businesses, as opposed to working in their businesses struggling to meet the needs of an overly bureaucratic system. This is the business environment we must propagate in Tasmania.

Being equal to or simply competitive with the other States is not enough. Our relative decline throughout the last century demonstrates that this approach will only enable us to fall further behind. In the context of the Australian business environment, we need to lead the other States; history proves that. Anything less will simply not do.

Another key issue is access to investment capital. This is an issue that we have struggled with in this State for too long, especially when you consider that around \$400 million leaves this State in superannuation payments annually. That is \$1 billion every two-and-a-half years leaves Tasmania to be invested elsewhere in other States of Australia, in countries overseas, while we struggle for venture and infrastructure capital.

The reluctance of managers of institutional funds to invest in Tasmania is understandable when considered in the context of our dismal economic performance over the last century. However, we have to provide a mechanism to break this dreadful cycle, for without investment we will get no economic growth, without economic activity we

will get no further growth and without this growth we will get no investment. Until we can demonstrate a more attractive track record, we must develop a mechanism to encourage fund managers to invest in Tasmania. Properly structured, this will provide a conduit to investment funds but when coupled with Australia's most competitive business environment which I have spoken about earlier, would make Tasmania a very attractive place for investment and development.

The development of our State's economic potential will not proceed without the support of this State's most important assets, its people. Ireland developed strong partnerships between businesses, the unions and government sectors. Partnerships that were formed out of necessity, partnerships formed in essence by people from a basis of mutual understanding. An understanding that economic gains if not at a pace that matches other competing economies is in real terms economic decline. This unfortunately is Tasmania's unique problem. Until we equal the rates of economic growth of employment and investment of the other States, we will continue to remain in relative decline. We believe that the Tasmanian people recognise the need for change. I know that the Tasmanian people deserve better. The need for Tasmania to recognise the challenges that we face could not be better illustrated than by the events that have affected north-east Tasmania during the past week. We live in a global economy, a global economy that offers both threats and opportunities. Competition and technological advancement are the double-edged sword that hangs over the head of all our industries as emerging countries, hungry for the wealth that exports deliver, fight to establish their place in this global economy. Simplot, Tassal, Blue Ribbon and Incat are and have been Tasmanian icons, large employers and part of our Tasmanian culture, all of them important to our economy but all of them, along with many others, susceptible to the pressures of a competitive global marketplace.

We need to be proactive and recognise that in some markets we will only ever be marginally attractive but in others we have enormous competitive advantages. We need to assist our existing businesses to grow but we also have a responsibility to establish new industries, recognising that we are and always will be in a changing dynamic world.

Simplot's decision to close its operations in Scottsdale has enormous ramifications for the north-east and I thank the Government for its early decision to provide financial assistance. Obviously I support any efforts that are made to retain this factory and I commend the Dorset Council for taking on a leadership role in this quest. However if Simplot remain committed to their announced strategy, it is imperative that other options are fully explored.

There are three key facts that must not be overlooked here. Firstly, the north-east is one of the most fertile vegetable processing and growing areas in the State. In 15 months there will be an empty processing factory in the heart of this district. There will be a trained committed work force available. If Simplot will not allow the processing plant to operate in competition with its operations, what else could be processed there? What other opportunities are possible? This Government must take a leadership role. This Government must fully commit to exploring all and any possibilities fully for the retention of the 135 jobs that may be lost.

Mr Speaker, in conclusion I want to make mention of my parents, Eric and Barbara Gutwein, and acknowledge their efforts in ensuring that all of their five surviving children, obviously myself included, were given what I consider to be two of life's greatest gifts: the ability to take responsibility and importantly to be able to think for ourselves. I also want to especially thank my wife, Amanda, for untiring support and encouragement. I think you actually have to go through the process of running an election campaign to understand the pressures that are involved on those taking part and on family members as well and to everybody's partner, again, I acknowledge their efforts as well.

I must also thank Amanda's parents, Barry and Kaye, who have been wonderfully supportive of the efforts that have gone on in the last nine months. I want to thank my hardworking committee. I will not name all of them but Richard Trethewie and Dorothy Dehais committed to my campaign with vigour and determination and both gave up almost nine months of their lives to assist me.

I want to reaffirm my commitment to the people of Bass and to my wider role as shadow treasurer, shadow minister for employment and shadow minister for economic development. Indeed, I commit to working for all Tasmanians and when in the best interests of all Tasmanians to a bipartisan approach to my role as a member of this Parliament.

Mr Speaker, finally I would like to conclude my comments with a quotation from an Irish colleague which has always impressed me and especially as events unfolded over the following years after he made this comment, the real significance of it became more apparent. Alan Duke's statement of Fine Gael's intentions in the late 1980s came to be seen, and rightly so, as a landmark political development in the Irish country. He said, and I quote:

'When the Government is moving in the right overall direction I will not oppose the central thrust of its policy. If it is going in the right direction I do not believe that it should be deviated from its course or tripped up on macroeconomic issues. I will not play that game because it would not produce any real or lasting advantage for the Irish people: least of all for those who currently have neither political nor economic advantage.'

Similarly, Mr Speaker, I commit to the same approach to my role in this the forty-fifth Parliament.