



THE PARLIAMENT OF TASMANIA - HOUSE OF ASSEMBLY

BUDGET 2018-19

19 June 2018

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 is it for the third, nearly fourth month in a row are we 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 here 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 know exactly what is going on and business in particular. 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 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 the rebate for the commercial and industrial businesses coming off contract for a further 12 months. 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-2021, 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 Executive Director 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 \$1 10 000; 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 feedback regularly 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.