



2020-21 BUDGET SPEECH
‘JOBS • CONFIDENCE • COMMUNITY
REBUILDING A STRONGER TASMANIA’

BY
THE TREASURER
HON PETER GUTWEIN MP

Delivered in the House of Assembly on 12 November 2020 on the
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Presented to both Houses of Parliament by the Governor's Command

Madam Speaker,

This year COVID-19 has delivered challenges, disruption and uncertainty.

Not since World War 2 has a single event had such far reaching global impacts.

More than 50 million people have been infected, with over 1.2 million people losing their life, sadly, 13 of them Tasmanians.

As a Government we acted quickly, we acted decisively and used our island advantage to protect our community and save lives.

We have followed advice, and swiftly put in place restrictions on activities and movement to limit the spread of the virus, followed by a sensible and responsible glide-path to easing them.

This included banning cruise ships, restrictions at our borders, working from home, and in some cases not working at all.

These immediate steps, difficult as they were, enabled us to control the spread of this insidious disease, and in recent months, they have allowed us to return in a staged and careful way to a more normal, albeit a COVID-normal way of life.

Tasmanians have demonstrated compassion, courage, great resilience and ingenuity through these times, and today, I sincerely say thank you.

Madam Speaker,

The challenge we face has two elements. It is both a health crisis and an economic one as well.

We must deal with both.

We must continue to manage the risk to our health and safety that the virus poses, as well as the significant unprecedented impacts on our economy.

I will not sugar-coat these challenges for the Tasmanian people.

The road ahead will not be easy.

There is no vaccine yet available, and the pandemic continues to wreak havoc on countries around the world - and many of them are our trading partners.

There are things we cannot control, such as volatility in international markets, or how soon a vaccine may become available.

However, what we can control, is how we respond to the situation. Our health response, and our economic response.

And in the face of the most deadly global pandemic the world has seen in a century, our response must be proportionate and it must be strategic.

We can never tax our way to prosperity, nor can we cut our way to recovery.

The way to rebuild a stronger and more resilient Tasmania is to invest heavily to support jobs, to regain confidence and to rebuild our economy and our community.

Ongoing Support for Tasmanians

Madam Speaker,

We entered the pandemic from a position of strength, with one of the strongest economies in the nation and with no net debt.

We used our balance sheet as an economic stabiliser, delivering the largest economic and social support package in the nation as a proportion of our economy, at over \$1 billion.

The Social and Economic Support package included \$150 million for our Health preparedness and response, and provided \$4 million for mental health support services.

We provided \$4.3 million for emergency accommodation and homelessness services, \$5 million for community organisations to support vulnerable Tasmanians, \$2.5 million for child safety and wellbeing, and \$2.7 million for family violence.

We provided the funding to deliver thousands of meals, activated emergency pandemic grants, and temporary accommodation grants for our health workers if they needed to self-isolate away from home.

We froze rental payments for social housing tenants.

And we also led the nation's states and territories by introducing support for temporary visa holders, with up to \$3 million available.

Importantly, we wanted to support businesses and jobs through the restricted period, so they stood ready for the other side. That's why we:

- froze, waived and capped Government fees and charges for businesses;
- provided electricity bill relief for more than 20 000 businesses;
- waived payroll tax for the entire 2019-20 financial year for over 440 businesses in the hospitality, tourism and fisheries sectors, which were those hardest hit - and for businesses with wages less than \$5 million;
- delivered business support grants totalling \$80 million;
- waived rent on government leases;
- provided millions in low-interest loans; and we provided
- land tax relief for affected businesses for 2020-21.

Madam Speaker,

These measures are working.

At the height of the pandemic 19 100 Tasmanians lost their job, yet around two thirds of them have now returned to work.

In fact, CommSec found that activity in the June Quarter was still 20 per cent higher than the decade average, and today, there are more Tasmanians employed than September last year.

And, even in the face of this global pandemic, Tasmania has once again been ranked as the best performing economy in the nation.

Equipment investment was up 15.2 per cent on the decade average, demonstrating the resilience and confidence of our business sector.

Retail trade is 14.1 per cent higher than last year - the second highest annual growth of any State.

And, Tasmania was one of only two jurisdictions to see more people in jobs today compared to same time last year.

Our businesses continue to be some of the most confident in the country, and we must continue to build on that.

We know the pandemic is not yet over, that Tasmanians continue to face challenges, and that is why we have taken a glide-path approach to carefully and sensibly easing our way back to business, and to life as we know it.

The last thing we need in Tasmania is a second wave, which Treasury has modelled would cost our state a further \$500 to \$600 million through necessary restrictions to protect lives.

It is why in this Budget, Tasmanians will see many targeted and temporary support measures continue this year and next year, to provide support to Tasmanians, when they need it.

Budget impact

Madam Speaker,

It should come as no surprise that this support has come at a cost. I have been open with Tasmanians about that from day one.

GST receipts this current year are expected to be \$347 million lower as a result of a contraction in the size of the national pool of \$25.4 billion over the next four years.

The Australian Government has forecast GST to return to growth over the period of the Forward Estimates, albeit from a lower base.

Furthermore, due to the staged reopening of our economy and the economic stimulus measures we have put in place, the impact has been mitigated, to some extent, on our own source revenues.

These are expected to be broadly similar with previous forecasts and strong growth is expected over the Forward Estimates period.

However, over the next two years operating deficits are forecast.

This year the deficit will be \$1.1 billion, before improving to a deficit of \$281 million in 2021-22.

Importantly as our economy returns to growth, there is a pathway back to the black with a return to a modest surplus in 2022-23.

The investments we make today will stand us in good stead, underpinning a strong return to growth in our economy of 3 ³/₄ per cent in the 2021-22 financial year.

As a result our Net Operating Balance improves significantly over the Forward Estimates, and the Budget returns to modest operating surpluses in 2022-23 of \$14 million and in 2023-24, \$17 million.

We have taken unprecedented measures to save lives and support our community, and due to the strength of our financial position going into this pandemic, we have a clear pathway out.

In this Budget we will continue to leverage our strong balance sheet to stimulate our economy, support our community, attract investment and support jobs through targeted initiatives and record infrastructure investment.

As a result of the impact of the pandemic on our revenues, and the unprecedented infrastructure investment in this Budget over the next four years, our State will need to carry a level of net debt.

In 2020-21 it is estimated that net debt will be \$1.854 billion, rising to \$4.380 billion over the Forward Estimates.

Importantly, this debt will be manageable, with interest rates remaining at record lows - and it will be the lowest level of net debt carried by any jurisdiction in the country.

COVID-19 Provision

Madam Speaker,

The COVID-19 pandemic has been one of the largest shocks to our way of life, our economy and our Budget.

In addition to specific commitments made and outlined in this Budget, funding of \$145 million in 2020-21 has also been allocated to a central COVID-19 provision in Finance-General.

This approach reflects the establishment of a similar central provision in 2019-20 to assist in meeting uncertain or unknown costs associated with the COVID-19 pandemic.

The provision initially supports response measures that align with recommendations made by the Premier's Economic and Social Recovery Advisory Council, also known as PESRAC, by supporting businesses, stimulating economic activity through improving the environment, creating regional jobs and supporting young people into training and apprenticeships.

Of the \$145 million provision, \$50 million has been allocated to initiatives to support businesses and our economy, assist women back into work, support the cultural and performing arts sector, improve our environment and invest in public housing infrastructure upgrades.

To ensure we continue to have a whole-of-government approach to respond to COVID-19, with resources ready and available for a pandemic, but also for other state emergencies which may arise, such as bushfires or floods, \$4.4 million will be invested for an ongoing centralised COVID-19 coordination centre for the next 12 months, in partnership with the Commonwealth Government.

The remainder of the provision will be held as a contingency for COVID-19 related health, economic and social response measures and to support the ongoing management of our response to the pandemic as well as supporting the next phase of the PESRAC's recommendations.

Jobs, Confidence, Community

Madam Speaker,

There is no vaccine for confidence, and when times are tough, businesses look to Government to provide the conditions and the support for them to get on and do what they do best - employ Tasmanians, strengthen the economy, and create opportunities for growth.

Madam Speaker,

This Budget unashamedly uses our balance sheet strength to support our community, support our businesses and support our people.

It provides the economic platform to create jobs, through infrastructure and community investment, providing the certainty and confidence to rebuild Tasmania.

The 2020-21 Tasmanian Budget is all about Jobs, Confidence and Community.

Today I am announcing the largest and most significant infrastructure program in the State's history.

Over the next four years this Budget provides for nearly \$5 billion of infrastructure investment to support jobs, confidence and our communities. This investment will support jobs and increase aggregate demand right across our economy.

Treasury states that if our economy can start to recover sooner, that by June 2022 employment will have increased by 10 000 jobs.

Furthermore, over the four year period of the Forward Estimates using commonly understood multipliers, we expect this infrastructure package will support around 6 000 jobs annually, and a total of around 25 000 jobs over the four years.

We will build the intergenerational infrastructure communities need, we are backing Tasmanian business, supporting their recovery and growth, and making it easier for them to employ.

We are investing even more into education and skills, to ensure more Tasmanians have the ability to grasp the opportunities and lead a more fulfilling life.

We are investing more into housing, health and essential services around our State, as well as investments in programs and resources to keep our communities safe.

We are future-proofing our industries and investing to protect the Tasmanian way of life.

Madam Speaker,

Over the Budget and Forward Estimates, our landmark infrastructure investment includes around \$4.1 billion in the General Government sector and investment of nearly \$800 million through our government businesses.

In fact, a record \$1 billion investment has been budgeted for this year alone.

When we came to Government in 2014, the infrastructure investment that year was just \$324 million. We will more than triple that this year.

Our infrastructure program invests a record \$2.4 billion in better roads and bridges.

This includes almost \$1 billion over the next two years for safer roads and bridges infrastructure around our State, helping to safely connect Tasmanian families at a time when we need to reconnect more than ever.

This includes intergenerational assets, like the Sorell and Midway Point Causeways, the new Bridgewater Bridge, and the Midland, West Tamar and Bass Highway upgrades.

Early this year we completed and commissioned the largest ever investment in health facilities - the Royal Hobart Hospital K-Block.

In this Budget, we will invest \$391.2 million across our hospitals and health system, with the 2020-21 Budget including:

- \$89.8 million for the Royal Hobart Hospital Stage 2 redevelopment, including an expanded ED;
- \$79.8 million for the continued redevelopment of the Launceston General Hospital;
- \$33 million for the continued upgrade of the Mersey Community Hospital; and
- \$19.8 million for more mental health beds.

In addition to \$11.5 million in upgrades to be delivered this year, the Budget provides a further \$10 million for our regional health and ambulance facilities.

And because we understand the importance of our schools and training, this Budget invests \$218.1 million in education infrastructure including:

- \$9.9 million for the completion of Devonport High;
- \$24 million for Legana Primary School;
- \$40 million for the new Brighton High School;
- \$20 million to revitalise Cosgrove High School;
- \$25.3 million for the new Sorell School; and
- \$18.9 million for the new Penguin School.

We are also providing \$28 million for six new Child and Family Learning Centres across the State.

Madam Speaker,

Tasmania is an island and ensuring freight efficiency to market is essential. To get our freight to market, and to support our trade industries, we are investing \$208.8 million into TasRail, to deliver Tranche 2 and 3 of the Rail Revitalisation over four years, and we will invest just over \$5 million into TasRail to support our forestry industry to transport our southern timbers to market more efficiently.

There is \$160 million for TasWater to continue accelerating its infrastructure pipeline around the State, and support to enable the decommissioning of TasWater's Macquarie Point wastewater treatment plant.

The Budget also includes \$218.4 million in 2022-23 as part of our commitment to replace the TT-line vessels. We will have more to say once the Taskforce has completed its work early next year about the opportunity to maximise Tasmanian jobs from this significant investment.

We will also deliver better justice facilities as part of our infrastructure spend, with \$111.1 million for the new Northern Regional Prison, \$14.4 million for the Burnie Court Complex, \$79.9 million for the Southern Remand Centre, and \$9.3 million to support upgrades for the shared facilities at Risdon Prison.

And when it comes to our ICT infrastructure - for too long have we have been expecting 21st century services from 20th century technology.

This Budget sets it right with \$135.4 million in ICT investment to support better government services. This includes:

- \$57 million for the whole-of-government Digital Transformation Expenditure Program;
- \$46.1 million for the Department of Police, Fire and Emergency Management's Project Unify to upgrade ageing ICT systems that support policing operations;
- \$21.6 million for a new Human Resources Information System in the Department of Health;
- \$4 million for critical IT network upgrades in TasTAFE; and
- \$3.2 million over four years for the Student Systems Renewal, including Case Management System in the Department of Education.

Backing Tasmanian businesses

Madam Speaker,

This Government knows our businesses are the engine room of our economy and that they will lead our recovery.

National surveys consistently report that we have some of the most confident businesses in the nation, as well as strong business conditions compared to other jurisdictions.

But we know there is more to do.

As a Government, we recognise the valuable investment business makes in training the next generation of Tasmanian workers, and we want to ensure businesses are confident and prepared to take on more apprentices, trainees and young people.

To ensure our businesses are incentivised to hire, we will extend our successful Payroll Tax Rebate Scheme and Small Business Grants schemes, for a further 12 months until 30 June 2022, and we will broaden these schemes to all industries.

This will be an investment of more than \$22 million to significantly boost jobs for apprentices, trainees and youth employees.

Combined with Australian Government supports, such as the Boosting Apprenticeships Wage Subsidy, it means there has never been a better time to hire an apprentice or trainee.

We will also extend the payroll tax rebate for all youth employees for a further 18 months, from the end of this year to 30 June 2022.

These schemes are already supporting nearly 4 000 apprentices, trainees and young people.

And we expect these initiatives to support an additional 4 000 new full-time jobs for apprentices, trainees and youth employees.

Legislation will be introduced into Parliament today, so that these initiatives can commence from 1 January next year.

Not only will these initiatives help young people get their foot in the door, and for many, it is an opportunity for a first job, but it will also help our businesses with a ready supply of skilled young people for the future.

Madam Speaker,

We also want to make it easier for business, to do business.

That is why we will continue with our deregulation agenda to remove unnecessary red tape.

We know that in these uncertain times, certainty in regulation is paramount, to attract and accelerate investment.

We have recently passed our Major Projects legislation, introducing contemporary planning laws, providing clarity and certainty for investors.

And we are now implementing phases 1 and 2 of our regulatory reforms, sending a clear message that Tasmania is a state that is open for business.

We also know that Government services interfacing with the development community can be improved to help them to get to market sooner.

That is why we are investing \$3.4 million over four years to increase Land Titles Office and Crown Lands resourcing to enable faster release of titles to market, as well as \$2.4 million over four years to support Regulatory Approvals and Permit processes.

To assist our peak industry bodies, a \$500 000 support fund has been created this year, to help them support the businesses they represent as our economy and community rebuild.

There is also \$1 million to establish a new not-for-profit Tourism and Hospitality RTO to ensure that as we emerge from COVID-19, we have the skilled and trained workforce necessary to ensure our world class attractions are fully complemented by world class service.

This comes on top of the \$1 million to support business access to mental health supports, and \$200 000 to support our tourism and hospitality businesses with financial counselling, including in rural areas.

Furthermore, the COVID-19 provision will provide \$10 million for a Building Projects Support Program, to bring forward community or commercial shovel ready projects that will help stimulate the Tasmanian construction sector and support jobs.

The Program will be delivered through a single competitive grant funding round, and will provide funding of up to 25 per cent of the construction cost of the project, for projects over \$2 million, up to a maximum of \$1 million.

Projects will need to have achieved planning approval if necessary, be able to start construction within three months, and be expected to demonstrate positive community benefits, as well as broad economic or social benefits.

Madam Speaker,

The cultural and creative industries, including the performing arts and theatre sectors, have been amongst the hardest hit by the COVID-19 pandemic and that is why the Tasmanian Government has put the cultural and creative sector high on our priority list in terms of support during the pandemic.

This was reflected in the very early action we took with the substantial stimulus measures announced, including new funding of \$1.5 million for a comprehensive support package to assist artists to develop partnerships across the arts and screen sectors, and more than \$2 million in funding brought forward to extend the contracts of 19 Tasmanian arts organisations, and fast-tracking final payments for funded artists and art organisations to improve immediate cash flow, and allow for planning into 2021.

We have recently announced the major events framework and the Summer Social Package to provide certainty for the arts and cultural sector as we head into summer. However, we know we need to do more to assist the sector, especially in our regional areas, to assist them to bounce back.

It is why we are providing \$500 000 over two years to support screen production investment and \$1 million over two years to implement the Community Arts and Cultural Development program.

Today I can announce a further \$2.5 million for an arts and cultural support fund, with \$1.5 million in grants to support performers and artists and \$1 million to support to produce new work.

The Tasmanian Government remains committed to supporting the arts and cultural sector to ensure we regain the economic, cultural and community benefit that it delivers for all Tasmanians.

Madam Speaker,

We also recognise the ongoing impact of public health restrictions on our hospitality sector, which is why we will continue to provide temporary and targeted support for this important industry, which employs thousands of Tasmanians across the State.

This is why we have provisioned \$10 million for additional support for hospitality businesses, to ease cost of business pressures, and will provide a reimbursement up to a capped amount against their energy bills - electricity and gas - for the first quarter of this financial year.

Support will be provided to pubs, bars, clubs, cafes and restaurants, which have eat-in dining or drinking, with turnover of above \$50 000. We will work closely with the sector to design the program to ensure it will be targeted towards those most in need who have experienced a significant decline in turnover.

Given that restrictions will continue to directly impact the sector for some time, we will also waive annual liquor licensing fees for 2021, relieving the hospitality industry of around \$1 million in costs.

It is measures like these, across our important industries, that will help our community, return our economy to growth, and support more jobs for Tasmanians.

Supporting Skills and Training to get a job

Madam Speaker,

We know that our infrastructure program will lift aggregate demand, support confidence, and create jobs.

It will create significant opportunities for all Tasmanians to take part in the rebuild.

To give Tasmanians the best opportunity to have the skills they need for the work ahead, we are investing more into skills and training, into TasTAFE and schools, and helping Tasmanians to gain new skills for future-ready jobs.

We want more Tasmanians to participate in and benefit from our economic rebound.

It is why the Budget funds an additional \$7 million for the Energy, Trade and Water Centre of Excellence at Clarence, bringing the total investment there to \$21 million.

This will ensure students can learn with equipment that reflects modern workplaces and provides the additional benefit of a much needed boost for the construction industry and local economy.

JobTrainer, jointly funded by the State and Australian Governments, will see \$21 million provided to increase the number of low and no-fee key VET courses to develop our future workforce.

And we will fund more teachers in TasTAFE, with an additional \$2 million over two years in high demand areas including aged care, electro technology, plumbing and nursing.

The Budget also includes \$1.3 million over two years for the Glenorchy Jobs Hub, a further \$950 000 to extend the Sorell Employment Hub, and nearly \$900 000 will be provided to Hamlet and Troublesmiths over two years, to assist people of all ability to enter the workforce.

We will also provide funding of \$570 000 over three years to support the achievement of the intended outcomes of the Aboriginal Employment Strategy and School-based Traineeship Program; and for the delivery of Aboriginal Cultural Respect training for State Senior Executive Service and Senior Managers.

Madam Speaker,

This Government has a Tasmanian Women's Strategy, to help empower and enable women to achieve gender equality in our State.

Already we know that over 70 per cent of the public sector workforce is held by women, and women comprise nearly half of the Senior Executive Service at 46 per cent in 2019-20, up from 36 per cent when we introduced our Tasmanian Women's Strategy in 2018.

And we have seen throughout the pandemic, that jobs for women have seen a stronger recovery in Tasmania.

However, we also recognise that we need to do more, particularly to attract and support more women into non-traditional roles, with these sectors set to play a vital part of supporting our recovery.

That is why the 2020-21 Budget includes \$2.5 million over two years to develop a statewide program to enable and empower more women to participate more broadly across our economy.

To achieve this, Government will work with peak industry bodies, and skills and training providers, to support women to train and enter roles in industry, and to support employers to help them develop the skills that they need to succeed and to shift community and employer perceptions of traditionally male-dominated industries.

We are also investing a further \$400 000 over two years for measures to enhance industry liaison and to develop leadership pipelines for women in these fields.

In what has been a very challenging year for the Tasmanian community, it is more important than ever that opportunities for women and girls are front and centre in our vision for a stronger, more resilient Tasmania.

Record investment in health, housing and education

Madam Speaker,

Our substantial infrastructure spend, combined with our strong balance sheet means that we can go further to invest in essential services Tasmanians need - into health, education and housing.

Our health system was already facing increased and unprecedented demand before COVID-19. Now it faces challenges unforeseen just a year ago.

Our incredible staff have kept going above and beyond, putting themselves on the front-line in the fight against COVID.

And to each and every one of them, I say thank you.

As a Government we have been clear that we are committed to supporting them to care for our community.

That is why this Budget includes \$9.8 billion of health spending over the next four years - unprecedented resourcing for our system that is recruiting record staffing, opening beds and investing in the facilities our staff and our patients deserve.

This is \$1.7 billion more than last year's Budget, a 21 per cent increase in operational expenditure, which is on top of the \$391 million capital program being delivered across Tasmania.

It is a boost to our funding base that will help meet demand in our hospitals and underpin improved health outcomes.

We are also injecting \$45 million into elective surgery, taking our additional investment to \$60 million in elective surgery. This funding will provide an estimated 8 500 additional surgeries over the next 18 months, above and beyond what was already due to be delivered.

The Government and the THS are committed to meeting demand, with \$50.2 million over the next two years to support staff and beds in our major hospitals. This is in addition to \$299 million over four years to continue the roll-out of our commitment for 250 new beds at the Royal Hobart Hospital.

We have a strong track record investing in health, employing since we came to Government an additional 1 500 health professionals, including 252 full-time equivalent doctors and 876 full-time equivalent nurses, on top of ongoing investment into our regional and rural health facilities, including ambulance stations, transport and other infrastructure.

However, when it comes health, this Government recognises there's always more to be done.

COVID-19 has also taught us the need to not only look after our physical health, but also our mental health, as many people experience personal and financial hardship, and have had to keep away from loved ones and friends to keep them safe.

For too long the mental health system, especially for our young people, has required reform and integration to deliver better outcomes.

I am pleased to confirm that more than \$8.1 million is provided over two years to implement Phase One of the Child and Adolescent Mental Health Services Review Recommendations, and continue the Tasmanian Mental Health Reform Program initiatives.

In addition, \$4.9 million will be provided over two years to implement the Reform Agenda for the Alcohol and Drug Sector in Tasmania.

These are essential investments designed to deliver better mental health and care for Tasmanians.

Madam Speaker,

We believe that a good education is the passport to a better life.

And in addition to the \$204 million for new and refurbished schools, including \$28 million for six new Child and Family Learning Centres, we will continue to deliver our plan for better educational attainment rates and outcomes.

This includes ongoing investment into our year 7 to 12 implementation plan and more teachers and support staff.

Since coming to Government in 2014 attainment levels to year 12 have increased, and we have delivered 269 additional teachers and 250 more Teacher Assistants. And as part of our six year plan for education, over the next four years we will hire a further 199 teachers and 80 more Teacher Assistants.

This Budget also extends funding of \$14 million over four years to support low-income Tasmanians with school levies and charges.

And we are providing \$150 000 to deliver the Hobart City Schools Masterplan and \$1.1 million for state libraries.

We believe that every Tasmanian child deserves the right to a first-class education, and we will continue to make the investments necessary to build a better education system for better education outcomes in our state.

It is why we are increasing our record investment into Tasmanian education at \$7.5 billion over four years.

Madam Speaker,

This Government believes every Tasmanian deserves the basic right to a roof over their head.

That is why we are investing record amounts to deliver new housing and homelessness services for Tasmanians in need, including over \$300 million in this Budget.

This includes the \$100 million investment announced as part of our construction blitz, which will build up to 1 000 new homes over three years with an EOI currently underway.

This Budget also includes an investment of \$16.8 million to continue the Safe Space program as a 24/7 wrap-around service in Burnie, Launceston and Hobart.

This investment will allow the program to run through to June 2022, with over \$6 million of this funding to deliver general health and mental health supports to people experiencing homelessness.

This Budget also continues the rollout of the Government's Second Affordable Housing Action Plan and other Housing Projects, which will see:

- more than \$10 million for a new Hobart Youth foyer, including operating costs;
- more than \$22 million for new supported accommodation facilities around Hobart;
- the delivery of the Huntingfield land release project, a subdivision that will provide around 470 residential lots;
- almost \$5 million for a new Launceston Youth at Risk Centre including operating costs;

- \$4 million to expand the Magnolia House Women’s Shelter;
- \$5 million to expand Thyne House and transition it into a youth foyer model;
- more than \$10 million for a new Burnie Youth foyer including operating costs; and
- \$2 million to deliver the North West Men’s Shelter.

The Budget will also continue to deliver on the program of works through funding made available by the agreement to waive the State’s Housing related Debt to the Commonwealth.

This program expects to assist a further 400 households into suitable accommodation through to June 2023, including the delivery of 300 new social housing dwellings, co-funding the purchase of the Balmoral Motor Inn for long-term Supported Accommodation, remodelling of the Windsor Court unit complex, and other initiatives.

This Budget builds on the exceptional work done to date since we commenced our Affordable Housing Strategy, which has seen more than 2 400 households supported into housing that suits their needs.

This is a track record we are building on with this Budget.

I am pleased to announce that through the COVID-19 Provision a further \$15 million will be allocated for public housing heating and energy efficiency initiatives, which will ease the cost of living pressures for our public housing tenants.

These funds will complete the Government’s program of replacing inefficient direct electric heating and gas heating in all public housing stock with energy efficient heat pumps.

A second program will also begin to progressively replace the ageing existing standard electric hot water systems in public housing stock, with new heat pump hot water cylinders. This program will focus on replacing the oldest systems first, in around 1 200 public housing properties.

Together, these programs will increase energy efficiency and decrease operating costs both for our tenants and in respect to our ongoing maintenance.

This investment will lead to lower power bills for Housing Tasmania tenants, reduce emissions and importantly, this investment also means more local jobs for Tasmanian suppliers and installers in every region of our State.

Future-proofing our economy and industries

Madam Speaker,

COVID-19 has shown us that we need to continue to future-proof our industries and economy, and to protect our Tasmanian way of life.

In Tasmania, through this Budget, we will continue to strengthen our status as a global renewable energy powerhouse, delivering transformative investments in our iconic attractions, and continuing our nation-leading transition to a low emissions economy.

The 2020-21 Budget also positions our State for the return of interstate and international visitors when it is safe for them to come, with \$198.1 million in investments over the next four years.

To ensure our iconic destinations are world-class, sustainable and protected, it includes more than \$68 million for the Cradle Mountain Experience, and \$19.4 million for Tasmania's next iconic walk in the Tyndall Ranges.

These investments will not only ensure Tasmania continues to retain its reputation as one of the most extraordinary places to visit in the world, but they will create jobs and provide additional economic stimulus across our north west and west coast communities.

Funding will also include \$8.4 million for the Freycinet Peninsula Wastewater program, \$3.2 million to boost maintenance in our National Parks and \$1.6 million for improved boat and trailer parking for recreational fishers.

In addition, \$4 million is being provided to the West Coast Wilderness Railway this year to assist it to operate as West Coast tourism recovers post COVID-19.

As we welcome back visitors from low risk jurisdictions, including international flights from New Zealand in 2021, we will invest \$10 million as part of a \$17.5 million upgrade to meet the requirements for an international terminal. And we will invest \$5 million towards an \$11 million upgrade of the Launceston Airport's infrastructure.

These upgrades will provide the space and facilities to ensure we adapt to operate through a COVID-environment.

The Government will continue to safeguard our primary industries, our trade sector, and position Tasmania for exponential growth as a global renewable powerhouse, generating billions in investment and thousands of jobs.

We have already introduced a Bill to legislate our target to generate 200 per cent of our current renewable electricity needs by 2040.

The Government has already committed to a \$50 million Tasmanian Renewable Hydrogen Industry Development Funding Program representing grants, concessional loans and support services, and \$16 million has been allocated in this Budget period to ensure that Tasmania is well placed to take advantage of, and become Australia's renewable hydrogen epicentre.

Furthermore, the Budget includes \$3.8 million over four years to support the delivery of Project Marinus, Battery of the Nation, Renewable Hydrogen, the Tasmanian Renewable Energy Action Plan and a Renewable Energy Coordination Framework.

As the world transitions to a low emissions economy, it is clear that Tasmania has the clean, reliable and affordable energy that Australia needs.

We have already achieved our target of net zero emissions by 2050 four years in a row.

And because of this success, the Budget includes \$300 000 to review our climate change Act and emissions reduction Target, with a view to strengthening our legislation and taking a more ambitious approach.

To reduce emissions further, we will implement an online meeting preference policy, to reduce unnecessary air travel, saving time, costs and emissions across the State Service.

Madam Speaker,

Furthermore I am pleased to announce today that the Government will set a target to transition its vehicle fleet to 100 per cent electric vehicles by 2030.

We have already made significant progress to support electric vehicle uptake, including delivering a state-wide charging network and increasing the number of Electric Vehicles in our fleet.

The Ministerial fleet will also transition to include four hybrid vehicles over the next two years, and I am pleased to note that we will receive the first of these by the end of the year.

The 2020-21 Budget allocates \$2.3 million over three years to progress our transition and our target will be underpinned by a Tasmanian Government 100 per cent EV Zero Emissions Strategy, which will also include interim actions to improve efficiencies as we transition.

Metro Tasmania will also be tasked to trial zero emissions buses in Tasmania - electric or hydrogen - with both a northern and southern trial underway within the next two years, with any additional resources required allocated in next year's Budget.

Capitalising on our renewable energy advantage, this will be one of the most ambitious targets of any state in Australia, demonstrating our leadership in innovation, renewable energy and climate action.

To support businesses looking to reduce their emissions, the Budget includes a \$10 million no-interest loan scheme for large Tasmanian greenhouse gas emitting businesses and industries to trial existing clean technologies or test new innovative production processes that will lead to reduced emissions.

Madam Speaker,

Over \$30 million will be invested in waste and resource recovery initiatives across Tasmania to help us build a circular economy as part of a stronger Tasmania.

The 2020-21 Budget delivers on our commitment to our Waste Action Plan and Container Refund Deposit Scheme, with \$9.5 million allocated, and legislation for both will be introduced in the New Year.

The Government will also progress the introduction of a state-wide levy on waste disposed at landfill. The levy will fund future waste minimisation, reuse and recycling initiatives, with the resource recovery sector to increase recycling and generate more jobs for Tasmanians, starting in 2021.

In this Budget, the Tasmanian Government will provide up to \$5.5 million in grants that will be matched dollar-for-dollar by the Australian Government and recycling businesses to invest at least \$16.5 million in new commercial recycling opportunities that create long-term sustainable jobs in Tasmania.

In addition, the 2020-21 Budget also includes \$10 million to co-invest with the existing waste management sector in Tasmania to build the infrastructure needed to collect and sort recyclable waste.

These initiatives will enable Tasmania's emerging recycling industry to plan for, and invest in, critical infrastructure, address key waste streams and to plan for market development in Tasmania, helping to rebuild a stronger Tasmania.

Madam Speaker,

Our agriculture sector and produce is world-class.

Ensuring that our farmers continue to have reliable access to water to keep growing, \$168.7 million has been included for Tranches 2 and 3 Irrigation Projects, including \$15 million to prioritise the Don Scheme over the next two years.

We have our Tasmanian Trade Strategy and we will bolster this with \$2.7 million over two years, to ensure our produce remains at the forefront of menus worldwide.

Our Agricultural Workforce Resilience package of \$1.9 million will continue to attract and retain workers and position agricultural businesses to adapt and respond to the pandemic.

We will further support Tasmanian Agriculture, with targeted actions, including industry support, and a further \$3 million over five years towards the Tasmanian Institute of Agriculture, and \$7 million over two years to modernise our Crown and TIA research farms.

To protect our industry at the borders, \$10.5 million has been provided over four years for Biosecurity, and \$4.6 million has been provided for the Weeds Action Fund to allow farmers, Landcare and other community organisations to tackle weeds that impact on valuable agricultural and environmental assets.

This Government will also continue to support our aquaculture industry to be a \$2 billion industry by 2030, with a \$250 000 investment in this Budget to deliver contemporary marine spatial planning to support its continued sustainable growth.

Keeping Tasmanians safe

Madam Speaker,

We are investing in our emergency services to keep Tasmanians safe. Whether it is the battle against crime or bushfire, flood or pandemic, our emergency services are there for us, and we know we need to keep acting decisively to meet the challenges before us.

We are investing in an additional 92 police to provide community safety over the next four years. This includes 72 to meet our commitment of 125 additional police officers, and an additional 20, to allow for an expanded full time Special Operations Group that is vital to responding to security and safety threats.

We are also providing additional funding of \$2.5 million to complete the large vessel replacement program, further strengthening the security of our borders, our marine resources, and our marine safety.

This Budget also includes investment of \$7 million to refurbish and upgrade the Launceston Police Station and \$13.2 million for police housing.

We will also deliver a new Tasmanian Government Radio Network with funding of \$120.9 million over four years, which will be one of the most transformative government communications projects in Tasmania's history.

For the first time this will mean Government agencies and State Owned Companies will be able to use a single network that is secure and scalable, increasing the speed and coordination of emergency communications in the field.

Madam Speaker,

In a changing climate we know the threat of bushfires is greater. Reducing the risk of bushfires is essential to protecting Tasmanian life, property, infrastructure and our unique and beautiful natural assets.

That is why the Tasmanian Government is leaving nothing to chance when it comes to investment in bushfire preparedness.

We are providing \$8 million over two years to support the State Fire Commission's activities and to improve Tasmania's ongoing capacity to respond to bushfires by developing a dedicated division within the Tasmania Fire Service to manage the planning and response to bushfire at a whole of state level.

The Budget confirms \$9.3 million to bolster our nation leading Fuel Reduction Program by adding two new 'burn crews' in the Tasmania Fire Service, including the allocation of nearly \$300 000 to a revamped Red Hot Tips Program to assist Tasmanian landholders to manage bushfire risk on their property and reduce fuel loads.

In addition, we are funding \$2.1 million over four years through DPIPW for a Bushfire Winch Insertion Capability in remote and inaccessible areas.

And we are fully funding \$3.5 million for the construction of a purpose built State Operations Centre so that when fires, floods or pandemics hit, our response can be scaled up or down according to the need.

Madam Speaker,

The Government has provided \$1.7 million for State Emergency Services to develop its capability in Community Protection Planning for flood and storm hazards.

This will support community education and development, and importantly further support the implementation of the Government's response to the Blake Review into the Floods of June and July 2016.

This Budget also includes \$2.7 million for the national Emergency Alert system and \$5.4 million to address costs associated with the Triple Zero emergency service.

The health and wellbeing of our emergency responders is a key priority for this Government and as we know police, firefighters, and other emergency services workers are susceptible to post traumatic stress disorders and other mental illnesses.

That is why we are providing an additional \$250 000 to support the mental health and well-being of our volunteers to complement the already \$6 million commitment to the proactive and preventative Health and Wellbeing Program.

Support for the Tasmanian community

Madam Speaker,

This is a Budget that has our community at its heart.

In NAIDOC Week, I am pleased to confirm the Tasmanian Government remains committed to Resetting our Relationship with Tasmanian Aboriginal communities, through recognition, advancing reconciliation and working to achieve real outcomes.

Most recently, we have taken important steps towards improving outcomes for Tasmanian Aboriginal people, with the signing of the new National Agreement on Closing the Gap, and have started work with Tasmanian Aboriginal communities to develop Tasmania's first Implementation Plan.

Today's Budget includes \$1.2 million over four years as Tasmania's contribution to a joint-funding arrangement with the Australian Government to support Closing the Gap, investing in the capacity of Aboriginal Community Organisations to deliver services that result in better outcomes for Aboriginal people.

We know there is still more to be done and we will continue to deliver on our commitment to reset the relationship with Aboriginal communities.

Madam Speaker,

Throughout the pandemic the Tasmanian Government has provided the most generous economic and social support in the nation and we will continue to respond as needed to support our most vulnerable.

We also recognise the important roles community organisations play in the delivery of much needed services.

The 2020-21 Budget provides \$351 000 over three years for volunteering Tasmania and \$1.6 million to emergency food relief providers over two years, and in addition, a further \$185 000 to Loaves and Fishes Emergency Food Relief this financial year.

We will also be providing an additional \$350 000 over two years for TasCOSS, to assist the community sector respond and adapt to COVID-19 challenges.

I want to recognise these organisations and the people who work for them for the critical work that you do - thank you.

We also know how important sport is to community connectedness. It is the lifeblood of our community.

That's why we are investing more than \$4 million across AFL, Basketball, Football and Cricket in Tasmania, as well as an additional \$4 million for Ticket to Play, to help more young Tasmanians participate in community sport.

We are investing \$250 000 to develop a Sports Facility Strategy for Tasmania, and \$2 million over four years for additional operating costs at the Silverdome.

The Derwent Entertainment Centre will be transformed into a national elite-standard basketball facility, with a multi-sports facility development adjacent through a \$68.5 million investment, and the Tasmanian Jack Jumpers NBL team will be provided \$11.6 million in funding over five years.

There are also two other major projects that the State Government is advancing that I want to provide some further detail today.

The Government has provided funding of \$250 000 to the Launceston City Council to progress planning for the redevelopment of UTAS Stadium, to enable seating capacity to be increased and for the stadium to be ready to play a part in the 2023 Women's FIFA world cup.

This redevelopment is expected to require an investment of up to \$50 million should it proceed, and further details will be provided in the New Year once the planning work has been undertaken.

With the proposed change in ownership of the Devonport Showgrounds as well as the ageing of facilities at that location, TasRacing has determined to build new racetracks for both greyhounds and harness in North West Tasmania.

Agreement has been reached between the Devonport Agricultural and Pastoral Society, the purchaser of the showgrounds and TasRacing, the leaseholder, for a transition of the site to a housing redevelopment of more than 200 homes.

This Budget includes an investment of \$8 million over the next two years to underpin the development of new facilities for harness and greyhound racing on the North West Coast. The Government will work with the Devonport City Council to develop tri-code facilities at the existing Devonport thoroughbred racecourse. This would result in tri-code facilities in each of the three regions.

PESRAC

As part of our plan to rebuild a stronger Tasmania, the Government established the Premier's Economic and Social Recovery Advisory Council.

In July this year, I welcomed PESRAC's Interim Report, which contained 64 recommendations to help restore demand and jobs, address structural issues as a result of the impacts across sectors, and recommendations on Government delivery methods to enhance coordination and long term delivery benefits.

I can confirm that across Government the 2020-21 Tasmanian Budget is progressing all of the interim recommendations.

PESRAC is currently engaged in a comprehensive consultation program with the Tasmanian community and I expect their final report, which will include recommendations framed around our two to five year recovery in the first quarter next year, to inform future Budgets. I want to thank Don Challen and the members of PESRAC for their excellent work to date.

Conclusion

Madam Speaker,

With a quiet confidence and cautious optimism returning, Tasmania is returning to a more normal way of life.

There will be uncertainty and volatility ahead – just as it is across the world and in Australia, we will not be immune from the impacts of COVID-19.

But it is how we respond that matters.

We will take action with the levers we have - to keep us safe and to provide security, certainty and confidence for Tasmanians, our businesses and our community.

As a Liberal Government our philosophy is to grow the economy - and for a Tasmania that stands on its own two feet - and to do this we must create the right environment for businesses so they are confident to invest and to support and create jobs.

I have no doubt, that we will not only recover, but we will rebuild a stronger and more resilient Tasmania, for all Tasmanians.

This Government has done it before, and we will do it again.

However, just as we worked together to get on top of this virus we must all continue to work together to rebuild this beautiful State.

We must continue to do the right thing and continue to support one another.

If we do that we will rebuild Tasmania not just for now, but for generations to come.

Madam Speaker,

I commend the Bill to the House.