

State Budget: Address in Reply

Delivered by Greens Leader, Cassy O'Connor MP



TUESDAY, 31 MAY 2016
(Please check against delivery)

Ms O'CONNOR (Denison - Leader of the Greens) –

Madam Speaker, it gives me great pleasure to present the Tasmanian Greens' fully costed **Alternative Budget** for 2016-17.

It continues a long-standing tradition of the Tasmanian Greens to present an alternative **vision for the future** of Tasmania. Ultimately, we believe that budgets are a statement of values from the government of the day. Our Alternative Budget values the contribution that public servants make to Tasmania. It values the positive impact on the lives of Tasmanians by having properly funded and valued **public services** to deliver to Tasmanians.

Our Alternative Budget places a very high value on disadvantaged Tasmanians and the enormous potential that they have to contribute to the **social and economic wellbeing of Tasmania**.

Our Alternative Budget values the Tasmanian environment. It places a **climate lens** over every aspect of government programs and funding priorities. We believe that governments should have a vision for the future that extends beyond the next election.

In an age of accelerating climate disruption, governments need to invest in actions that mitigate our impact on the climate and enable all sectors of the community and economy to adapt to the changes ahead. Investing in **climate action**, community resilience, renewable energy infrastructure, low emissions transport and sustainable resource management are smart spends on the part of Tasmanian governments now and in the decades ahead.

In an age of accelerating climate disruption it is no longer acceptable or sensible for any government to put forward a budget, a vision for the future, and a statement of values that comprehensively ignores climate change in the way that this State Budget does and in the way that the Federal Liberals' Budget has.

I note there is not one new dollar for **climate mitigation** or adaptation in this Budget, but there is \$500 000 into developing biomass. That means burning native forests for energy, which any climate scientist will tell you is harmful to our climate.

The Greens want Tasmania to be ready for the future. Our Alternative Budget focuses on twenty-first century infrastructure investment and strategic planning for future growth. We will ramp up investment in **renewable energy, self-sufficiency** and **energy efficiency** to ensure the state is never again left as vulnerable as it was over the Summer of 2016.

To prepare for future growth as a result of climate disruption, we will fund a population settlement strategy that ensures our cities and towns grow sustainably while **protecting Tasmania's environment** and the ecosystem it delivers that sustains our health and wellbeing and the health of our economy. Landscapes that are sustainably managed and restored will be better able to adapt to climate change, in turn sequestering carbon buffering communities from extreme events and earning future income on **carbon markets**.

We recognise that giving disadvantaged Tasmanians a real hand up makes social and economic sense. **Young people** who are unable to reach their full capacity will be ready for the jobs of the future. They will be more resilient. We will invest in early intervention and prevention programs to build that **resilience** in young Tasmanians. **Older Tasmanians** who have their skills recognised and feel safe will be more connected to their communities. New Tasmanians who are actively encouraged into a wide range of employment opportunities will boost the state's economy, as they always have.

We are an **island state** made up of people from over 170 different cultures. It is our multiculturalism, our diversity, that is a backbone of our **economic and social strength**. People with disabilities who are recognised for their ability in the workplace will also significantly boost productivity. We recognise this significant untapped potential in the Tasmanian community. To unleash this potential for the future, the Greens will fund the development of a comprehensive **workforce participation** plan.

Our Alternative Budget restores funding to **frontline services** in education and health, substantially boosting the state spend on keeping people out of hospital and in their community. This area of spending, as Ms Woodruff pointed out this morning in the matter of public importance debate, has been comprehensively underfunded and neglected in this State Budget, despite the Health Minister's rhetoric that Tasmania should aspire to be the healthiest state in Australia by 2025. A **healthier, well-connected Tasmania** is a more resilient and prosperous Tasmania.

As always, the Greens will prioritise looking after **Tasmanian children and families**. We will fund the **wind-back of poker machines** from pubs and clubs over five years to substantially reduce the harm caused by gambling in areas of disadvantage and help break the cycle of intergenerational poverty. Unlike the Liberals' Budget, our budget is not reliant on revenue from poker machines and we have demonstrated that it can be done.

The Royal Commission into Institutionalised Responses to Child Sexual Abuse has recommended a **national redress scheme** for victims with compensation moneys to come from the institutions themselves, as well as Commonwealth and State governments. Tasmania has not yet responded to the Royal Commission report. The Greens Alternative

Budget allocates funding to ensure the state government makes a meaningful contribution to righting some of the wrongs of the past for those Tasmanians who suffered.

We also believe that governments need to take care of the basics. It is no longer acceptable for multiple levels of government to wash their hands of the stinking mess that is the state's ailing **water and sewerage** infrastructure and to continue to under-invest in public transport infrastructure. The Greens recognise that Tasmania has a responsibility to fund its share of the water and sewerage infrastructure to protect the health of both Tasmanians and the environment.

We will also fund the transition of our transport system into the twenty-first century through allocations to **light rail, bike and pedestrian infrastructure, Derwent ferries** and an **electrified Metro bus fleet**.

There were two elements of the state Budget that the Greens warmly welcomed. The long overdue allocation of capital funds into the **housing** fund to increase the supply of social and affordable housing is proof that the Minister for Human Services has finally found her voice at the Cabinet table.

The allocation of money to buy new Metro buses to upgrade the Metro bus fleet is also a positive but we question where those funds are coming from, because it seems clear to us that a significant proportion of the funds are coming out of Metro's recurrent funding. We are concerned that the impact of this announcement will be more cuts to Metro bus services. We also strongly encourage the Minister for Infrastructure to stop closing his eyes and ears to the twenty-first century and investigate, making sure that spend is on **electric buses** and we are moving the state into the twenty-first century.

It was extremely disappointing yesterday to read that the Minister for Infrastructure believes there are no electric buses in the whole world that can cope with Tasmanian conditions. We are so special, apparently, that it is not even worth investigating on the part of the Infrastructure Minister. The notion that we would invest tens of millions of dollars of public money into diesel buses that will be redundant in a short time is economic madness and points to the lack of foresight and vision in this Budget.

We need to be investing public money into **modernising Tasmania** and taking our infrastructure into the twenty-first century. The Greens strongly encourage the Minister for Infrastructure and his colleagues to move into the twenty-first century and procure electric buses for Tasmania. It is better for the health of Tasmanians when there are no extra diesel emissions going into the air; it is better for the climate and it is far better for our brand.

When the Liberals talk about future-proofing Tasmania, regrettably they mean future-proofing their election prospects. The Greens believe the Government can do better. We recognise Government has an ethical responsibility to prepare citizens for the future and this is reflected in our Alternative Budget.

We are concerned that this Budget is based on a falsehood of Tasmania being back in the black and back on track. The Treasurer has told this House he has the Budget back on track and will deliver a surplus in 2016-17. If it were true it would be a worthy achievement.

Today, under the lead of the Treasurer and the rest of the Liberal Government - and Mr Gutwein would have us believe all Liberals are honest - I speak in reply to this Government's alleged budget surplus. When you look at the budget papers, Treasury says of the Budget that it is a deficit. Treasury prioritises the measure that removes the distorting impact of one-off commonwealth funding that is already allocated for specific capital projects. The Treasurer, however, says it is a surplus - and the Treasurer is an honest man.

The Auditor-General also says that the Budget is in fact a deficit, and surpluses should be made of sterner stuff, but the Treasurer says it is a surplus, and the Treasurer tells us he is an honest man. The Treasurer's own Budget says the Budget is a deficit of \$94.2 million next year. It bolds and double lines the fact that it is a deficit. Today I speak of only what I know and only what I see in the budget papers and in the Auditor-General's statements. I know the Treasurer has been very selective in picking the measures on which to tell his story of a surplus, but that the measures include money moved from TT-Line's balance book to the Treasurer's, even though the Treasurer assures Tasmania he is only looking after it for the TT-Line, is a concern. Importantly, on the facts, I know that Treasury, the Auditor-General and the Budget record a deficit for 2016-17.

This Budget is built on untruth. The foundation of this Budget is a sham. I suspect that is why the Treasurer's performance at the Tasmanian Chamber of Commerce and Industry Budget breakfast last Friday morning was so uninspiring and flat, because he knew the people in that room understand money and can read tables. Surely he knew people would see through his alleged surplus. The state has an underlying net operating balance next year of \$94.2 million. That is the true state of the finances of Tasmania when you take out the distorting impact of one-off capital grants.

The big loser in the Treasurer's Budget is the **environment**. No mention of climate other than repackaged money for a study into the impact of bushfires in the Tasmanian Wilderness World Heritage Area. The cuts to the Parks and Wildlife service are profound, with \$6 million or more across the forward Estimates to the agency with primary responsibility for managing our world-class reserves and the Tasmanian Wilderness World Heritage Area. After the summer we have just experienced, where communities were threatened by fire, more than 20 000 hectares of the **Tasmanian Wilderness World Heritage Area** was burned, this Government is taking the remote firefighting capacity out of the Parks and Wildlife Service and cutting into its recurrent funding.

We will reverse that. If you invest in the Parks and Wildlife Service, you are investing in the integrity of our reserves and the Tasmanian Wilderness World Heritage Area. You are making sure they are there for future generations to enjoy and that the visitor experience to Tasmanian parks is a very positive one. We cannot continue to go down the path where this Government undervalues the Parks and Wildlife Service to the extent that it has, but

wants to put money into propping up favoured developers and commercial developments in parks. We do not believe that makes economic or **environmental common sense**.

While Tasmania's population growth has historically been slow, the Greens recognise an increasing number of **climate refugees** will migrate to our cooler climate. We will fund the development of a comprehensive **population settlement strategy** to contain growth within defined boundaries, preventing the negative impacts of urban sprawl and resource depletion, while protecting Tasmania's natural resources for all to share and enjoy.

A Green Government would take care of the basics. We have allocated in our budget \$40 million across the forward Estimates to invest in cleaning up and repairing the state's water and sewerage infrastructure, which is like something out of the age of Dickens. We know that almost daily in Launceston raw **sewage spills** into the Tamar River, yet this budget makes nothing of the state's responsibility to be part of the solution. It makes passing reference to talking to councils about the state contributing.

We recognise that investing in upgrading Tasmania's water and sewerage infrastructure will improve **public and environmental health** and save huge costs in the future. We recognise this is not sexy policy. We know that when you talk about water and sewage, people say 'yuck', but we need to make sure that Tasmania has a modern water and sewerage system so that Tasmanians can be sure that the water they drink out of the tap is clean and safe and that the sewerage pipe up the road will not burst and flood their basement. These are the sorts of letters we are getting from constituents.

The Greens remain opposed to the Liberals' plans to allow increased commercial development inside Tasmania's world-class reserves through a dodgy expressions-of-interest process which is marred by secrecy, favouritism and a lack of regard for **natural and cultural values**. We believe locating visitor accommodation in towns and regions outside reserves will boost regional economies, while the natural and cultural integrity of protected areas is well managed for increased visitation. We will fund a **sustainable tourism master plan** to ensure the state's economy continues to benefit from increased visitation without the negative impacts of inappropriate exploitation of Tasmania's world class reserves and the Tasmanian Wilderness World Heritage Area.

The events of the past summer have exposed Tasmania's vulnerability to energy insecurity but in the Budget delivered on Thursday it was almost as if the energy crisis had not happened. There was no vision for the **energy security** of Tasmania. The Greens will establish RenewTas, an independent statutory authority that will be responsible for managing the transition to the Greens target of being **100% renewable** and a net exporter of renewable electricity by 2022, regardless of rainfall. It will attract renewable investment from around the world and conduct reverse auctions for medium to large-scale renewable energy projects.

A Greens government will provide the financial security necessary for Granville Harbour **wind farm** to obtain the finance it needs to begin construction, with 105 megawatts of renewable capacity online by 2018-19. Clean energy reverse auctions are driving a renewables boom across the globe. **RenewTas** will coordinate and deliver two reverse

auctions in the next term of government. The auctions will deliver 1200 megawatts of new renewable energy, producing enough electricity to power 778 000 homes. There is plenty there for sustainable exports once our own energy needs on the island are taken care of. Each will be delivered in two stages, with 300 megawatts of new renewable generation coming on line each financial year from 2019-20 to 2022-23.

Successful **renewable energy** projects will be required to provide large-scale generation certificates to Renew Tas which can then on-sell them. This is part of our revenue measures within our Alternative Budget because we believe state governments and State Budgets also need to look at the revenue side of the equation but do so sensibly and sustainably.

By moving now Tasmania would collect \$103 million in net revenue from **large-scale renewables** across the forward Estimates. This would include revenue raised from selling the surrendered large-scale generation certificates less the cost of support payments. Tasmanians deserve a fair price for the solar electricity they generate. A Greens government will implement a fair feed-in tariff which would also boost the **solar industry**, create jobs, improve energy security and foster healthy communities.

In the last term of government the Labor-Green government delivered 9 500 free energy efficiency upgrades to low-income households, community groups and small businesses. While it is a welcome acknowledgment of the twenty-first century, the best the Liberals can do is establish a \$10 million loan scheme. You do not assist **low-income households**, those near a third of Tasmanians who are living at or near the poverty line, by providing loans to install solar or have an energy efficiency upgrade.

There needs to be an allocation in the Budget that provides free **energy efficiency upgrades** to those who need them. We know from the excellent work in the last term of government that this measure not only substantially brings down power bills but also improves the health of Tasmanians. It improves the health of children living with asthma when they are in a warm and well-insulated house. Most low-income households cannot afford the cost of an energy efficiency upgrade or **solar panels** on their roof. That is where government must make the investment. It is an investment in people, the economy and a safe climate.

A Greens government will invest in **smart grid** technology to modernise the grid, increase renewable generation, reduce operating costs and avoid unnecessary capital works - the gold-plating that has done so much to drive up energy prices across Australia. A smart grid would give customers choice and improve network reliability, while avoiding the need for more costly gold plating of the network. The Greens will review and apply the Tasmanian smart network implementation plan undertaken by the Labor-Green government which projects investment increasing to \$20 million a year by 2020-21.

We have seen over the past summer the beautiful capital city of Hobart experience traffic congestion gridlock like never before. This not only impacted on productivity; it also impacted on people's wellbeing, raised stress levels amongst commuters and pointed very much to the need for an **integrated public transport system** for Tasmania. The Greens will

contribute the state's contribution towards light rail of \$8 million a year beginning in 2018 totalling \$20 million over the forward Estimates.

Tasmania's cities and towns can be far more pedestrian and bicycle friendly through investment in improving and expanding walking and **bike lanes** as well as bicycle infrastructure in partnership with local government. The Greens will invest more than \$40 million over the forward Estimates in accelerating the construction of **active transport** infrastructure in major centres and, of course, this is ultimately a key preventative health measure.

The **River Derwent** is a natural highway for water-based transport and a means to ease increasing traffic congestion. The Greens believe the river can be better utilised for a network of ferries that transports both commuters and visitors to Tasmania to sights around the capital city. We will provide \$100 000 to develop a Derwent ferries business case in partnership with the private sector to ensure Tasmania maximises the potential of the river for **affordable transport** as part of an integrated passenger transport system.

While most electric vehicle charging occurs at the vehicle's home or fleet base, charging is necessary for longer journeys. A strategically placed fast charging network will help the community transition to **electric vehicles**. The Greens will allocate \$250 000 over the next two years to establishing a charging network along Tasmania's major arterial routes. Our Alternative Budget is brave enough to put forward revenue measures. In order to drive investment in electric vehicles, the Greens will exempt electric vehicle owners from having to pay the registration fee and motor tax on their vehicle registration.

We will move to ensure that we are enabling the transition to low emissions transport. We have a revenue measure that proposes to make the owners of V8 and high emission vehicles pay more to register their vehicle. After 1 July, to drive the transition to electric vehicles and smaller low emission vehicles, we will apply a levy to cars over six cylinders and other high emission vehicles that are purchased. These are the decisions that governments need to make if they want to actively move communities and economies into the twenty-first century.

Preventive health is one of the great untold stories of this Budget. The Health Minister who promised to fix the health system in Tasmania has manifestly failed to stand up for public health in Cabinet; that is reflected in the Budget. We will make a major investment in preventive health, committing an initial 3% of the state's total health budget to preventative measures, building up to 5% with a focus on funding changes to the environment so people can make active healthy life choices.

Ultimately, we believe a budget has to be about people, place, the environment and the future. The Budget delivered last Thursday by the Treasurer was missing in so many areas. It was possibly the most uninspiring and most dishonest Budget that I have had to sit through in this place. What Tasmanians want is to know that their government is looking past the next election, into the twenty-first century and preparing our community for the future.

We did not see that in the State Budget on Thursday. It was a lost opportunity. It let down Tasmanians who count on a strong, well-resourced **public health system**.

It let down **Tasmanian parents** who count on their children being able to go to a well-resourced public school where there are enough teachers employed to ensure their child gets a quality education. We will reinstate **pathway planners**, because we believe it is not good enough to expect young people to talk to a computer program that was generated in the United States and tells them they should aspire to be amusement park attendants.

This Budget let down Tasmanians who want strong, **essential services**. It let down Tasmanians who want the state to **adapt to climate change**, and it let down the environment.