



PARLIAMENT OF TASMANIA

LEGISLATIVE COUNCIL

REPORT OF DEBATES

Thursday 19 March 2026

REVISED EDITION

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Thursday 19 March 2026

The president, **Mr Farrell**, took the Chair at 11.00 a.m., acknowledged the Traditional People and read Prayers.

**POLICE OFFENCES AMENDMENT (INCREASED PENALTIES FOR
DAMAGE TO TASMANIAN WAR MEMORIALS) BILL 2026 (No. 5)**

First Reading

Bill received from the House of Assembly and read the first time.

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council) -
Mr President, I move -

That the second reading of the bill be made an Order of the Day for Tuesday
next.

Motion agreed to.

RECOGNITION OF VISITORS

Mr PRESIDENT - Honourable members, before calling on orders of the day, I'd like to welcome year 6 students from The Friends' School who are joining us in the Chamber today. Whose electorate would that fall into? The honourable member for Hobart, if you live in that area, is your representative in this Chamber and all the other members represent other parts of the state. Currently we're noting the state of the state address. That's our business for today. I'm sure that all members here will make you feel most welcome to the Legislative Council and trust that you enjoy your day in the Tasmanian parliament.

Ms Rattray - I met them at the door earlier today and welcomed them.

Members - Hear, hear.

MOTION

Premier's Address - Reply

Continued from 18 March 2026, page 50.

[11.06 a.m.]

Ms FORREST (Murchison) - Mr President, I welcome the opportunity to respond to the Premier's Address, and I do so with a measure of genuine goodwill towards the aspirations he has expressed for our island home. Tasmania is indeed a remarkable place. The people of Murchison, my electorate, and the Tasmanians across the state deserve no less than passionate and ambitious leadership, but they also deserve honesty.

On the question of honesty, fiscal honesty in particular, that I must respectfully and firmly part ways with the Premier today. The Premier spoke of excitement. He spoke of opportunity. He spoke of the state entering a new era. He spoke of building a strong economy and a caring community. He catalogued an impressive list of major projects, the stadium, the Antarctic Gateway, Marinus Link, TT-Line's new vessels, Launceston's Convention Centre, and the Wilkinsons Point redevelopment.

It was, in many ways, an inspiring vision, but what I was struck by was what was missing. Not a single word about the 2026 Fiscal Sustainability Report (FSR) released by the Premier's own Treasury less than two weeks before his address. Not a single acknowledgement of what the report actually says. Not a clear-eyed reckoning with a fiscal inheritance that all of these projects, however noteworthy, must be built on.

You cannot build a strong economy on a foundation of denial, and his denial - careful, optimistic, politically calculated denial - continues to divine this government's approach to our state's finances. Today, I intend to do what the Premier's Address did not: to tell Tasmania the truth about where we stand financially, to acknowledge the structural causes of that position, to apply a reality check to each of the Premier's new commitments and, critically, to offer a constructive path forward.

This is not simply a speech of opposition. I'm not in the opposition. It is the speech of accountability and ultimately it is a speech of hope because I genuinely believe this state can work through these challenges if we have the courage to confront them honestly.

Let me begin with the Fiscal Sustainability Report, released 27 February 2026. This is a document prepared by Treasury - not by the Treasurer, not by me, not by the opposition, not by any political party. There's a report that is required by law every five years under the *Charter of Budget Responsibility Act 2007*.

The Treasurer's media release described the report as evidence that the economy and budget is manageable. He spoke of a glide path to sustainability; he said a number of findings were already underway.

Whilst I will have other points to make about this report - including what I see, perhaps at a later time, some of its failings - I invite members to compare the Treasurer's characterisation with what the report actually says.

The first thing: Tasmania's public finances are projected to rapidly deteriorate. That's what it said. Treasury's own words, not mine. The report confirms Tasmania's financial position is unsustainable and that, if unaddressed, the budget's structural problems will rapidly deteriorate.

Second, doing nothing is not a responsible option. Without action, the annual growth in debt-servicing costs is projected to exceed the growth in state revenue within 10 years. Beyond that point, budget repair would be - again, in Treasury's words - exceedingly difficult.

Third, immediate action is required. Treasury does not say 'a glide path will emerge'; it says 'immediate and sustained action is needed'.

Fourth, is what it says about the numbers if we do nothing. In the absence of corrective action, the GFS net debt for the general government sector alone would grow from \$4 billion in 2024-25 to \$129.5 billion by 2039-40. Add government business sector debt - and I will return at length to the GBEs a bit later - the total non-financial public sector net debt is projected to reach \$146.3 billion. Let that sink in. People can't contemplate that amount of money.

The next finding was that growing the economy will not fix this. We cannot grow our way out of this. This is critical because it's precisely the argument the government has deployed consistently. However, Treasury's own report is unambiguous in this: government revenues correlate poorly with economic growth, and Tasmania's major revenue sources, the GST and Commonwealth grants, are largely outside of the state's control. I'll come to that a bit more later.

The report is equally explicit that improvements to productivity, while beneficial, are not sufficient on their own, and will take time to have an effect. The repair task needs greater and more urgent action. The figures I've given assume no action is taken, and every government says, 'Well, of course we're going to take action', but they've said that with the other fiscal sustainability reports, too, and look where we are.

Treasury has modelled what is required to reach 'peak debt', the point where we stop borrowing to fund operations, under 5-, 10- and 15-year scenarios. To reach peak debt within five years requires a cumulative correction to the budget of \$3.3 billion - that's a 'correction' of \$3 billion - with general government debt capped at \$7.6 billion and debt-servicing costs rising to around \$600 million per year. That's the task if we're doing it in five years.

To achieve it within 10 years requires a cumulative correction of \$6.5 billion, with debt reaching \$12.1 billion. Delay it to 15 years, and the correction required is \$11.3 billion, equivalent to 43 per cent of projected expenditure on government services, and the debt reaches \$16.1 billion.

The message is stark. Every year of inaction makes the eventual reckoning larger and more damaging to service delivery. Treasury is explicit that all of these scenarios require a mix of reduced operating expenditure, lower capital expenditure and, I note this carefully, increased state taxation revenue. I will come back to that.

This is Treasury's call as part of the solution and, to rule out any consideration that disrespects the work Treasury has done, I repeat: Treasury's own fiscal sustainability report says that budget repair is best achieved through a mix of all three: less spending on operations, less spending on capital expenditure, and more revenue.

It is the first time Treasury has been quite so direct in recommending revenue measures, and it deserves to be clearly heard in this whole place, not just this House, both Houses.

These figures are not abstract modelling. They describe the real-world scale of the choices before us. A five-year repair path requires savings of around \$2 billion in the first year alone. Not over a decade, not spread across election cycles, but immediately. That's \$2 billion immediately. Every 10-year scenario also requires around \$800 million every year in sustained correction. These are not the kind of adjustments that can be achieved through vacancy control, travel bans, or trimming agency budgets at the margins - efficiency dividends. They represent

a fundamental reshaping of what government does and how it does it. The longer we delay, the more brutal the eventual adjustment becomes.

Perhaps most importantly, the report warns that Tasmania has a four-year window to act decisively before the trajectory of debt servicing costs becomes self-sustaining and the problem moves beyond the reach of any reasonable policy measure. We are not yet in that situation of crisis, but we are fast approaching a point of no return. People say I've catastrophised about this in the past, but here we are.

It would be wrong to suggest that this report caught anyone by surprise. The 2026 Fiscal Sustainability Report is the latest in a long line of warnings that have gone consistently unheeded. I've often felt like a lone voice in the wilderness over the last 10 years when speaking about these risks on budget replies and replies to the 'state of the state', as well as many other debates and opinion pieces and many opportunities I've taken. Are we now ready to listen? More importantly, are we ready to act?

When I spoke on the 2016 Fiscal Sustainability Report, particularly about the report that the Public Accounts Committee tabled, I noted that the report warned of the risks to sustainability. There was an additional out-of-sequence 2019 Fiscal Sustainability Report, which was done early because when the Public Accounts Committee scrutinised the 2016 report they found some errors. Treasury addressed those and put out a new 2021 Fiscal Sustainability Report. It was only two years after the 2019 Fiscal Sustainability Report, but the 2021 report went further. It explicitly stated that maintaining fiscal sustainability would require consideration of sources of revenue. So, in 2021 we were told this, quite clearly, if members who were here then remember or as those who have gone back and looked at it will know. The 2021 Fiscal Sustainability Report warned us that if net debt was not addressed, it would grow to \$20.4 billion by 2034-35. That was the worst-case scenario, and here we are, looking worse than that.

I remember quite clearly being told by the then treasurer and others in the government at the time, 'We won't get to that worst-case scenario; that's just fanciful. That presumes no action will be taken to correct the trajectory.' And similar comments to that - 'Of course, we won't let it get to that.' Well, not only did the government do nothing to correct the trajectory, this government's own policy decisions have seen the situation deteriorate beyond the worst-case scenario. To be clear, we are now tracking worse than the worst-case scenario from the 2021 report. So, it should be no surprise to people because nothing has been done and government policy decisions have made the situation worse. It's not parameter changes, things outside our control - in fact, some of those have actually helped a bit - it's government policy decisions.

In 2024 our own economist, Saul Eslake, completed his independent review of the Tasmanian state finances. His review was equally clear: net debt rising to over \$16 billion by the end of 2034-35, interest payments tripling from \$250 million to \$730 million, and almost certain credit rating downgrades if the trajectory was not corrected. Some may call him a prophet. He isn't one; he just saw exactly what the numbers were telling him. He tried to warn the state; I tried to warn, as did others, but no, no action has been taken. Mr Eslake recommended a cross-party commitment to a series of fiscal targets and underlying net operating surplus within four years and, again, serious engagement with revenue reform. Has he been listened to?

The government response to that review in early 2025 was essentially to dismiss it. They argued that the existing fiscal framework was adequate, there was sufficient flexibility, and that the situation was under control. It was not under control then, and it's certainly not under control now.

When I introduced the Budget Accountability and Oversight Committee Bill, in September 2025 - a bill that would have established permanent parliamentary scrutiny of these exact fiscal measures, with the ability to commission independent analysis and hold the government accountable - it was defeated, sadly. Some who have expressed deep concern about the state's finance did not support the very mechanism that would have given those concerns institutional weight.

The Pre-Election Financial Outlook (PEFO) report June 2025 prepared by Treasury - harm again for the election campaign - said with unusual bluntness that:

Recent State Budget and Forward Estimates have been defined by increasing deficits and debt. As a State, we are spending more than we earn, and the gap is growing.

It also said, and I emphasise:

Economic growth correlates weakly with GGS revenue growth in Tasmania.

They said it then and they've said it again just recently. This is a structural problem that will not be resolved through future economic growth and to keep saying we can do it that way is not being truthful. These are not partisan claims; these are the words of the Treasury, published at election time and repeated in the fiscal sustainability report.

Both documents, particularly the PEFO, are supposed to give voters accurate information about the state's finances, but here we are with a 'state of the state' address that makes no mention of the fiscal sustainability report released less than two weeks before it was delivered. It's a remarkable omission. All of us can update our speeches within a few minutes before we turn up in the Chamber if we need to. They knew it was coming. They knew when it was going to be delivered. This was not an oversight, it was a choice. It was absolutely a choice not to mention it.

Let me now be precise about what the budget numbers actually show, because the government has become quite skilled at presenting one set of figures, while a different, and more important, one goes largely unreported. The 2025-26 November budget presented a net operating balance surplus of just \$5.6 million in 2028-29, and we know that forward Estimates are just that: estimates and very rarely realised, if ever. The \$5.6 million in a budget exceeding \$10 billion is a surplus of approximately 0.05 per cent of total expenditure. It is not a measure of fiscal health. It was more a political fig leaf.

More importantly, that headline figure is achieved only by including large one-off Commonwealth capital grants as revenue - grants that are intended to be passed through to government businesses and infrastructure projects and which have no bearing on the state's recurrent financial position.

The underlying net operating balance, which strips out those one-off Commonwealth transfers and reveals a more truthful structural position, shows deficits totalling \$3.8 billion over the forward Estimates period. In 2025-26 alone, the underlying deficit is \$1.4 billion. So, let's be honest about the numbers. Let's use the numbers that make sense in terms of how we are actually performing this state.

To be clear about what this means, Tasmania is borrowing \$1.4 billion this year, not to build infrastructure for future generations, but to pay for today's public service wages, today's health system operations, today's school staff and educating our young people. We are effectively mortgaging the future to pay the grocery bill.

The government's own 2021 fiscal sustainability report stated unambiguously:

Incurring debt to fund recurrent expenditure is not considered beneficial or sustainable.

That principle is being violated every day under the current budget settings. We are absolutely borrowing to fund recurrent expenditure. The budget relies on three structural accounting illusions to present even its thin veneer of fiscal responsibility.

First, the Premier's Reserve has been cut from \$50 million - this is in the last budget - to just \$20 million in the forward estimate. This is paper money; it appears in the budget papers. The reserve exists to cover unforeseen circumstances. Actual expenditure from the reserve in 2024-25 was \$40 million. We've cut it from 50 to 20, acknowledging that last year we needed \$40 million out of it.

Reducing the reserve doesn't reduce the cost, it simply guarantees that the genuine costs will flow over into the supplementary appropriation bills. That may be a good thing that we actually have more visibility of them then and they have to go through this parliament for approval.

But the supplementary appropriation bill in 2024-25, does anyone remember how much that was for? It was \$467 million. Even if we'd left it at \$50 million in the Treasurer's Reserve, we still would have had a rather large supplementary appropriation bill. At least it's visible. I commend them for doing it that way. It's much more transparent, but don't say that this is going to fix the budget by taking \$30 million out of it to make the numbers look a bit better.

Before the 2024-25 supplementary appropriation bill, the one before that was \$489 million, a bit less this year, but not much. These are not exceptional events, they are predictable consequences of budgets that underestimate expenditure pressure, predominantly in health.

Second, the budget includes what it calls unallocated efficiency measures - again, paper measures with no identified programs cut, no specific reforms and no actual services reduced. Have we seen them applied? We wouldn't really know. You certainly can't track it. These are phantom savings. They exist as lines in spreadsheets. They will not materialise as reductions in the expenditure without decisions that have been made and not been funded.

The third thing is the workforce reduction assumption. The fiscal strategy assumes a reduction of 2800 full-time equivalent State Service positions through vacancy control and

natural attrition; this was in the budget. We've since heard we're going to lose 250 staff from State Growth.

Anyone with public sector workforce management experience knows this is not achievable through natural attrition within the timeframe assumed. I made that point in my budget reply because natural attrition runs at about 5 to 7 per cent annually. Achieving 2800 FTA reductions without compulsory redundancy requires years beyond the forward estimates period and assumes every departing position will not be refilled, which is only possible if service levels are simultaneously reduced. Also, there was no redundancy funding in the budget. There never is - another gap.

General government net debt is projected to reach \$7.1 billion by 30 June 2026, rising to \$10.9 billion by 2029. The Treasurer describes this as peak debt. It is not peak debt; it is the peak of what the budget papers include in their visible figures. This year we will get a budget that will go out one more year; let's see if it was peak debt.

What the Treasurer does not volunteer is that the government business enterprises and state-owned companies are simultaneously borrowing an additional \$9 billion over the same period in the forward estimates of last year's budget. You really need to add that on top if you're looking at the total state sector, which we should.

In 2028-29, the year of supposed peak debt, those government businesses increase their borrowings by another \$2 billion. Total government debt, general government plus GBEs is not peaking at \$10 billion, it's heading towards \$20 billion and beyond.

Including GBEs and adjusting for debt-to-GSP ratios, Tasmania's fiscal position has deteriorated from being roughly comparable to Victoria's three years ago - it's always good to say that Victoria is worse than us - to be simultaneously worse now. We're worse than Victoria now. We can't make that claim anymore, thank God for Victoria, they're worse than us, well, no they're not. Four percentage points worse on a debt to GSP, including superannuation, than Victoria. In three years, Tasmania has moved from the fiscal midfield to become a fiscal laggard. Three years ago, Tasmania had an AA+ credit rating. As we know, both S&P and Moody's have now downgraded Tasmania's outlook to negative. The 2026 Fiscal Sustainability Report confirms that without financial improvement, further downgrades are probable. A credit rating downgrade is not an abstract concern. It directly increases the cost of every dollar the government borrows, compounding the debt servicing problem it is supposedly trying to address.

Interest payments on general government debt are forecast to reach \$700 million in 2028-29. This is nearly triple the worst-case scenario projection from the 2021 Fiscal Sustainability Report for the same year. Triple. They were saying that we wouldn't get there, we will stop, we will do things to prevent that. Well, it's three times as bad. In a period of four years the interest bill has ballooned to levels that Treasury itself did not anticipate in its most pessimistic scenario.

Now I'd like to turn my attention to the government business enterprises and state-owned companies, which I will refer to as GBEs for simplicity, because any honest account of Tasmania's fiscal position must address and include these entities. They represent one of the most significant and, I'd suggest, least publicly understood, risks to the state's finances.

The Premier spoke glowingly of TT-Line's new *Spirits* entering service. He praised the new team at TT-Line celebrating the completion of the new berths at Devonport. He will be celebrating that shortly, hopefully, in August. I, as much as anyone, would welcome the completion of this enormous logistical undertaking.

But let's put it in its fiscal context. The Auditor-General made the considered finding at the time of reporting last year that TT-Line was insolvent. We know that TT-Line disputes this and both the government and TT-Line have been saying the government will provide funds they need to avoid insolvent trading and that solvency is a matter for the board. That may be true, but it comes with an additional cost to the budget. It's not like there's some other special bucket of money over here we can pop in that won't affect the money available for service delivery.

TT-Line's covenant obligations under its borrowing arrangements required emergency government guarantees. Guarantees were issued during the caretaker period before last year's election, at a time when that decision received little attention because it was a caretaker period. It has since been looked at by the Public Accounts Committee. The company's balance sheet has been rebuilt through equity injections from government, which is money no longer available for other purposes the government is required to deliver, not through commercial performance. The new vessels are funded by debt that is now embedded in TT-Line's balance sheet, and in the total sector debt figures that the Treasurer prefers not to lead with. That's why we do need to look at this as a total picture.

Terminal 3, the new berth at Devonport, will now cost approximately \$493 million. If members have been watching the public hearings of the Public Accounts Committee, it seems likely that will come in on budget, which is a good outcome, but let's not forget how much it was expected to cost at the outset. That is money that ties up capital that could otherwise be deployed to address the structural deficit.

Turning to Hydro Tasmania, this presents even more complex risks. As I've documented extensively on my website and in this place, Hydro's operating profit collapsed by 96 per cent in the recent year, driven by low inflows, high wholesale price volatility and the cost of maintaining its contracted obligations. Much of this was outside of their control. This is not a Hydro-bashing exercise at all. Let me be really clear about that. Hydro is a really important business for our state. As I said, most of these things were outside of their control. Hydro suggests that if we look at the 10-year average that it's not so bad. That's true but the climate is changing, as is the regulatory environment in the National Electricity Market (NEM), and it impacts Hydro and the transition away from coal- and gas-fired power stations, and creates risks and opportunities that are incredibly difficult to quantify.

They've had a significant change in the regulatory environment in relation to Basslink; these have presented real financial challenges to Hydro that have not been fully explained or reflected on in any commentary by government or Hydro. The Premier spoke of Marinus Link as 'Hydro on steroids' 'the new chapter of our hydro-industrialisation story'. I want to be fair to the vision: if Marinus Link is built, commissioned and operates as promised, it does present a genuine opportunity for Tasmania to leverage its renewable-energy storage advantage. I've said as much publicly and I've said it again, but the fiscal risks are real and I don't believe that they've been honestly accounted for.

Tasmania owns a diminishing percentage of Marinus Link Proprietary Limited, along with the Victorian government and the federal government, but it will shoulder a disproportionate percentage of the costs. The interconnector is 50 per cent larger than Basslink and it costs five times more. With every further call for capital our percentage of ownership diminishes. Some might say that it's a good thing. When you look at the decision by AER as to how they're going to apportion the transmission costs, Tasmania is paying far more than its per capita share when you compare the population base between Victoria and Tasmania.

The Deloitte/Treasury modelling on the whole-of-state business case showed potential wholesale price increases in Tasmania of up to 59 per cent under some scenarios, information that was obscured initially, although there is a report published on the Treasury website under the whole-of-state business case information.

However, from July 2026, Basslink transitions, all things being equal, to a regulated interconnector. This changes the revenue from Hydro's export operations fundamentally. The interregional revenues that have until July 2025 flowed to Hydro. In this financial year, the one we're currently in, those interregional revenues flow entirely to the owners of Basslink, APA Group. However, coming to 1 July this year, assuming it is regulated, it'll be governed by a new regulatory framework. As I understand the information on the Australian Energy Market Operator (AEMO) website, the waterfall costs that they describe and revenues associated with this regulated asset will create new obligations for TasNetworks and for customers. I've asked extensive questions in this place and in committees about these arrangements, and the answers have not been fully explained in how these arrangements actually work. Admittedly, it is a very complex area; trying to get your head around how the National Electricity Market works is pretty tough. I don't believe the risks are fully understood, let alone fully discussed or disclosed, and the argument of 'complexity' shouldn't be used as a shield.

The Premier says Marinus will ensure Tasmanians continue to have the lowest power prices in the nation. Well, I hope he's right, but hope is not a fiscal strategy. While we might be paying the lowest prices in the nation, this is not a great comfort to many Tasmanians who already live in energy poverty. Lower than what?

I have spent a lot of time recently combing through Hydro Tasmania's annual reports trying to understand how the NEM works, how interconnection will work under regulation, of both Basslink and Marinus Link, and I've been writing about what I've found, and I've had meetings with Hydro executives for some more in-depth discussions. But I still have grave doubts that hardly any of the benefits from the high Victorian prices, when coal-fired stations withdraw, will flow into Hydro's coffers, and hence won't flow indirectly into state coffers as dividends and income-tax equivalent payments. I'm concerned that the flow-on effects under regulation have been inadequately described and quantified.

As I said, complexity should not be used as a smokescreen for a series of claims about our Battery of the Nation project and the lack of a clear public reporting on the changing regulatory environment and the impacts these have on Hydro Tasmania's revenues during this transition. The transition is particularly challenging because Basslink is constrained by its size and they just haven't been transparently explained or reported.

When I met with Hydro, I did make the point that they've had significant financial challenges in the regulatory environment. First, when the agreement with Basslink ended at the end of 2024-25 when they were getting inter-regional revenues, to then this current financial

year we're in when APA, the owners of Basslink, effectively get all those inter-regional revenues, to next year - or the year we're about to head into, the 2026-27 year - when it'll be under a regulated environment in which we've never operated before because it's always been a merchant link, not a regular link - these challenges and this reality were not even mentioned in the annual report, in the Chair's report or the CEO's report at all.

Wouldn't you think a major challenge to your business would be included in the CEO and/or the Chair's report? Hopefully we'll see that improve in this year's annual report.

I want to speak about what the real challenge is that we face in this state, and this is the challenge that's revealed when we look at the government businesses in aggregate or look at them together. Taken together, Tasmania has a disproportionately high number of government-owned businesses compared to other states. These businesses are not consistently profitable. Several have required emergency capital in recent years.

Their combined borrowings are projected to grow significantly over the forward Estimates, yet when this government talks about peak debt and fiscal responsibility, it focuses almost exclusively on the general government sector conveniently leaving the GBE debt mountain largely out of frame. It's not transparent and it does not serve Tasmanians as well.

I can't respond to the Premier's address without addressing the Macquarie Point stadium because the Treasurer spoke about it at considerable length and with great passion. Let me be direct: I have long supported bringing AFL to and having our own AFL team in Tasmania. I am a fully paid-up member of the team. I have not argued that sport and events have no economic benefit.

What I have argued consistently is that committing hundreds of millions of dollars of public money to a stadium in the midst of a structural financial crisis without a credible independent cost-benefit analysis represents a profound failure of fiscal governance. That's what it does.

The cost-benefit framework for government business capital investment that should have been used to assess this project has been promised since 2023 by this government, according to budget papers from that year and the subsequent years.

In the 2023-24 budget papers, it said work on this cost-benefit framework for government business capital investment had commenced in 2023-24. In 2024-25 it said it was continuing, but in the budget we dealt with in November last year, it said it would commence again. Had it started or not? I'd say not, if you have to start it again.

There is not a framework. We need a sound proposal because this has become a bureaucratic fiction designed to give the appearance of a process where none exists. I believe it's a good fiscal strategy, but the fact is good fiscal strategies only work if you put them into place and then you put the projects through them.

Hundreds of millions of dollars committed to the stadium, plus \$22 million per year to operate Macquarie Point Development Corporation (MPDC) and service the interest, is being made at the same time the government is asking agencies to find unidentified savings. They cut the Treasurer's Reserve and project a surplus of \$5.6 million in the out years, barely enough to cover a rounding error.

What we are hearing in the Public Accounts Committee public hearings and our scrutiny of the progress of the stadium is that much of the stadium-related costs will not fall in the stadium construction bucket. I remember certain commitments were made to certain members in this place, of price caps and things like that on it. What we're hearing is the way that could be achieved is that it will put all these costs over here, so it won't be directly attributed to the building of the stadium. You have to look in other places to see where the money has actually gone to make that claim that they're going to build it within a certain budget. Just watch that, see how much the Macquarie Point Development Corporation needs next year in the budget to employ the people they need to construct the stadium. They've already told us that. It's a public hearing. I'm not saying anything that has not been said publicly by them when questioned on that, although staff will be employed by MPDC and not the stadium. I don't know how you are going to build without them. It looks like that's a bit of a cover-up of the full cost, or attempted.

This is a massive expense for the state, and I have made this comparison before, and I will make it again: when a household is maxing out its credit card to cover grocery bills, buying a boat is not prudent financial management, even if you think you can catch a fish to eat.

The stadium may well be a wonderful asset for Tasmania one day. We see it has already been pushed out, delayed, costs will increase. Its timing, costs, governance and impact on our fiscal trajectory deserved honest scrutiny, not the triumphalism of the state of the state address that makes no mention of a fiscal sustainability report released two weeks before. No mention of the impact the stadium would have on our fiscal position. That is irresponsible.

The Premier committed in his address to no new or increased taxes. That's not surprising. It was a foundational commitment of this government and indeed the Liberal governments generally. I hear some commentators on this matter say the government is merely keeping an election promise. Good on them for keeping their promises. Does that mean that if we find ourselves in the midst of a crisis, all election commitments or promises must be kept, regardless of the reality we face? Is that what that means? To me, that is not a mature approach, it is not good leadership. It is weak political game playing for power's sake. Surely, we can do better.

The commitment to no new taxes apparently, though, doesn't include new levies, it seems. A short stay levy is on the table. Perhaps we need to look at levies instead of taxes. Maybe we can call taxes 'levies'. It may be more comfortable then.

Ms O'Connor - The states can't tax but we can levy.

Ms FORREST - Yes. We can impose land tax, payroll tax, consumption tax, gambling tax - all those things. This commitment of no new taxes must be honestly assessed in the context of the 2026 Fiscal Sustainability Report, which the Premier conveniently didn't mention, which explicitly states that:

Budget repair is best achieved through a mix of increased revenue, reduced operating expenditure and lower capital expenditure.

No class of intervention is sufficient on its own. Treasury has said so. Saul Eslake's independent review said so. The 2026 Fiscal Sustainability Report said so. The Pre-Election Financial Outlook Report said so. I and many others have been saying so. We can't all be

wrong, surely? I want to be equally clear that no party can claim to have a credible fiscal strategy at the present.

Labor, in their pre-election fiscal plan, identified \$1 billion in savings over four years. That's roughly \$250 million per year. Remember what I said about the repair that was needed for this year - \$3 billion this year, not over four years. This is one-eighth of what the five-year repair scenario requires in the first year alone. Some of those savings are overstated in my view and none approach the scale Treasury has now confirmed is necessary. I say this not to score political points at all, but because Tasmanians deserve honesty from all of us. If the Liberals continue to insist the problem is manageable and Labor continues to insist its pre-election plan is sufficient, then we'll further drift into crisis with both major parties complicit in the denial.

The Commonwealth Grants Commission has assessed that Tasmania is not fully utilising its revenue-raising capacity relative to other states.

Tasmania's own-source revenue as a share of total expenditure is at historic lows. Less than 30 cents of every dollar come from Tasmanian taxes. The rest is from the Commonwealth. That dependency is a measure of fiscal fragility, not of strength.

To elaborate a little further on the state's reliance on the GST and other Commonwealth financial support, it is safe to say that the current GST arrangements are as a result of an incredibly poor decision of the Commonwealth government in 2018 in an effort to shore up electoral support in Western Australia. The 2018 GST deal, brokered by the then federal Morrison-Turnbull Liberal government to appease and get votes from Western Australia, is now widely regarded as one of the most costly and inequitable fiscal decisions in Australian history. When it was struck, the arrangement was projected to cost federal taxpayers \$9 billion over eight years. Our independent economist Saul Eslake now estimates that the true cost will exceed \$60 billion over 11 years. That's from \$9 billion to \$60 billion in different timeframes. The biggest blowout is the cost of any single policy decision in Australia's history. This deal is outside of the NDIS deal.

I'm sure we've all heard Mr Eslake say that without qualification, it's Australia's worst public policy decision of the 21st century thus far. The deal guarantees Western Australia minimum per capita GST share, regardless how much revenue it's on or royalties and other royalties generation. This year that floor will rise again to match the relativity of New South Wales, costing federal taxpayers what I understand to be a further \$6.6 billion in top-up payments in 2026-27 from \$6.1 billion in the previous year. States like Tasmania with genuine fiscal need and limited capacity to raise their own revenue pay the price of a system design not around need but around political expediency.

Our own, now Treasurer, Mr Abetz, was a Liberal senator for Tasmania in 2018. When this deal was made, he sat in the Liberal Party room that supported it. He did not resign in protest. He did not put Tasmania's interest ahead of his party's. He's now our Treasurer. I don't know if he wrote to all members, he certainly wrote to me, at the end of January asking us to stand up for Tasmania and fight against this terrible deal to get back to full horizontal fiscal equalisation. I found that quite interesting. He failed to mention he was part of the problem at the outset. Anyway, he said we had an obligation to fight for what really mattered. The Treasurer kindly wrote to us, and he told us that we all need to stand up for Tasmania to receive our fair share of the GST revenue. I'm just going to paraphrase parts of his letter. He goes on

to suggest that he's writing to convey the importance of a united Tasmanian approach to engage to an advocacy in the Productivity Commission's inquiry in this matter.

I agree. He also noted that when the GST was first introduced in 2000, the Australian government at the time and all states and territories agreed it will be distributed based on the longstanding egalitarian principle of horizontal fiscal equalisation, which binds the federation by seeking to ensure that all Tasmanians, no matter where they live, can access a similar standard of services and infrastructure. Tasmanians are entitled to and encouraged to take up the call, in fact. We should. But they're also entitled to ask, what standard does Mr Abetz have now, as Treasurer, to lead this when there was no visible pushback in 2018 when that dastardly deed was done?

The Treasurer also noted that the combined impact of the changes made in 2018 provides Western Australia with a disproportionately high share of GST, irrespective of its substantial mineral royalty income. As a result, Western Australia has greater fiscal capacity to deliver more service and infrastructure, potentially to a higher standard, and to minimise its tax burden relative to other states. If anyone has been to Western Australia, you can see it everywhere, the amount of money they have.

He reminded me in the letter the 2018 changes effectively created a two tier federation by embedding a significant fiscal disparity between Western Australia and all other states. Sure did. He didn't speak up against them. He may have in the party room, I don't know for sure. This was such a significantly bad deal for Tasmania, one would have hoped he would have been a bit more vocal. It's pretty clear to me that this was evident at the time the decision was made because our own Treasury and the then treasurer argued strongly against this, as did many other treasurers and treasuries - in South Australia, Victoria, New South Wales and Queensland. Yes, now the Treasurer has become an advocate, as he should. Our other previous treasurers did their best, but they were overridden by political expediency.

What I also found interesting was that in today's *Age*, the newspaper, there's a piece written by Shane Wright - I didn't go to the Productivity Commission site to check this, I'm taking Shane Wright's word for it here. He informs us that the architect of some of this decision-making, Mathias Cormann, who was finance minister under Tony Abbott, Malcolm Turnbull and Scott Morrison and is now the head of the OECD, stated he thought this was a great outcome and great deal and should continue. Good for him. Members might like to reflect on the fact that former minister Mr Cormann is from Western Australia. How dare he? Mr Wright's article goes on to say that in the 2019-20 budget, his last as finance minister, Mathias Cormann and then treasurer Josh Frydenberg forecast the cost of the deal would be \$2.3 billion by mid-2023. Instead, it was almost \$12 billion. That's how much the government underestimated the cost of this deal.

Let's hope the deal is reversed or that the Productivity Commission releases a recommendation that it be; they can't make the decision. I'm a bit concerned they're limited by their terms of reference, but that's another story. Let's hope they recommend a return to full horizontal fiscal equalisation where every state can be treated with a degree of fairness. I'm sure that both federal parties desperately want to hold onto Western Australian seats. It's going to be a challenge for them, isn't it? But what about the rest of us?

To return to the matter of our state revenues, because a lot of that is from the Commonwealth. To be really clear, I'm not arguing about state tax increases for their own sake

because that's a silly argument. I understand the cost-of-living pressures are real and that Tasmanians, especially in rural communities like those in Murchison, are really stretched, but a mature fiscal conversation must include an honest examination of whether Tasmania's revenue base is appropriate for the services it is trying to fund.

There are revenue options that don't simply add burden to working Tasmanians. Not all of the burden falls on Tasmanians when you do proper tax reform. A proper review of land tax and conveyancing arrangements could improve equity while raising revenue. Examining the structures of government fees and charges that have eroded in real terms could make a modest contribution. Every bit helps across the whole picture. Over the longer term, productivity dividends from better services and a better functioning economy do contribute to revenue, but only if the service and infrastructure investment that drive that productivity is funded, not deferred.

I believe this is a critically important community conversation that we need to have. I would like to see serious consideration given to a process such as a properly constructed and professionally run citizen jury or citizens' assembly to look at options that can take the Tasmanian people with us on this journey. It's the only way we're going to get collective decision-making on this and proper buy-in. It would cost money to run, but I think that would be money well spent. I'll come back to that.

The pre-COVID 2019 Fiscal Sustainability Report was explicit: sustainability requires consideration of revenue sources. The 2026 Fiscal Sustainability Report said the same. The government's position that revenue is completely off the table is not a fiscal strategy. It's a political constraint masquerading as an economic principle. It's also not facing reality. I do not expect the government to change course on this before the May budget, but I call on the Treasurer to at least be honest with Tasmanians about what the Fiscal Sustainability Report says - all of it - rather than selectively describing the evidence as an economy and budget that is manageable. It isn't.

I've spent considerable time on the diagnosis of the problem here, so now I want to turn to the prescription or possible solutions. Some people in the big people land out there say I never come up with a solution or option - I've done a few already here, but I'll continue. These are options to improve because the purpose of scrutiny is not simply to identify problems but also identify a path forward. I want to be clear: the challenge facing Tasmania is large but not insurmountable, and I'm adopting Treasury's own language here deliberately. It is achievable, but only if we act, and only if we act now.

The first thing I would like to see, and the single most important institutional reform Tasmania can make in the short term, is the establishment of an independent parliamentary budget office (PBO). Members will be aware that the Public Accounts Committee has been inquiring into this and hopefully will report when we can have enough meetings to do so with all the other things we're looking at. I've personally raised the need for a Tasmanian parliamentary budget office for many years, since 2014 in fact, like 10 years now, well before the Eslake report and the government policy commitments in this area because I saw the benefit the Commonwealth PBO brought when it was established in 2012. A PBO would give every member of this parliament tools to ask the right questions to get meaningful answers. It'd provide all of us - the government, the opposition, Independents, all crossbenchers and the public - with independent and rigorous costing, budget proposals and policy options. It would lead to better policy development and better decision-making.

Second, we need annual reporting of 10-year fiscal projections. The fiscal sustainability report is produced every five years and that is not frequent enough. I've argued for annual 10-year projections to be incorporated into our budget papers, updated each year with the same rigour that the FSR applies every five years. I'm not saying about a whole FSO, I'm just talking about the figures being updated and projected for 10 years. We should not have to wait for 2031 for Treasury to tell us again that the trajectory is unsustainable or that we've fallen off the cliff. Annual long-term projections could create accountability, would allow parliament and the public to check if the repair work is on track and the repair task is being addressed, and will provide the kind of surprise deterioration that has characterised this gap between the successive fiscal sustainability reports. I hope that the government might consider that.

The third thing I'd like to consider, and this has been raised by others too, is the need for cross-party commitment to meaningful fiscal targets. Saul Eslake recommended that the government and all political parties commit to a series of fiscal targets over 4 to 10 years, a return to an underlying debt operating surplus within 4 years, achievement of overall fiscal surplus over the following 5 to 10 years, and a reduction in the debt-to-GSP ratios to below the average of all states.

These cross-party commitments matter because fiscal repair that might be achieved under one government can be undone by the next if there is no shared framework. Business investment decisions, financial market assessments and long-term service planning all benefit from the confidence that fiscal discipline will survive changes of government. Again, I make the point that these are the sorts of things that the budget accountability and oversight committee would have looked at.

Fourth, we need honest expenditure reform, particularly in health. Health expenditure is the dominant driver of the budget's structural problem. It now constitutes one in every three dollars of total state expenditure and is growing faster than any other category. This is not a new problem. The Premier acknowledged this directly in his address when he said meeting every-growing demand is an ongoing challenge. It is more than a challenge. It's a structural mismatch between demand driven by demographic and social disadvantage, chronic disease prevalence and a reliance on Commonwealth primary care funding, and the state's fiscal ability to respond. I strongly support investment in health, but investment without reform is not sustainable and we need to know the money we're spending is doing what it was intended to do. We don't know that. Investment without outcomes being reported and evidence that the money that is provided is spent in the most efficient and effective manner is actually irresponsible.

Primary care, as we know, is fundamentally a Commonwealth responsibility and the Premier's right to fight for better funding through the National Health Agreement. The additional \$700 million secured is welcome, but the gap between health demand and state fiscal capacity will not be closed through intergovernmental negotiation alone. We need serious engagement with how our health services are delivered, where, by whom and using what models of care. Virtual care, nurse-led clinics, allied health integration, prevention, investment and community-based mental health alternatives are not just good clinical policy, they are fiscal necessities. A dollar invested in keeping someone healthy and out of emergency departments saves millions of dollars in acute care.

The announcement of four new bulk-billing GP clinics is genuinely welcome. It is precisely the kind of primary care investment that reduces downstream demand pressure on

hospitals, but four clinics is not a system, it's an experiment. We need this approach systematically resourced and evaluated, and we need the Commonwealth to fund it at a scale that evidence justifies.

On another point: we need further reform and transparency around our government-owned businesses. The government's GBE sector needs a root-and-branch reform and I understand the government are doing some of this, of its governance, accountability and performance management frameworks. The Auditor-General has made findings about executive termination payments, inadequate board disclosures, asset revaluations to flatter balance sheets, and dividend practices that borrow to return cash to the government. These are not isolated problems; they're systemic.

I welcome the Premier's direction to government businesses to identify savings, but a direction without a mechanism, without independent scrutiny and without published performance benchmarks, is insufficient. I call for GBE performance statements to be tabled and made subject to more thorough scrutiny and the dividend policy to be reviewed. I do note the recent changes we made to GBEs, where they have to publish their half-yearly financial reports, are variable in their usefulness.

We need far better infrastructure project governance and transparency. As I mentioned earlier, the cost-benefit framework for infrastructure projects, over \$50 million, has been promised since 2023 and has not been delivered. It's needed urgently. Every major project commitment - the stadium, the Marinus Link, the Antarctic Gateway, the TT-Line replacement, the Convention Centre - should have been, or be, subject to independent cost-benefit analysis that is published before final commitment, not after construction begins. This is absolutely not anti-development; it is pro-accountability. Good projects can withstand scrutiny. Projects that cannot withstand scrutiny should not be proceeding.

We need a mature conversation about our state revenue. As I have already argued, the revenue side of the fiscal equation must be part of an honest national and state conversation. I do not call for austerity. I do not call for a slash-and-burn approach to public services, but I do call for a willingness to examine whether Tasmania's own-source revenue base is appropriate, equitable and adequate for the commitments we are making. This means consideration of commissioning an independent tax review, something the government has resisted, perhaps because they don't want to hear the truth. It means examining the Commonwealth Grants Commission assessment that Tasmania has underutilised revenue capacity. It means engaging seriously with property tax reform that could raise revenue while improving housing market efficiency. It means being honest with Tasmanians that there is no path to fiscal sustainability that runs entirely through expenditure reduction.

I must also address a quiet but growing assumption in parts of our community that if things become too difficult in this space, the Commonwealth will simply step in and rescue us. This belief is deeply dangerous. It breeds complacency, it undermines the political will to act, and it would, if realised, come at the cost of Tasmania's fiscal sovereignty for a generation. A bailout is not a plan; it is surrender. The greatest threat we face is not insolvency itself, but the creeping resignation that we are incapable of fixing our own financial position. We are capable of fixing it, but only if we act before the choice is taken out of our hands.

None of this will succeed unless all parties in parliament accept the scale of the task and commit to a shared framework for repair. Treasury has been explicit. The solution requires a

mix of reduced operating expenditure, reduced capital expenditure and increased revenue. No party's current policy platform meets the test. The public debate will not move forward until we acknowledge the reality together. Fiscal sustainability is not a partisan project. It requires a shared commitment across the parliament and one that can be informed, as I said, through a citizens' assembly or citizens' jury because that will get buy-in from everyone. It has to be a Tasmanian project.

I just want to comment on good governance and our future. The Premier spoke about the state's future. He spoke about the young people of Tasmania, about wanting them to stay, to work, to build their lives here. I share that aspiration profoundly, but young Tasmanians will not build their futures on a fiscal foundation that's crumbling beneath them. They're smarter than we think. The debt we are accumulating today is being accumulated on their behalf; they know that. The interest bill of \$700 million per year projected for the 2028-29 financial year is money that cannot be spent on schools, hospitals or the infrastructure those young people will need. It is a transfer of burden from our generation to theirs.

Intergenerational equity is a principle embedded in our *Charter of Budget Responsibility Act 2007*. It means we should not make decisions today that impose unreasonable burdens on future Tasmanians. That's what the act requires us to do. By that standard, the trajectory described in the 2026 Fiscal Sustainability Report is a profound breach of our obligations to the next generation.

The Premier spoke of Tasmania as a beacon of economic opportunity. I want it to be that, but beacons have to be built on solid ground. A state that has been downgraded by both major credit agencies, whose underlying deficit is \$1.4 billion in a single year, whose GBEs are set to carry hundreds of billions of dollars in debt, and whose structural fiscal position cannot be resolved through economic growth alone. What we need is a state, not just this so-called strong plan. We need a plan that is honest about the problem it's solving.

In the interest of balance, I want to acknowledge that I welcome the Premier's Address because there are things I welcome genuinely. I welcome, as I've referred to, the commitment to bulk-billing GP practices and clinics. Primary care access is a genuine need in Tasmania, particularly in the regional communities. This initiative, if properly resourced and evaluated, could make a real difference to health outcomes and to downstream fiscal pressures on our public hospitals.

I welcome the government's engagement with the AI revolution for service delivery improvement, including in planning and development. Used thoughtfully, these tools can genuinely improve productivity and reduce backlogs. We do need to do it thoughtfully and carefully.

I welcome the commitment to literacy and numeracy improvement in schools. The evidence-based structured literacy approach is strong and investment in early years education has among the highest returns of any public expenditure. I absolutely support that.

I welcome and acknowledge that the budget must be returned to sustainability, even if I believe that the plan for doing so is inadequate. The acknowledgement that isn't necessary is better than outright denial.

I welcome the Premier's commitment to addressing cost-of-living pressures. However controversial the policy design questions around TasInsure are, and I believe they are real, this

is another example of an urgent need for a PBO to cost such a policy, I might add. I do agree that Tasmanians are paying too much for insurance in many cases, picking up the tab for other parts of Australia and the world. This is a real problem that deserves a real response. I'm just not quite sure that TasInsure is it.

I also acknowledge that some of the Premier's major projects, properly designed, independently assessed and honestly costed, could contribute positively to the state's economic future. The Antarctic Gateway builds on a genuine comparative advantage. Launceston's convention centre, if the business case stacks up, could genuinely transform the visitor economy in the north.

Mr President, you may have noticed that 'could' has been doing a great deal of work in these comments. All of these opportunities require proper and transparent process. It seems to me that some of the projects the government is spruiking here have been opaque, have had poor governance, poor process and murky decision-making. The absence of rigorous independent published cost-benefit analysis for these projects means that we're taking them on in faith, and faith is not an adequate substitute for fiscal discipline.

We have a choice. As I said at the outset: this is ultimately a speech of hope. I know it's quite a long speech. I do mean that, it is a speech of hope. I'm not a pessimist about Tasmania. I've spent 20 years in this place, more than 20 now, because I believe in this state and its people. I wouldn't have agreed to take on the critical role of treasurer of this wonderful state if I didn't believe in it and what I could do to make a difference. It didn't happen, but that's why I agreed to consider it, because I believed this is much bigger than me. It was about Tasmania, the future, our future, our kids' future.

The hope we see in the Premier's state of the state address is not grounded in reality. Hope not grounded in reality is not actually hope at all. It's just wishful thinking. Wishful thinking, when applied to public finances, produces the trajectory that the 2026 Fiscal Sustainability Report has just described.

The report, released less than two weeks before the state of the state address, says the challenge is large but not insurmountable. It says the budget repair is achievable if action is taken and taken now. It says that the sooner peak debt is reached, the lower the ongoing impact and the faster the state becomes resilient to future shocks.

Well, we are facing another massive shock. The war in the Middle East will throw a whole heap of those projections out the window in all sorts of areas, in our government businesses, in our general government sector. This report was before that really became apparent. We have no capacity at the moment to really respond to current, let alone future, shocks.

I do agree that we can address this, we can work on it, but the challenge is becoming harder by the day. An achievement is not the same as being automatic. You've actually got to do something. Achievable change requires choices. It requires honesty about the nature of the problem. It requires willingness to put all options, including revenue options, on the table. It requires institutional mechanisms like a parliamentary budget office, enhanced parliamentary scrutiny, cross-party fiscal commitments that make it harder for any government to ignore Treasury's warnings again.

The Premier spoke of Tasmania as entering a new era of opportunity. I hope he's right, but a new era requires real honesty. A new era requires transparency. It requires a government that reads its own fiscal sustainability report, acknowledges what it says and builds on its so-called strong plan on actual foundations of the state's finances rather than a carefully curated selection of good news.

Tasmania's people deserve that honesty. The young Tasmanians the Premier hopes to keep here deserve it. The generations that will inherit the debt we are accumulating today deserve it most of all.

There is a path forward. It's not easy. It will require decisions that are politically uncomfortable, but it is there and I will continue to advocate it and scrutinise the government's progress against it, or towards it hopefully, and to hold this and any future government to the standard of honesty and fiscal responsibility that Tasmanians deserve.

I note the report.

[12.18 p.m.]

Ms ARMITAGE (Launceston) - Mr President, I welcome the opportunity to respond to the Premier's state of the state address and to reflect on what it means for northern Tasmania, and in particular for the people of Launceston.

The Premier's Address was ambitious, confident and forward-looking. He spoke to Tasmania with big ideas and a belief in its capacity to deliver major projects and seize opportunity. In many respects, that confidence is warranted.

Equally, there are areas where I believe the speech does not fully capture the challenges being felt on the ground, nor the risks associated with some of the policy directions being pursued.

The Premier's confidence must be tempered by realism, regional equity, and a stronger commitment to bipartisan, sensible, considered decision-making, particularly given the fiscal and service delivery challenges now confronting the state.

There's little appetite in the community for politics that's adversarial for its own sake. What Tasmanians expect is cooperation, maturity and a willingness to work across political lines to make good decisions in the long-term public interest.

The Premier's Address highlighted a number of major infrastructure projects that are underway or proposed across the state. Marinus Link, the Macquarie Point Stadium, the Launceston Convention Centre, the Northern Mental Health Precinct and housing-related redevelopment signal a desire to position Tasmania for the future.

If these projects deliver what is promised, particularly in terms of long-term energy security and affordability, they will be widely supported. However, it's also important to acknowledge that large-scale infrastructure comes with long-term financial obligations. Borrowing to build can make sense, but only if it does not constrain the state's ability to fund essential services.

For many people in Launceston, there remains a sense that infrastructure ambition is running well ahead of investment in the systems that people rely on most heavily: health, education, justice and community services. It's not anti-development to ask whether programs in health, education, justice and community services are being adequately funded and prioritised alongside these large-scale builds. Economic confidence must ultimately translate into better lived outcomes for Tasmanians.

The Premier is right to place health at the centre of the state's priorities. Health now counts for around one third of the state budget, reflecting both increased investment and rising demand. Securing additional funding through a national agreement is important and should be acknowledged. Health access for many remains a defining issue.

From a Launceston perspective, however, increased spending has not yet translated into consistently improved access. The Launceston General Hospital remains under sustained pressure, particularly in emergency care, elective surgery and specialist services. Waiting lists continue to be a source of anxiety for patients and their families, especially where delays in diagnostic procedures can have serious consequences. I know that we all realise that the sooner that you're treated, the better outcome you have.

The latest Report on Government Services figures, released in February 2026, contain data that show Tasmania has the highest spending per capita on ambulance services, but also has the worst response times in the country, with patients in areas outside of Hobart waiting longer.

The most recent Health System Dashboard figures show that for January this year, only 47 per cent of category 1 patients were admitted for surgery within the clinically recommended time, only 50 per cent for category 2, and 84 per cent for category 3. Clearly, we need to be doing much better.

The Premier's comments about GP access are particularly relevant. It's well known that Tasmania has the highest out-of-pocket costs for GP visits in the country and northern regions feel this acutely. While bulk-billing clinics and virtual services are positive developments, they do not yet provide a comprehensive solution, especially for older residents, those with chronic conditions or people without reliable digital access. Virtual care can support the system, but it can't replace face-to-face services. In practice, many people in Launceston still present to emergency departments because they have no other option. Until primary care is genuinely accessible and affordable, hospital pressures will persist.

Initiatives such as bulk-billing clinics and virtual services are positive steps, but not yet meaningfully sufficient to reduce pressure on hospitals or meet the needs of all patients. Until GP access improves at scale, hospital systems will continue to feel the strain.

Much of the pressure in health and other essential services comes down to workforce sustainability. Recruitment efforts are important, but retention is the greater challenge. Health staff, teachers, disability workers and justice personnel are reporting burnout, workload pressure and frustration with system constraints. Housing affordability, limited career pathways and inconsistent regional incentives all contribute to the difficulty of keeping skilled professionals in the system.

If Tasmania is serious about improving service delivery, the focus must shift from short-term recruitment announcements to long-term workforce planning. That means safe staffing levels, predictable workloads, supported training pathways and workplaces that are properly resourced and maintained.

Infrastructure matters, but people matter more. Without a stable, supported workforce, investment in buildings and technology will fall short of delivering improved outcomes. It's always great to cut a ribbon and open a building, but it's more important to actually staff that building.

The Premier's focus on literacy and numeracy is appropriate and widely supported. Improvements in early intervention and evidence-based teaching should be recognised and the dedication of teachers across the state should not be understated.

However, some structural education decisions deserve reconsideration. I believe I've mentioned this year after year ever since it was actually implemented. For instance, mandating years 11 and 12 provision in all high schools several years ago may work well in rural and remote communities, where students otherwise face significant disadvantage. In places such as St Helens, local senior secondary access can be the difference between continued education and disengagement.

In cities like Launceston, however, the policy is far less convincing. Launceston already has well-established standalone senior colleges such as Launceston College and Newstead College, which offer a breadth of subject choice, specialist facilities and experienced teaching staff. Replicating senior secondary provision across high schools in this area has been costly and is stretching teaching resources. It has also not resolved the student retention issues it set out to.

At a time of fiscal constraint, it's reasonable to ask whether this model has delivered better outcomes than strengthening established and specialised colleges, while targeting expansion to genuinely underserved areas.

TasTAFE plays an essential role in workforce development, particularly in regional Tasmania. Recent course changes and centralisation have caused uncertainty for students and staff alike. In Launceston, concerns have been raised about reduced local access, course discontinuity and the loss of experienced teaching staff. At a time when skill shortages remain acute, particularly in the trades, decisions that reduce training capacity warrant close scrutiny. Vocational education must be accessible, stable and responsive to regional needs. If it's not, government rhetoric about skills development risks losing credibility.

The proposed closure of the Ashley Youth Detention Centre is one I fail to comprehend. There's broad agreement that the facility requires reform. Reports of harm to both detainees and staff are deeply troubling and demand action. However, a closure without a northern alternative risks compounding harm rather than resolving it. Relocating northern young people to a southern facility would increase separation from families and communities, undermine rehabilitation efforts and place additional strain on already vulnerable individuals. Rehabilitation outcomes are strongest when young people remain connected to their support networks.

Safety for staff is critical. The stories of violence against staff at the centre are disturbing. Changes must be focused on appropriate staffing levels, training, therapeutic models and strong operational leadership, not simply through relocation. The focus should be on reforming and strengthening youth justice services in the north, not removing them altogether.

The Premier's acknowledgement of the state's difficult financial position is both candid and necessary. Living within our means matters. However, budget repair must be approached with care, fairness and foresight. However, there's growing concern that community organisations will bear a disproportionate share of the burden. Food-relief services, disability providers, mental health organisations and conservation groups are experiencing rising demand and uncertainty about future funding. Local sports clubs are anxious that state government financial support for infrastructure improvements will basically be impossible as it spends big on elite pathways.

These organisations are not peripheral, they're central to Tasmania's social infrastructure. Cutting their funding may offer short-term savings, but will almost certainly generate longer-term costs across health, justice and social services. Community groups did not create the fiscal challenges the state now faces. The government should bear most of that responsibility.

Ms Forrest - They're picking up the pieces; that's what they're doing.

Ms ARMITAGE - They are, absolutely, and they're very concerned about it. Asking them to shoulder the burden risks shifting costs onto the most vulnerable Tasmanians and storing deeper problems for the future.

I mentioned TasInsure, something that was obviously a promise at the last election and when speaking to many in the community, they cannot understand how the government can provide a state-owned insurance company when all states have decided it certainly wasn't a path to go down and we removed our very own Tasmanian Government Insurance Office many years ago.

The feeling that I'm hearing in the community is if our own, or what could be considered our state insurers, as RACT, if it doesn't offer some of the services to be offered by TasInsure, would it not be a better move to actually work with RACT to develop those services that are lacking, which would be a lot less cost obviously, and I'm sure a better outcome for everyone.

Efforts to improve efficiency and reduce duplication in the State Service are sensible in principle. However, a costly rebrand of a state department combined with broad headcount reductions risks unintended consequences, particularly in regional centres such as Launceston, where public sector roles underpin not only service delivery but also local economic stability.

In communities like ours, the State Service is not an abstract concept. It employs neighbours, supports families and ensures that essential services are accessible locally rather than centralised elsewhere.

Reform that focuses too heavily on structural change, branding exercises or headline savings risks missing the bigger picture. The question should not simply be how many positions can be removed, but whether Tasmanians will receive better services as a result.

Reform should be judged on outcomes. This principle is especially important given recent experiences with major project delivery. Tasmanians expect strong outcomes, not debacles. The delivery of the two new *Spirits of Tasmania* vessels and the associated wharf redevelopments is a case in point.

While renewing the fleet was necessary and supported, failures in planning, coordination and sequencing have unnecessarily cost the state many millions of dollars. The result has been idle assets, avoidable expenditure, a reputational hit to Tasmania's credibility when it comes to delivering large-scale projects.

This is why reform must be guarded by outcomes, not simply by savings targets. A smaller workforce is not inherently a better workforce. Capability, institutional knowledge and staff morale matter enormously particularly in this small state, where expertise is often deep but narrow. Once lost, that knowledge is difficult and costly to replace.

Frontline services already operate under pressure. Unconsidered workforce reductions risk creating false economies where short-term savings lead to longer-term costs through delays, reduced service quality, increased reliance on consultants or contractor work and burnout among remaining staff.

Moving to Hadspen, which is a lovely area of the Launceston electorate. It's a small area but a growing area that of recent times has been suffering a real spate of vandalism with Hadspen's three public toilets at the Lions Park, the Bull Run skate park and the cricket club area all closed. Not good enough.

How is it for tourists and people alike to have the three public toilets in the area closed for three months? Fortunately, now a couple of the toilets have been reopened. I was very pleased that Tasmania Police were willing to come out to Hadspen with me last week, and I do thank Acting Commander Kelly Taylor and Acting Inspector Jareth Anderson, who undertook to make regular visits to Hadspen.

I've had several people approach me from Hadspen to say they rarely see police officers out there and that they would be really grateful if perhaps a new station could even be looked at for Hadspen, which is such a growing area, a bit like Legana but on the other side of town.

I was pleased to hear from the police that one of the main perpetrators of the vandalism of the toilets had been caught and fortunately is currently residing in the police cells for a number of different issues, so hopefully that matter won't happen again.

Tasmanians also place a high value on transparency and predictability in government decision-making and that's why the Premier's post-2025 election overnight-decision to phase out greyhound racing in Tasmania by 2029 has unsettled many in the community. Regardless of individual views on greyhound racing as an industry, a sport or an animal welfare issue, decisions of this scale warrant careful consideration, consultation and clear economic analysis. What concerned many Tasmanians was not simply the decision itself, but the absence of warning, detail and transition planning, particularly for those whose livelihoods and regional economies are directly affected. It's noted that the industry received \$7.5 million per year in state funding for a reported economic return of \$54 million into the economy. How does the Premier propose to counter that loss to communities post-2029? Regardless of individual views

on greyhound racing, welfare or industry reform, decisions of this magnitude require consultation, transparency and transition planning.

If the government is committed to phasing out the industry it owes the community a clear accounting of the net economic impact, not just the budget-line saved but the jobs affected, the regional expenditure lost and the downstream effects on local communities. Equally, it owes those involved a credible, well-funded transition plan that recognises the real economic and social consequences of the decision.

I was pleased to receive a positive response from the Premier regarding compensation should this bill be passed, in response to a letter I wrote, in which I pointed out that it was a glaring omission to close the greyhound racing industry without any provision for compensation. To propose nothing less than the deliberate extinguishment of an entire industry, with conspicuous silence on compensation for those whose livelihoods, investments and lawful enterprises could be swept away by the stroke of a ministerial pen, was unconscionable.

I was pleased to receive a letter back from the Premier this week and I'll read one paragraph:

I have carefully considered the feedback you've provided, particularly the matters you raised regarding industry compensation. I very much appreciate your ideas and advocacy. I'm pleased to confirm that the government will support participants and their dogs with compensation provisions to be included in the *Greyhound Racing Legislation Amendments (Phasing Out Reform) Bill 2025* and supported through the Budget. Details of the compensation framework will be included in the legislation, with the funding package outlined in this year's budget. I hope to provide both you and the broader community with specific details of the framework as soon as practicable.

I am pleased that, regardless of which way the bill goes, there will be compensation listed in the bill.

Sudden announcements undermine confidence, create uncertainty for workers and regional communities, and fit a perception that decisions are being made without adequate engagement. At a time when government is asking Tasmanians to accept difficult choices in the name of fiscal repair, maintaining trust through openness and predictability is essential.

At this point Tasmania needs cool heads, not ideological reflexes. Our state cannot afford division for division's sake. Last year's unnecessary election was the product of political gamesmanship, and has left many Tasmanians weary and impatient for stability, not more point-scoring. The challenges ahead - budget repair, workforce shortages, service reform and economic transition - are complex and interconnected. They're not challenges that any one government, party or ideology can solve alone.

I'll just mention Ben Lomond because I noticed it was mentioned by the member for McIntyre -

Ms Rattray - It was.

Ms ARMITAGE - It was, and it's an area that has been brought to my attention on a number of occasions by Professor Berni Einoder, who spends a lot of time up in the ski areas, and he has much useful information if you wish me to pass that on to you, member for McIntyre; it might be useful. Walking around the mountain peaks and the valleys in the summer is fantastic, and the topography, the half-billion-year-old quartz rock crystals that have been polished by the moving glaciers, and in particular the ancient vegetation, make Ben Lomond unique. It's a paradise for photography enthusiasts, and it is an underutilised area in summer. Tasmanian outdoor adventurers are already enjoying some of the exceptional bushwalks on the plateau and peaks, and the outstanding but safe rock-climbing cliffs are popular in summer. The area is ideal for the construction of mountain-bike trails, with additional facilities and more modern slope grooming and snow making could even extend the snow sports activities from eight weeks to 16.

The rapid increase in the number of tourists visiting Tasmania, especially to the south of the state, should justify considerable support from the federal, state and local governments to increase the tourist attractions and encourage the visitors to spend more time in the north-east of Tasmania.

Ms Rattray - Hear, hear.

Ms ARMITAGE - Absolutely. I know I've moved a little out of my area, but as I said -

Ms Rattray - It's welcome with positive news like that.

Mr PRESIDENT - Keep moving a bit south maybe.

Ms ARMITAGE - I don't think I'd ever move south.

Ms Rattray - You'd be moving west if you moved anywhere. Correct?

Ms ARMITAGE - Not west coast.

Ms Rattray - No, West Bay.

Ms ARMITAGE - Yes.

Many tourists hire vehicles to tour the state. Some even venture up to Ben Lomond. Although they marvel at the scenery, rock formation, vegetation, and the wildlife, they're often disappointed that there aren't a lot of facilities on the mountain. Most tourists only stay in Launceston one day, quoting there's not enough to do.

This is our opportunity to fill in their whole day and hence encourage them to stay a few more nights in our part of the state.

But this is not a new initiative. In 1998, 2005, 2011 and 2015, the Tasmanian government organised studies into Ben Lomond. All four concluded this area had immense potential to be developed into a tourist destination.

The Ben Lomond Committee saw this as a golden opportunity to establish, just 65 kilometres out of Launceston, an exceptional tourist experience: a properly planned and

constructed multipurpose building to allow Ben Lomond to maximise its considerable potential.

Member for McIntyre, maybe we could all work together to see if we actually can't develop or get something developed from the four initiatives. I hate to think what the four initiatives cost in the past when obviously they're gathering dust on a shelf somewhere, and I'm sure they're still around. It might be time to have a look.

I'd like just to take a moment to speak about the people of Launceston - the ones who I interact with every day; the quiet ones who are simply seeking to have better lives. I continue to be incredibly impressed by and proud of the organisations that make our communities tick.

I recently had the privilege of attending the New Horizons Annual Awards where we have a chance to acknowledge the passion that people put into helping others and saying thank you. It's always the most amazing evening. I know the member for Rosevears would have to say it's probably one of the most enjoyable nights on the event calendar - absolutely.

The Cancer Council's Relay for Life event in Launceston was another recent event which showcased just how people rally around a cause that's bigger than just any one person, and that we can all do things better when we do them together.

It was really nice to go to the Relay for Life out at the racecourse of all places. I thought they might have been going to walk around the racecourse, but obviously they weren't. It was far too far. They had an area set aside, which was really great. It gave them a feeling of being together. It was all partitioned off and was a really nice area, particularly with the number of schools that participated. I think that was something I really noticed, to see the schools coming along and staying overnight. It's something that's such a great event and in every part of the state, I'm sure it is in the north-west, I think, as well as Hobart.

Whenever I reflect on my electorate, I find myself thinking most about the resilience of my constituents in uncertain times and the hard work that people put into making our community a better place. There's so much going on if only you look out for it, but so much of it goes unheard and unseen. I'm reminded that it's because of them that I do what I do, what I expect motivates each and every one of us here.

The state of the state is about our people just as much as it's about budgets, policies and whatever's grabbing the news headlines for the day. Tasmanians expect their leaders to work together, especially when difficult and sometimes unpopular decisions must be made.

Sensible bipartisan decision-making builds trust, delivers stronger outcomes, and provides much needed stability in uncertain times. The Premier speaks of building a strong economy and a caring community. Those aspirations are widely shared across this Chamber and across the state, but success will not be measured by major projects or economic headlines alone. It will be measured by whether people can see a GP when they need one, whether education and training are accessible locally, whether communities feel safe, and whether the services that support the most vulnerable are protected and strengthened. There are no easy answers and no single path forward, but with unity, pragmatism and the clear commitment to evidence-based decision-making, Tasmania can navigate the challenges ahead and emerge stronger. That's the task before us. It's time to work together and Tasmanians expect nothing less. I note the 'state of the state'.

[12.46 p.m.]

Mr HISCUTT (Montgomery) - Mr President, this being my first state of the state reply speech, I was unsure how to approach it, and I thought, perhaps for this year at least, I'll keep it short.

Ms Rattray - Through you, Mr President, I'm not sure why you didn't contact the former leader, the member for Montgomery.

Mr HISCUTT - True. I thank the honourable members who have spoken before me and those who will come after me, and deeply value their contributions.

As I read through last year's responses, there was a heavy trend to talk about the budget. To begin with, I found this surprising, given that a budget reply speech is already allowed for. However, the more I read and combined with my understanding of the 'state of the state,' the more I came to realise, unfortunately, that our state's finances are, at the moment, intrinsically linked with where we are headed in Tasmania. I wish that was not so and that we could speak more openly about ambition and make decisions based on our vision for the future. Alas, we make decisions in damage control. I think I've fallen into the same trap. What I would like to talk about is the priorities that I see for Tasmania and where they are supported in the 'state of the state' address and where I find it lacking. I'll then go on to speak to some specific issues within Montgomery.

We will start with the positive. Red tape reduction and regulation reduction are needed in Tasmania. For example, a significant cost of building a home in Tasmania is spent well before the shovel hits the ground. This can be 10, 15 or even up to 20 per cent of the cost. One has to ask the question, why? Why does every property need a bushfire assessment report by a professional, even if in an open field, just because it is zoned a certain way? A geotech report for a flat block with houses either side of it? I believe that discretion from town planners should be allowed in some of these circumstances. They are trained professionals and should be able to use their knowledge to make some informed decisions without needing expert reports with significant financial costs.

The Premier speaks to this in his report, unfortunately littered with a barb or two. It begins by talking about homes, but it is not given nearly enough context. Words on a page mean little to the bank balances of our potential new home builders. If they do not build, then that is one less house on the market.

I welcome the opportunity to speak to actual changes to legislation. A review of the *Land Use Planning and Approvals Act 1993* (LUPAA) perhaps, and also a review of the State Policy on the Protection of Agricultural Land 2009, providing the opportunities for our rural land to stay sustainable, where children of farmers can build on their own properties and stay there farming instead of the current act, which is forcing the young people and young farmers to move away to other regions and maybe come back only after their parents have left the family home. I hope that the words on the page and the intent from the 'state of the state' is followed through with.

Another area dear to me is local government. Do you know what the 'state of the state' said about local government? Nothing. Nada. Zip. Zilch. After spending a couple of years and millions of dollars on the Future of Local Government Review - headed by a former member

for Montgomery, I might add - and with two pieces of legislation, a targeted reform bill and the electoral reform currently out for review, it was not mentioned once. What is the government's intention here in the long term? Although I am not a fan of amalgamation for amalgamation's sake, there are some councils where it makes sense and the councils are willing, and the government is committing nothing and taking no actions. I hope that a clear vision for this sector is presented by the government soon.

Another priority of mine is young people in Tasmania. I think I can still consider myself in that cohort. Let me hang onto that for a few more years, please. It is pleasing to see a focus on this in the state of the state address. I quote from the speech to say, 'We want our kids to live here, to work here, to stay here and be a part of this community.' That is something I can get behind. I can certainly say that there are exciting reasons to stay in Tasmania: low unemployment, amazing lifestyle, the sights to see and the experiences to have. We all have a responsibility to talk up Tasmania. Our finances are an issue, one that needs to be resolved, and they've been heavily covered by others who have spoken before me, but for the average punter on our streets, Tassie is still a great space to be. An old boss of mine used to say, 'Sometimes the grass may seem greener on the other side, but sometimes it's amazing how good your lawn can look with a bit of water and care.' That is what we need to do: tend to our garden, fill it with so many bright roses and native wattles that no-one has a reason to look over the hedge.

I will now speak to some local issues and priorities in the beautiful area of Montgomery on the north-west coast, where I challenged the member for McIntyre's comment yesterday, 'where the best vegetables are grown'. As the newly elected member for Montgomery, I've had my eyes and ears open for many months now, listening to the people, hearing their joy for living in our beautiful north-west region and also their pleas for assistance. People love living there and thoroughly enjoy getting outdoors to enjoy their recreation time, whether that is spending time at Dial Park for sports, attending the Hive for education and entertainment, going to the Emu Valley Rhododendron Garden for relaxation, or visiting Cradle Mountain for their soul -

Ms Rattray - Or hanging out on the Big Penguin.

Mr HISCUTT - Or hanging out on the Big Penguin. One of my favourite activities is to take pictures of people at the Big Penguin. They sit there and try to take selfies, you offer to take a picture, and you always get a story of someone who's visiting our region, recognising how glorious a space that is.

Yet there is always more that we can be doing to make our communities even better places to live. One of my first priorities after the Montgomery election was to meet with the three councils within my electorate and discuss matters taking priority for them. There was clear support for the funding commitments already proposed, but there is always more to do and these are their focuses. Many of these items are within the council's strategic plans and some are from local constituents within the council area. For example, the Kentish Council could do with some help with the ongoing cost of the toilet facilities at Kentish Park. They have taken this over as a service to the community after Tasmanian Parks and Wildlife Service withdrew from servicing these. Due to vandalism - someone cut one of the tanks open to steal a pump from inside it - and the considerable costs associated with the remote infrastructure, some assistance would be appreciated.

Remaining in Kentish, there is a desire for the redevelopment of the federal recreation ground. This building has been servicing the local sporting clubs since 1987 and it is certainly beginning to show its age. Upgrading this facility is not just for the sporting clubs, however, as the council feels that it could be a true community centre for the region, which could also hold meetings of other community groups and serve as an emergency management facility if a situation or serious event was to unfold, an area that they currently lack.

The Central Coast Council is delighted that progress is being made at Dial Park. We welcome the Tassie Devils VFL team playing there in July. I note their first game this weekend in Hobart. It is going to be a big event for the region and I'm hoping to invite some of the players to stick around as the Penguin-Riana Auskick have their season-ending fun day the day after that game. However, I have raised and will continue to raise the provision for changing facilities at oval B. This does not need to be a multi-million-dollar venue, but a modest building that would enable dignity for those who use the grounds.

The coastal pathway is also a significant attribute of the north-west coast, but there are still some challenging areas that need to be addressed, especially between Penguin and Ulverstone. This is a pathway that could be one of the most iconic rides in Tasmania, maybe Australia, and maybe even in the world. It would also enable running and walking in this spectacular space. I encourage any support the government can give to assist with this project.

Central Coast welcomes the investment of funds to master plan Fairway Park, or as we call it, the dinosaur park, and the greater Dial Park area, and the outcomes will strengthen the region in the future. We had mention before of the Relay for Life, which is happening this weekend in Penguin within that Dial Park master area. It needs some significant work done to for it to continue to hold these activities throughout the future.

Burnie Council continues to advocate for its improved CBD and although the CBD is in the neighbouring member for Murchison's electorate, I'm sure she will echo these thoughts that it is vital for the vibrancy and future of the city.

I also welcome the continued support of the Emu Valley Rhododendron Garden, I think the biggest rhododendron garden in the Southern Hemisphere, which welcomes visitors from all over the world. As you talk to those from the cruise ships who come through, they certainly value the time that they spend here.

Across the entire north-west region, there is a dire situation in strategic planning, which I've already alluded to. I urge the Minister for Local Government to attack the issue that the regional land use strategies require urgent attention. I urge the government to give this the considerable consideration it deserves.

I love my region, and I want it to thrive. If the government was to keep an eye on some of these priorities, that would be appreciated by this region completely. But the state of the state talks in very broad terms. The state of the state address from the Premier touched on many points. I could talk about TasInsure, or the Department of State Growth or Building Tasmania or whatever that may look like into the future. I could talk about efficiency and productivity units, but I won't go into details on those for two reasons.

One, we don't actually have the details, which makes it very difficult to have a conversation about what those things look like. They're just spoken about in very broad terms,

which makes it very difficult to have the hard conversations, to get the details to understand what we need to do.

The second reason is that people want more than just words. They want just two things. They want accountability and they want actions. They want to know that you will do what you say and you will do it in the timeline that you promise. Not just talk about things, but actually do them. They want greater transparency in decision-making. This is something that we've spoken about earlier this week. Greater transparency so that we know the actions that the government will take, and accountability in that decision-making for the betterment of all of Tasmania.

However, there are many challenges to overcome. Bringing the budget back to a fiscally responsible position is one of those. Alas, Mr President, that unfortunately brings us back to the omnipresent, omnipotent, omniscient and omni-competent budget. I am still new enough to this House that I look forward with hope that this May budget brings us accountability transparency and action. But I'm not naive enough to expect it.

With a few seconds to go, I note the Premier's Address response and I'll leave the Floor to the next person.

[12.59 p.m.]

Ms THOMAS (Elwick) - Mr President, I want to start by thanking the member for Montgomery -

Sitting suspended from 1.00 p.m. to 2.30 p.m.

QUESTIONS

Estimates and Budgets

Ms THOMAS on behalf of Ms FORREST question to the LEADER for the GOVERNMENT in the LEGISLATIVE COUNCIL, Ms RATTRAY

With regard to the state budgets and forward Estimates over the last 10 years:

- (1) Please provide a comparison of the original budget Estimates to the actual outcome over the last 10 years, and
- (2) Based on the answer to question (1), please provide a calculation of a confidence interval for the current budget using historic comparisons.

ANSWER

Mr President, I thank the member for Elwick for asking these questions for the member for Murchison, the Deputy President, who is in the Chair. I have some papers to table also.

- (1) On average over the last 10 years from 2015-16 to 2024-25, actual revenue has been 5.1 per cent above the budgeted revenue. This has been impacted by significant one-off events including COVID-19 and the 2016-17 return

of the Mersey Community Hospital for which Tasmania received a one-off payment from the Australian Government of \$730 million, and overall revenue exceeded the budget by 16 per cent.

On average over the last 10 years from 2015-16 to 2024-25, actual expenses have been 4.1 per cent above the budget expenses. This has been significantly impacted by one-off events including COVID-19 and the 2023-24 recognition of the provision for claims related to child sexual abuse in state care and an additional expense of \$571.2 million in that year.

The variation in the net operating balance outcome reflects changes from budget in both revenue and expenses.

The variation in the fiscal balance outcome reflects changes from budget in net operating balance and the investment in infrastructure and other assets.

- (2) Using historic comparisons from the calculation of a confidence interval includes the recognition of the potential for significant unknown future events, as already outlined, which substantially increases the range of uncertainty.

For the net operating balance, while on average the actual outcome has been \$16.3 million better than the budget, the sample standard deviation is around \$600 million. The confidence interval at 90 per cent for a deficit of \$1.008 million in the 2025-26 Budget is a range from a deficit as low as \$3.4 million to as high as \$1.98 million. The revised estimate for 2025-26, released on 12 February, is for a net operating balance deficit of \$917 million, well within this range.

For the fiscal balance, while on average the actual outcome has been \$248.7 million better than the budget, the sample standard deviation is around \$578 million. The confidence interval at 90 per cent for a fiscal balance deficit of \$1.352 million is a range from a deficit of \$1.525 million to a deficit of \$2.1 billion. The revised estimate fiscal balance of \$1222.7 million is well within this range.

As part of this answer, as I've already indicated, I seek leave to table revenue expenses attachment 1 and net operating balance/fiscal balance attachment 2 and have it incorporated into the *Hansard*.

Leave granted; document tabled and incorporated.

See Appendix 1, page 69.

University of Tasmania - Vice-Chancellor - Position with Deloitte

Ms O'CONNOR question to MINISTER for EDUCATION, Ms PALMER

[2.36 p.m.]

I'd like to ask questions about the conflict of interest of the vice-chancellor of our only public university who has accepted a paid position on the Deloitte board, a consultancy with which the University of Tasmania has numerous contracts.

Are you aware that documents obtained under RTI show the vice-chancellor was allowed to drive the university's consideration of his Deloitte appointment such that the appointment was presented to the University Council as a *fait accompli*, long after he'd applied for the position and only after he'd been offered the position when acceptance was presumed?

Further, are you aware of legislative and internal UTAS governance requirements that the vice-chancellor should not have applied for the Deloitte position before obtaining approval from the University Council?

ANSWER

Madam Deputy President, I thank the member for Hobart for the question. The University of Tasmania is a statutory corporation and operates as a self-governing organisation. I want to set the scene before I go into the detail of the question. The Tasmanian government and the Minister for Education have no role in the university's internal governance or executive appointment decisions. Decisions regarding external appointments undertaken by its vice-chancellor, including any board roles, are matters for the university as the employer. Under the Administrative Arrangements Order, I am the responsible minister for the *University of Tasmania Act 1992*, which is the establishing, foundational and governing act of UTAS. It establishes UTAS, sets out its functions and provides its governance structure and accountability requirements. However, universities are self-governing institutions. Their enabling legislation vests responsibility for governance and management of the university in a governing body which is accountable to the relevant government for university operations. The Minister for Education's role under the act is limited to appointing two members to the University Council and tabling the UTAS annual report in parliament.

I know that there was a lot of discussion around the matter that you raised with regard to the vice-chancellor. To ensure that I had comfort, for me personally, I will refer you to the minutes of the University Council, Friday 27 June 2025, where I was pleased to read in detail that following an initial email that was sent by the chancellor to the council on 26 May advising that the vice-chancellor had been approached about a non-executive director appointment with Deloitte, what I read from the minutes is that members discussed the various considerations that were associated with that appointment. They noted both the positive benefits that could come from that for the university and the professional development for the vice-chancellor through exposure to organisational and governance best practice, economic insights and strategic perspectives from relevant sectors. Members also discussed the time commitment that would be required and they agreed it would be manageable, noting the vice-chancellor's other external commitments, which had involved a similar time commitment, had ceased by that point.

There was also a discussion, as noted in the minutes, about any remuneration and the council gave its opinion on that, and then members further noted that Prof Black would take annual leave to attend Deloitte board meetings, and endorsed the proposed approach to manage any potential conflicts, including the vice-chancellor not being involved in any decisions about commercial arrangements with Deloitte.

That is where I went as Education minister to take comfort that there had been a proper process with regard to the University Council. But, as I say, my role is those two areas under that piece of legislation, which is appointing the two members to the University Council and tabling the UTAS annual report in parliament.

Supplementary Question

Ms O'CONNOR - I was glad to hear the minister recognise that she is responsible under the administrative arrangements for the act that governs the University of Tasmania. In your answer just then, minister, you effectively confirmed that the body, which is supposed to be the primary governing body of UTAS, the council, did not actually make a decision on Prof Black's acceptance of the Deloitte board appointment. It noted it and then it endorsed a conflict of interest arrangement.

Do you, as minister responsible for Education, accept that having the vice-chancellor of our only public university sitting on one of the big four consultancies, a consultancy which UTAS has numerous contracts with, is a naked conflict of interest that simply cannot be resolved or mitigated?

Ms PALMER - I'm not going to get drawn into giving my opinion. What I am going to say is that, as recently as 22 January this year, I wrote to the university confirming Tasmania's endorsement of the Australian Government's new university governance principles and recommendations, and highlighting the importance of the University of Tasmania being able to demonstrate strong governance supported by robust systems and processes.

I also note that the Chancellor wrote to me and, I understand, other members as well, on 3 March, providing an update on governance. This included the significant work the university is doing right now to improve its governance practices in response to national reform work and other reviews and inquiries. And, as I say, I was pleased to see that there had been a process with regard to the approach to the vice-chancellor about that non-executive director appointment with Deloitte.

Port of Burnie - Infrastructure Works

Ms LOVELL question to MINISTER for INFRASTRUCTURE and TRANSPORT, Mr VINCENT

[2.43 p.m.]

The government says the Port of Burnie is critical to Tasmania's freight network and that its future is secure. Yet we've seen reporting and right to information releases showing remediation is now needed at berth 4. If this infrastructure is so critical, how has it been allowed to deteriorate to this point, and what is the cost of the works now required?

ANSWER

I just wanted to clarify the points because I know it's getting close to having that work done. I've been down and had a look at it a few times, the work that's being done. One of the complications, of course, was so that it didn't interfere with the forward Strait Link - Strait Link didn't want to move off onto a temporary wharf that they actually had done up so they could move. Although it was not very far, I'm not sure how many metres over to the south side from where they are now, the movements of each of the containers would have had a detrimental effect on Strait Link's loading and unloading of the ships.

Over the last several months they've been doing test holes there and discussing with Strait Link the various ways that it could be remediated. At one stage they were planning to put - the easiest way to describe it is containers down the side of the wharf to form another barrier but felt that that was going to be too close to the ship. Strait Link had concerns with that so they worked through their engineering. When they started drilling the test holes they found some quite amazing stuff underneath - how many wharves that were already there. They even found an old meatworks underneath there drilling up different bits. They've been putting slurries down to understand how substantial the void is underneath where the syphoning of the fuel has been coming out into the port.

The last information that I received, which would be two to three weeks ago, was that they were just working on the tender documents for that to go out for tender so that it could be remediated and how that work could be done without interfering with the loading and unloading of Strait Link ships. I hope that answers your question, member for Rumney.

Supplementary Question

Ms LOVELL - The question was specifically around the cost of the works. Is there a confirmed cost of the works required? If not, is there an estimated cost or expected cost? If not, could the minister perhaps commit to when he might be able to come back to the Chamber and advise us of that figure, please?

Mr VINCENT - I'm not aware of any costs that have come across my desk, but I'm happy to take that on notice and find out exactly from TasPorts what they're looking at and what costs they've encountered so far in doing the test holes and the immediate remediation and what they're expecting the overall one to be.

Answer to Question - *University of Tasmania Act* - Government Response to Legislative Council Report

[2.48 p.m.]

Ms PALMER (Rosevears - Minister for Education) - Thank you for that indulgence, Madam Deputy President. On Tuesday 17 March, I took a question on notice from the honourable member for Nelson. I committed to get the answer to her this week. She was seeking information on timeframes for national governance reforms occurring to higher education. I have the following information to provide.

The University Accord is complex and is being implemented through a number of separate work streams that cross portfolio boundaries at both a national and jurisdictional level.

The most relevant stream to the *University of Tasmania Act 1992* is the development of the University Governance Principles.

In late 2025, Education ministers also considered the recommendations of the Senate Inquiry into Quality of Governance at Australian Higher Education Providers and agreed on the importance of strengthening transparency, accountability and diversity in university governance.

Education ministers noted the Australian Government, with the Commonwealth Remuneration Tribunal, will establish a framework of remuneration classification ranges for vice-chancellor remuneration, which I understand is expected to be available before the end of this year for education ministers to consider.

The University Governance Principles implementation plan is currently being prepared by the Australian Government in collaboration with states and territories. The Australian Government is taking a staged approach to the implementation plan with the legislative establishment of the Australian Tertiary Education Commission (ATEC) being subject to parliamentary processes, and discussions around its structure and independence are currently underway.

On 27 February 2026, the Higher Education Standards Panel released a consultation paper on amendments to the threshold standards in response to a request from the Honourable Jason Clare. This includes proposed changes to the principles and transparency requirements. I'm advised this process will advance across 2026, and I anticipate that this will include consideration by Education ministers later in the year.

Given the work occurring across 2026 at a national level, and not wanting to duplicate or pre-empt these reforms, a Tasmanian review of the *University of Tasmania Act 1992* is not on the Tasmanian government's agenda for this year. The government also already has a full legislative agenda across Education, and Children and Youth portfolios, in 2026. My priority this year is on progressing the delivery of commission of inquiry legislative recommendations.

Metro Bus Fares - Consideration of Subsidies

Ms ARMITAGE question to MINISTER for INFRASTRUCTURE and TRANSPORT, Mr VINCENT

[2.51 p.m.]

Given the pending fuel crisis, has any consideration been given to either free or subsidised Metro bus fares? If it has, can you give me an indication of when there might be a decision made?

ANSWER

Thank you, Madam Deputy President. We've had half-price bus fares for quite some time now, which are still running at the moment, and it's been interesting to look at the numbers and the increase in public transport use. The increase in Metro areas was of a very small percentage increase. It was larger from areas like Huonville, and from the east coast, going towards Hobart,

and there was also a greater increase between Launceston and Hobart, so very moderately successful at half price. But in the discussions -

Ms Armitage - Different situation now.

Mr VINCENT - Yes, it's a totally different situation now, and we can only hope that this present worldwide situation might drive a different mentality towards public transport and increase its use. All things are under consideration at the moment. We are looking at that and other measures as part of the budgetary process. I could not give you an exact timeframe when that's going to come through, but the Attorney-General and the Premier are in constant contact nationally regarding the fuel shortage. I believe the Prime Minister is in Tasmania today and discussing it also. As soon as I have more information, I'm happy to bring it back, but I couldn't give you an exact timeline on that at the moment as to when that will be fully considered.

***University of Tasmania Act* - Government Response to Legislative Council Report**

Ms WEBB question to MINISTER for EDUCATION, Ms PALMER

[2.53 p.m.]

This is a follow-up to the answer provided by the minister just a moment ago to the question from the other day. I thank the minister for the information she provided there about the timeframes regarding those national reforms in train. The origin of the question about that was the government has said they won't respond to our *University of Tasmania Act 1992* inquiry report, which has been tabled now for a year or more. Could the minister clarify: are you saying that the government won't be responding to that inquiry report of this Chamber until sometime next year, 2027, at the earliest?

ANSWER

Thank you very much, Madam Deputy President. While the Tasmanian government recognises the importance of ensuring the *University of Tasmania Act 1992* and the parliamentary inquiries that you speak about, it's important that the act remains contemporary and aligned with community expectations. But as I have laid out there is also an enormous body of work that is happening nationally. I don't want to be in a position where we are responding to two Tasmanian parliamentary inquiries, and one national Senate inquiry, and all have made recommendations that do go directly to UTAS governance and its financial position and legislative settings. It is important that the outcomes of these inquiries are fully considered before a response is made. In my previous answer I said that work is happening over 2026. My understanding is that there will be information coming back to education ministers towards the end of 2026 and then I will be in a better position to look at responding appropriately.

Wild Drake Pty Ltd - Halls Island

Ms THOMAS on behalf of Ms FORREST question to LEADER for the GOVERNMENT in the LEGISLATIVE COUNCIL, Ms RATTRAY

[2.55 p.m.]

With regard to the heritage-listed Halls Hut on Halls Island in Lake Malbena, which is currently owned by Mr Daniel Hackett and he's on a small parcel of land -

Ms O'Connor - It's not owned, it's leased.

Ms THOMAS - Okay. This is in regard to the heritage-listed Halls Hut on Halls Island in Lake Malbena, which is currently leased by Mr Daniel Hackett. He is on a small parcel of land of the footprint of the hut, plus foot access to a rock shelf landing that is independent of the commercial lease over the rest of the island. The hut was leased to Mr Hackett in 2014 by Reg Hall's daughter on the strict understanding that he would preserve the building and allow unconditional access to genuine bushwalkers. In November 2021, the hut was permanently entered into the Tasmanian Heritage Register after being found to satisfy seven of nine possible criteria. Since then, Mr Hackett has had a legal obligation to maintain and protect the hut.

I understand no significant work has been done since 2014 and the hut is rapidly deteriorating.

Leader, the questions are:

- (1) Will the minister ensure the Heritage Council instructs the current leaseholder to maintain the hut?
- (2) If the current lease holder will not undertake immediate works on the hut, will the minister rescind the lease so that other interested parties may be given the opportunity to assume custodianship?

Ms O'Connor - Or that it goes back to Parks for management, for example.

ANSWER

- (1) The minister responsible for the administration of the *Historic Cultural Heritage Act 1995* is not able to instruct the Tasmanian Heritage Council regarding what it must do. The Secretary of the Department of Natural Resources and Environment Tasmania has previously written to the leaseholder requesting that action be taken to preserve the condition of the hut, most recently in August 2025. In March of 2026 - that's now - the Tasmanian Heritage Council initiated further inquiries with the proponent, including the requirement to produce a condition report. Any further actions by the Tasmanian Heritage Council will be determined subsequent to consideration of the supplied report.
- (2) If the proponent formally seeks in writing to request a further extension to clause 2.2(b)(i), as prescribed in the deed of variation, this will be considered. The lease and deed of variation have been publicly available

on the Department of Natural Resources and Environment Tasmania's website.

Wild Drake Pty Ltd - Halls Island Lease

Ms THOMAS on behalf of Ms FORREST question to the LEADER for the GOVERNMENT in the LEGISLATIVE COUNCIL, Ms RATTRAY

[2.58 p.m.]

With regard to Wild Drake's commercial lease for Lake Malbena, including most of Halls Island, minister Nick Duigan committed to a lease review prior to renewing Wild Drake's lease over Halls Island and Lake Malbena at budget Estimates on Tuesday 18 November. Given that the lease is due to expire on 31 March 2026:

- (1) Has any review of Wild Drake's lease over Halls Island and Lake Malbena been undertaken?
- (2) Given that Wild Drake is insolvent and that on numerous occasions it has failed to meet conditions of the lease, why is renewal of the lease even being considered?

ANSWER

- (1) The Halls Island/Lake Malbena proposal remains subject to all relevant local, state and Australian government planning and approval processes. At this point in time, it is a matter that is with the Australian Government to progress and Senator Murray Watt, the Minister for Environment and Water, has carriage of this matter. The acting minister for parks will take advice in relation to the lease and licence arrangements for Halls Island.

The deed of variation is clear that the Minister for Parks should not unreasonably withhold consent to an extension if the operator is responding to request from the Commonwealth within a reasonable timeframe. The lease and deed of variation, again, is publicly available on the Department of Natural Resources and Environment Tasmania's website as an active disclosure.

- (2) To date there has not been any determination on insolvency, and I also understand an application was made by a third party to wind up Wild Drake Pty Ltd. This is a matter with the Australian Securities and Investments Commission. A liquidator has been appointed, and the company remains under external administration. There is provision in the lease for termination in the event of insolvency. The government cannot comment any further at this stage as the legal process is underway.

MOTION

Premier's Address - Reply

Resumed from above (page 30).

[3.02 p.m.]

Ms THOMAS (Elwick) - At its core, a state of the state speech should do two things: one, it should honestly reflect where we're at, and two, it should clearly set out where we are going. For many in my community of Elwick, the reality on the ground feels increasingly disconnected from the picture this government paints.

While we hear optimism in the Premier's state of the state address, what many people tell me every day is very different. They tell me they don't feel safe in their own communities. They tell me housing is out of reach. They tell me that they're struggling to access the services they need and they're tired of announcements without detail, promises without delivery. The people of Elwick deserve better than that. Tasmanians deserve better than that.

One of the most consistent issues raised with me is community safety. People should be able to go to work, take their kids to the shops, or catch public transport without fear. Retail and hospitality workers should not have to worry about their safety when simply doing their job.

While I acknowledge the government's increased police patrols in Glenorchy and surrounding areas - and I thank our hardworking Tasmania Police for their commitment to being out on the beat - the reality is that this is a Band-Aid fix and the job is not done.

We continue to see incidents of violence and antisocial behaviour affect our community and every so-called isolated incident has a real and lasting impact, not just on those directly involved, but on every person who witnesses it. We need a broader, more coordinated response to community safety. That means looking at practical measures, including increased visible presence in public places and on public transport, and considering models such as police public safety officers, as have recently been introduced in the Northern Territory.

It also means addressing the root causes of offending, particularly youth offending, with not just words on a page in plans, but adequate investment in early intervention, support services and a justice system that reflects community expectations. Importantly, the voice for victims needs to be heard too, and they need to be better acknowledged and supported when they are impacted by violence and crime. Tasmanians deserve to feel safe and be safe wherever they are.

The housing crisis continues to deepen. In my electorate I hear from families who are doing everything right, working hard, caring for loved ones and still cannot secure stable, affordable housing. I hear from carers who have had to give up work to support family members with disability and now face a very real prospect of losing their home. I hear from people on the social housing waitlist who simply cannot get a place that meets their needs. These are not isolated cases anymore. They are becoming the norm.

The government must do more than make announcements. We need increased supply, yes, but we also need smarter allocation, better support for those with complex needs, and

genuine urgency in delivery. Housing is not just a policy issue, it's the foundation of dignity, stability and opportunity.

In the state of the state address, the Premier refers to a 'caring' community five times. Indeed, Tasmania is a caring community, but this government can only rely on the goodwill of our hardworking community services sector for so long. I want to take this opportunity to acknowledge the commitment and hard work of community service workers. I implore the government to demonstrate its support for this sector through the upcoming budget because backing private investment and boosting the economy, which is mentioned about 18 times in the state of the state address, does not support people who are struggling with cost-of-living measures today. Community sector organisations do. Neighbourhood Houses do. They are the ones on the ground supporting people facing cost-of-living measures every day. They need to be acknowledged and supported by the government, just as the corporate sector is.

I want to acknowledge the recent work of the Minister for Health and the Department of Health in updating the policy to allow concurrent support services for people with a disability in hospital. This is a positive outcome and I thank the minister for listening. For people living with disability, hospitalisation can be an incredibly vulnerable time. Ensuring they can access appropriate supports is not just good policy; it is about dignity and care. I'm so pleased to have been able to tell Katie that, thanks to her speaking up about her lived experience, we have achieved change. That change will impact so many other people who are hospitalised with disability.

I also want to reflect on the issue of anatomical pathology testing at the Royal Hobart Hospital. Madam Deputy President, you and honourable members may recall the rather painstaking budget wrap-up in that last sitting week of 2025, where I and other honourable members further scrutinised the Leader and the Department of Health secretary on this topic.

Despite initial responses to my questions during budget Estimates, which demonstrated that the minister and secretary were totally unaware of any anatomical pathology testing backlog, the response to the question taken on notice revealed that there were more than 1700 outstanding reports. This is clearly an issue, and an unacceptable situation for patients waiting on critical results.

Following our December budget wrap-up, I wrote to the minister for Health expressing continuing concern for the situation and imploring the government to take urgent action to address it. Pleasingly, just last week I received a response from the minister advising that the government has done just that. The backlog has now been reduced to around 600 outstanding cases. Still work to be done, but progress nonetheless.

Honourable members will know I have previously expressed scepticism in this place about the effectiveness of the Budget Estimates process, but this is a clear example of it working as it should. By bringing this issue into the open, it has driven action and I'm really pleased with this result. It demonstrates that scrutiny, when done properly, can lead to tangible improvements and better outcomes for Tasmanians.

It is important we acknowledge and thank the government when they do deliver the outcomes we call for and it's important to celebrate these wins. However, we do know there is still much more to do. Access to health care remains a significant challenge, particularly for

those with complex needs. Across Tasmania we must continue to push for a system that is responsive, inclusive and centred on the patient.

Another issue that cannot be ignored is transparency. This government speaks often about accountability, but too often fails to deliver on it. When basic questions, such as the cost of senior public servants, go unanswered for months it undermines public confidence, even more so when the response that comes back does not even answer the question - unacceptable, embarrassing even. Tasmanians have a right to know how their money is being spent. They have a right to clear, timely and honest answers. Transparency is not optional. It is fundamental to good government.

Moving on to infrastructure and community investment, in the northern suburbs, there is enormous potential, but it must be matched with investment. Transport connectivity, sporting infrastructure and community facilities are not nice to have; they are essential to ensuring that our communities are liveable, connected and thriving.

I acknowledge the state government's commitment of \$12.5 million towards the development of indoor courts at New Town Bay. This commitment followed advocacy on behalf of Hobart Phoenix Basketball Association through a notice of motion fully supported in this place last year, and I'm very grateful for my fellow honourable members' support of that motion. This is a project that is critically important to our growing basketball community and the broader northern suburbs and Hobart. I'm hopeful that this year's federal budget will also provide funding to see this much-needed facility built.

I'll continue to advocate for projects that matter to my community, including improved public transport options, investment in community sporting facilities and the transparent development of underutilised land for community benefit, because growth must be shared and opportunity must not depend on your postcode.

Finally, I want to speak about consultation. Too often decisions are announced before communities are consulted. Too often stakeholders are left in the dark. Too often people feel that decisions are being made for them, rather than with them. I particularly want to emphasise the importance of bringing the community on the journey when it comes to the redevelopment of Wilkinsons Point and the future of Dowsing Point, two valuable parcels of land in my electorate of Elwick. These are significant projects with the potential to shape the character and liveability of the northern suburbs for generations to come. I support the redevelopment of these parcels of land, but it is essential that local residents, businesses, the local council and stakeholders are genuinely engaged early and meaningfully in the process, not simply informed after decisions have been made.

Good development is not just about outcomes, but about trust, transparency and ensuring that the community has a real voice in shaping its future. Good policy is built on genuine engagement. It requires listening, not just announcing, and it requires respect for the people who are directly affected.

The people of Elwick, my electorate, are resilient, generous and deeply connected to our community, but they are also frustrated. They want to feel safe, they want a secure home, they want access to services and infrastructure that enables them to participate and be productive. They want a government that listens, that is transparent and that delivers. My role in this place is to be their voice, to raise their concerns, to push for better outcomes and to hold the

government to account because, at the end of the day, the true state of the state is not measured by announcements, it is measured by the lived experience of Tasmanians. That is where our focus must remain.

[3.12 p.m.]

Mr HARRISS (Huon) - The Premier's Address paints a picture of excitement and opportunity, but it paints a picture drawn without reference to the canvas on which it must be painted. Treasury has told us plainly that the state's finances are unsustainable, that debt is accelerating and that without immediate and sustained repair, Tasmania will soon face choices no responsible parliament should ever allow to arise. Yet the Premier's address contains no acknowledgement of these warnings.

With the whole world confronting an oil-price-driven financial and economic upheaval reverberating from the Iran war, Tasmania is anything but well placed to absorb the shock waves. The Premier's speech sets out to paint a picture of excitement and opportunity. A state of big talent, big ideas and big ambition. A state that's led by a government of action with a strong plan to take us into this golden future.

For an awful lot of people in my electorate, that is not the Tasmania that they recognise and are dealing with in their everyday lives. A trip to the supermarket brings home to them the cold, hard reality of the ever-rising cost of living, and in many cases forces them to buy their groceries on price rather than quality. People with a mortgage are seeing interest rates and their monthly repayments rising sharply. It's no better for people who are renting with the rent rising just as rapidly.

As the latest Housing Connect Front Door Snapshot released by Anglicare shows, an increasing number of Tasmanians simply can't afford a home. Anglicare says that in the December quarter, the number of people sleeping rough rose by 64 per cent and the number needing housing support by more than 40 per cent. Disturbingly, Anglicare says that having a job no longer provides an assurance of housing security, with the number of employed people seeking help with housing up by more than two-thirds and its analysis suggesting that over half of Tasmanian households don't have sufficient income to rent even a one-bedroom home. That was the real-world picture at the time the Premier delivered the state of the state on 3 March.

Elsewhere in the real world, four days before the Premier's Address, the United States and Israel launched their bombing campaign against Iran and the fallout on oil prices has since compounded cost-of-living problems across the globe. As Tasmanians know all too well, a stop at the fuel station to fill the tank is evermore confronting. Petrol prices have increased by 75 cents a litre in just a couple of weeks, and diesel is up by more than \$1. That is a big hit for our overwhelmingly car-reliant population. In areas like the Huon and the Channel, where public transport is limited, there is no alternative for essential family or work travel. That means for the overwhelming majority of people, the daily battle to make ends meet is a long way from the Premier's state of excitement.

Undoubtedly, there are areas in which the government can legitimately claim things are going well. A heavy emphasis on infrastructure spending means there is a lot of work in my former industry, construction, and employment levels are at historic highs. However, we should not gloss over the fact that a lot of the spending is coming from the government itself and a huge part of that is borrowed money. As a result, we have a very big budget problem and we have no financial buffers to enable us to respond to external shocks. That has been highlighted

yet again in the Fiscal Sustainability Report released by Treasury at the end of February, and I'm going to go into some key findings, noting that the member for Murchison already covered these very well.

Tasmania's finances are projected to rapidly deteriorate. Tasmania's public finances have worsened significantly since the previous fiscal sustainability report in 2021. Tasmania's financial position is unsustainable and, if unaddressed, the budget's structural problem will rapidly deteriorate. Government spending is growing faster than state revenues and Treasury's projections show that without action, the gap will widen, and net operating balance deficits will become increasingly unmanageable. The structural deficits will drive significant growth in government debt, which will accelerate over time due to increased interest payments. Modelled debt servicing costs would grow from 2 per cent of revenue to more than 50 per cent over 15 years, becoming the second-largest operating expenditure item if the historical growth scenario occurs. Treasury's projection of recent trends in revenue and expenditure shows that GFS net debt for the general government sector could grow from \$4 billion in 2024-25 to \$129.5 billion in 2039-40 if no action is taken. Public non-financial corporation sector GFS net debt is projected to grow from \$4.3 billion to \$16.8 billion over the same period. As a result, total non-financial public sector GFS net debt is projected to reach \$146.3 billion by 2039-40.

'Doing nothing is not a responsible option,' are the Treasury's words. Without action, the annual growth in debt servicing costs is projected to exceed the growth in state revenue within 10 years. Beyond this point, budget repair would be exceedingly difficult. In effect, Tasmania will be borrowing significantly more money just to pay the interest on existing debt. Eventually, the growth in interest expenses will become so great that no reasonable reduction in services will be capable of achieving budget repair. Tasmania has recently been downgraded to the equal lowest credit rating of any Australian jurisdiction. Without financial improvement, there is an increased probability that Tasmania's credit rating will be further downgraded, which will increase interest costs. High debt levels also leave the state exposed to economic or financial shocks. Tasmania's financial buffers have been depleted and the state is poorly positioned to adequately respond to a shock, such as a pandemic or a natural disaster.

'Immediate action is required to stabilise debt before it becomes unmanageable.' Again, the Treasury's words, not mine. Immediate and sustained action is needed to reach peak debt as soon as possible and return Tasmania's finances to a sustainable position. Peak debt is achieved when all operating and capital expenses are fully funded from operating revenue on a cash basis, so that the net borrowing requirement for the year is zero. If this does not happen, Tasmania will be faced with difficult ongoing choices about essential services and infrastructure.

Budget repair can be achieved through actions such as increasing revenue and reducing capital and operating expenditure, as well as efficiencies in service delivery and productivity improvements. No single action will be sufficient on its own. All measures are needed to return the state to a sustainable pathway. Improvements to productivity and the planning and delivery of services can be beneficial; however, they are not sufficient on their own and will take time to have effect. The repair task needs greater and more urgent action. Growing the economy won't fix the problem. Government revenues correlate poorly with economic growth and Tasmania's major revenue sources, GST and Commonwealth grants, are largely outside the state's control.

They are all direct messages from the impartial gatekeepers at Treasury. It would be difficult to imagine a more damning indictment of the government's financial management. This is not coming from political opponents, the ratings agency or anyone else with an axe to grind. It is considered advice with the full weight of Treasury behind it. It cannot be ignored without plunging Tasmania into a full-blown financial crisis down the track. Treasury is telling us again that we are spending more than we earn and the borrowings to cover the difference are getting out of hand. This is not the first time that Treasury has delivered the message. It's been repeating the same mantra for the past 10 years.

The 2016 Fiscal Sustainability Report warned that under scenarios that reflect, to a large extent, past trends in state government revenue and expenditure, the government would face increasing fiscal pressure in future decades. This is largely due to expenditure by the state government on health services. The ABS estimates that over the past decade, expenditure on health services increased by more than 110 per cent between 2004-05 and 2014-15 in Tasmania, while all other expenditures increased by only 60 per cent over the same period. Ensuring the state's finances remain sustainable, therefore, requires future Tasmanian governments to keep the forces that can result in strong expenditure growth in check. These forces are compounded by the effect of borrowing costs, therefore, early intervention is always desirable.

The 2019 Fiscal Sustainability Report reported the warnings about the budget challenges posed by the growth in health expenditure and advised action on both spending and revenue. It said:

... the underlying drivers of growth in health expenditure are likely to continue. This will make it increasingly challenging to maintain fiscal sustainability into the future with expenditure constraint alone.

... maintaining long-term fiscal sustainability for Tasmania, and other Australian jurisdictions, will require not just ongoing management of expenditure but also consideration of sources of revenue. In particular, long-term fiscal sustainability will require growth in expenditure to be matched with sources of revenue that grow at the same rate.

The rates of revenue growth required to maintain long-term fiscal sustainability are unlikely to be delivered through expected growth in current revenue sources or minor changes to existing taxation arrangements. While noting the challenges involved, it is likely that reform of the existing taxation system will be required, including identifying new sources of revenue.

The 2021 Fiscal Sustainability Report, once again, noted the long-term impact of demand pressures, particularly in health, and warned that the size of the corrective action required to maintain fiscal sustainability would increase over time. It also warned against reliance on cost cutting alone:

Given the potential challenges of maintaining fiscal sustainability, no single solution, such as constraining health expenditure, is likely to be appropriate. Addressing future fiscal pressures is likely to require the implementation of a range of policy measures.

Early action to correct fiscal deterioration will mitigate the severity of the measures required to effectively maintain fiscal sustainability.

...

Delaying action until the task is much greater is likely to place an undue burden on the community and businesses.

Those warnings have been repeatedly underscored by Treasury in its Pre-Election Financial Outlook (PEFO) and were independently verified in the Eslake report in August 2024.

The February 2024 Pre-Election Financial Outlook Report once again warned of the deteriorating budget trajectory and highlighted election spending. It said that since the 2021 FSR, the net debt position of the general government sector had deteriorated from having \$176 million in the bank to a debt of \$1.9 billion at 30 June 2023.

It also forecasts that without budget repair, this deterioration in net debt would rapidly increase over the following four-year period with net debt forecast to increase to \$6.1 billion by 30 June 2027.

The 2024 PEFO estimated that the 2018 election added approximately an initial \$1.4 billion to the existing budget Estimates, including both operating and capital expenditure, while the 2021 election also added approximately an initial \$1.4 billion.

In August 2024, the Eslake report independently verified all of these Treasury warnings and advised comprehensive budget repair. It said Tasmania's public sector finances had deteriorated significantly since the latter part of the 2010s. The bottom line had shifted from 'balance' or 'surpluses' to 'persistent' and, for the most part, growing deficits.

The deterioration was entirely due to policy decisions by the government.

In the absence of corrective policy action, the financial position would continue to worsen with cash deficits averaging \$1.3 billion a year and totalling \$12.7 billion over the 10 years to 2034-35, net debt rising over the same period to \$16 billion or 25 per cent of gross state product, and annual interest payments increasing from \$250 million to \$730 million.

Mr Eslake recommended a broad program of budget repair, including raising additional own-source revenue, and suggested it would be undesirable to rely solely on cutting operational expenses. The government was quick to rule out the revenue-raising measures suggested by Mr Eslake.

Meanwhile, measures announced in the 2023 budget to save \$300 million over four years and a plan to reduce staffing to 2022 levels failed miserably, with further growth in the public service and the deficit blowing out to well over a billion dollars.

After the first attempt the 2025 budget sank without trace following a no-confidence vote against the Premier, and Treasury returned to the fiscal fight in its 2025 Pre-Election Financial Outlook report. I've reported on this previously, but its key findings were:

- The state budget has a structural problem.

- Expenses are growing at a faster rate than the state's current sources of revenue.
- Recent state budgets and forward Estimates have been defined by increasing deficits and debt.
- As a state, we are spending more than we earn and the gap is growing.
- This structural problem will not be resolved through future economic growth.
- Explicit policy choices are required.
- Without interventions that move the state onto a different fiscal trajectory, net debt will continue to grow and annual interest cost will more than treble. This will reduce the state's ability to manage economic shocks and to provide services to the community in the future.
- This rate of growth in debt is not sustainable and the size of the problem will only increase if not addressed. Immediate and sustained action is needed
- A combination of revenue and expenditure measures will be required.

Currently, the State Service is larger than Tasmania can afford and is growing at a rate that is increasing employee expenses, which already represent approximately 46 per cent of operating costs. This is not sustainable.

- The sale of assets to fund recurrent expenditure deficits is not prudent or sustainable.
- The rate of fiscal repair should aim to avoid negative shocks to the economy in an outlook of global economic uncertainty. Therefore, while regaining fiscal sustainability is achievable, it will be challenging and is expected to take sustained and disciplined action over many years.
- What is clear is that expenditure restraint is required, including through election periods.

It has long been obvious to everyone outside the Liberal Party that without a change of budget management, the Eslake and Treasury predictions of the future financial crisis would become self-fulfilling. That is why, when I was considering my position on the billion-dollar stadium project, I decided to make my vote conditional on the government acknowledging the findings of the Eslake report and the Pre-Election Financial Outlook Report 2025: that the budget is unsustainable and requires immediate and sustained repair, and committing specifically to increasing own-source revenue rather than relying solely on cutting to get the books back on track.

Ahead of the stadium vote I received a letter from the Premier and Treasurer outlining commitments which they reported had been unanimously endorsed by every member of the parliamentary Liberal Party. Those commitments included the government's agreement to increase own-source revenue, by identifying prior to the 2026-27 budget, areas in which additional revenues will be raised and expected amounts of those additional revenues for the 2026-27 budget.

In view of those commitments, I was surprised, to say the least, at the Premier's statements in the state of the state speech ruling out new or increased taxes. It may be a question of terminology, but from my layman's perspective, state taxation is own-source revenue. I sincerely hope that the Premier's statement is not a direct repudiation of the commitments in our exchange of letters late last year.

We are all aware that the hard work is being done now in preparation for the state budget in May. The test will be whether or not the budget meets the challenge laid down by both Treasury and the Eslake report to begin the long, hard task of budget repair. As both Treasury and Mr Eslake have consistently attested, if budget repair is to be successful, it must include additional own-source revenue. As the Fiscal Sustainability Report so graphically demonstrates, we can no longer afford to continue with the government's massive spending splurge without taking action to pay for it. If we do, we will continue to plunge deeper into unsustainable debt and leave a legacy which will severely limit, if not destroy, the financial future of our children and grandchildren.

The Treasurer knows that all too well. This is what he said in the Senate in 2017:

Financial stewardship is one of the most important tasks with which governments and parliamentarians are entrusted. ... Too often governments and parliamentarians, aided and abetted by elements in the media, think that public office is simply about tickling people's ears, getting their votes and spending their money. This is a contemptible, shallow and dishonest approach ...

Government does not have any money of its own - it either borrows it or takes it out of the pockets of our fellow Australians. ... The simple fact is that no country has ever borrowed or taxed its way into wealth. We have to be responsible with our expenditure, and it is absolutely reprehensible when this generation of leadership in Australia seeks to maintain its standard of living at the expense of the next generation, which will have to repay that debt with interest.

I couldn't agree more. It's a disgrace that the government's financial mismanagement has got us into this position we are now facing. It would be an even bigger disgrace if the government chooses to take the easy way of continuing to spend while fiddling at the edges with the budget rather than tackling the problem head-on.

I can remind the Chamber of Treasury's advice in the Fiscal Sustainability Report: immediate and sustained action is needed to reach peak debt as soon as possible and return Tasmania's finances to a sustainable position. If this does not happen, Tasmanians will be faced with difficult ongoing choices about essential services and infrastructure. Budget repair can be achieved through actions such as increasing revenue and reducing capital and operating expenditure, as well as efficiencies in service delivery and productivity improvements.

No single action will be sufficient on its own, and all measures are needed to return the state to a sustainable pathway. In other words, if the government were to persist with allowing the debt to accumulate, and if it persists with removing revenue measures from corrective policy options, it is Treasury's view that it will be doomed to fail. We know what Treasury further warned in the FSR about consequences.

High debt levels also leave the state exposed to economic and financial shocks. Tasmania's financial buffers have been depleted, and the state is poorly positioned to adequately respond to a shock such as a pandemic or a natural disaster.

We are all aware that this is an extremely difficult and uncertain time to be considering the need for budget repair. People are doing it tough, and the fallout from the Middle East war continues to heat financial pressure on struggling families. None of us outside the government sought to put us in the dire position we are now confronting. It was entirely an own goal by government.

But as Treasury has warned, doing nothing is not an option. That would lead only to far bigger issues down the track. The choices we face are all terrible, but in my view, there should be some fundamental principles.

First is fairness. The load must be shared as fairly as possible. That is where I believe the Field government got it right in 1990. Budget repair was shared between raising revenue, reducing spending and delivering efficiency improvements. As Treasury has observed, together with follow-up action by successive governments through the 1990s, that worked. The budget was repaired. We might ask, why change a successful formula?

The other fundamental principle that, in my opinion, should underpin budget repair, is that we must continue to support those who are least able to support themselves. Therefore, one area which must be protected is the government's concessions program. Pensioners and others supported by concessions need our help and should continue to have it.

To come back once again to where I started, people across the board are struggling with the cost of living and the battle has been turbocharged by the sudden rise in fuel prices. We should be helping where we can, and it is my strong view that the federal government should make a contribution by halving fuel excise. This would cut fuel prices by more than \$0.26 a litre.

With fuel prices increasing in some cases by more than a dollar a litre over a little more than a week, inflation outstripping earnings and banks issuing recession warnings, stressed family budgets urgently need a circuit breaker. The federal government has the capacity and, in my view, the obligation to help. They are currently getting a windfall on fuel price inflation because of the double taxation where they extract GST on top of the excise.

The Morrison government had set a precedent by halving the fuel excise as an emergency cost-of-living measure in 2022 that applied for six months. Fuel excise adds \$0.526 cents to the price of every litre added to the tank. Together with GST, it takes billions of dollars from the pockets of motorists every year.

It is supposed to pay for our road system, but the Australian Automobile Association has pointed out that about 30 per cent is not returned to land transport funding. In other words, it is a tax being diverted for general revenue. Given the extent of the current difficulties, it is time for the Commonwealth to give something back and for the \$0.26 a litre to be tipped back into the pockets of the motoring public.

Tasmanians deserve leadership that deals with the world as it is, not as we wish it to be. The Premier offered excitement, Treasury offers warnings, the Premier offered

announcements. Tasmanians need action, and unless this government confronts the hard truth that our budget is in structural crisis, the future we hand to our children will be one of fewer choices, fewer services and fewer opportunities.

I note the address.

[3.40 p.m.]

Ms WEBB (Nelson) - Madam Deputy President, I rise today to respond to the Premier's Address delivered in the other place on Tuesday 3 March. I do so in a state of profound disappointment and frustration. To be honest, many of us here thought last year's effort was a low point, lacking in substance, failing to present a clear agenda, full of boosterism and hollow bravado. Yet here we are again, sadly, we have sunk even further into that same mire this year.

I very much appreciated listening to other members' contributions on the Premier's Address. It's always interesting to see the different ways we approach it and things we focus on. I particularly appreciate those members who focus right in a laser way on the fiscal elements of the situation our state finds itself in. That was an excellent contribution from the member for Huon just now, and I appreciated the detail he went into, as I appreciated yours, Madam Deputy President. We know we can always rely on you to be focused there. I'm not going to be focusing quite as much in that space, although I will mention it in passing.

One of the things that came to mind primarily when I contemplated the Premier's Address was the observation that it was a statement of absences and silences. It's the absences in the Premier's Address which are most telling often when it comes to this government's priorities, looking past the litany of sweeping statements of grandiose and unsubstantiated claims and patting themselves on the back. There's a glaring negative space in this address. The theme of absence or silence, that theme there of negative space, was evident in some key areas. Most centrally, the lack of vision delivered by the Premier in his address was a resounding absence or negative space. The Premier's Address provided very little detail or anything substantial for people to really grab hold of, to actually visualise and be able to evaluate how the government's priorities may affect, let alone improve, things that they care about. I think other members have echoed that somewhat - that there wasn't a correlation between what they hear and observe and feel in the community around them and what was said by the Premier in the words of his address. A real disconnect there.

Critically, I think a responsible government would not only articulate its vision and detail its policy imperatives, but it would also provide a praxis which sets out steps and intended timeframes to get from here and now to the envisaged outcomes. The policy promise plus the implementation practices are the two sides of the one coin, and they're both really important to give the community confidence about the vision and direction of the government that's leading them. Both those elements, the two sides of that coin, are important for good governance. It distinguishes good governance from the flimsy thought bubble approach to policy and governance, for example, which unfortunately we're seeing far too much of.

It would be concerning, I think, at any stage to witness this lack of vision from the Premier regarding immediate, short- and long-term goals and aspirations from his government. But it's even more alarming at this critical juncture that we find ourselves in in this state, particularly fiscally.

The intent and purpose of the annual Premier's Address, as others have mentioned here too and detailed in Standing Orders of the other place, is for the address to be delivered within the first six sitting days of any calendar year, to not only review the past actions of the government of the day, but also to outline the intended future policy and legislative agenda.

Well, on 3 March we listened in vain for any proposed legislative agenda. There was much gazing in a rose-tinted rear-view mirror and lying upon rather withered and crumbling laurels, and a few vague statements of future intent. But the word 'legislation' did not appear once, nor was there any broader reference to a legislative agenda. Fancy being at the beginning of our sitting year, marking out your vision and plan for our state, and not being able to spend one word on stating your legislative agenda and work in progress. Clearly, we do not need more legislation for legislation's sake, I'm not proposing such a thing, but we do need a forward-looking, clearly articulated vision of how that reform is intended to be implemented and on what timeframe. Which comes back to the worrying lack of vision and praxis that the Rockliff government has put forward for us.

The Premier's Address did mention the 'ongoing challenges we face with our budget position', and the need to bring the budget to 'a sustainable footing'. I believe a few eyebrows may have been raised at the notion that the state budget has ever, in recent history, been on a sustainable footing to return to. However, although the address did mention this challenge briefly, it remained silent on any intention to undertake the urgently needed real and structural fiscal reform required to place the state on a firm, long-term financial footing. Apparently, when it comes our current budget situation, we are just going to rely on shuffling the chairs on the *Titanic*.

On one hand, the government will crow about the apparent strong position the state is in economically, while on the other hand it intends to dissolve an entire state department with a wave of its hand, apparently to help fix the mess we're in. While I agree that the constitution of the Department of State Growth was problematic - which, let's remember, was a former premier, Mr Hodgman's, big idea in 2014 - the announcement of its dismemberment was delivered in an abrupt and brutal manner, and it smacks of desperately clutching at action for the sake of being seen to act.

It's worth pausing here to recall that this government has a habit of creating and disbanding departments to look purposeful and busy, I would contend. State Growth, created with fanfare in 2014 as a panacea to all manner of apparent ills, is now being scrapped because apparently it's dysfunctional. There is no explanation of how that assessment was arrived at; it's just busyness for busyness's sake. The department of communities, many will remember, was also created by this government back in 2018 to bring together portfolio areas that had previously been in Health and Human Services as well as in the Department of Premier and Cabinet (DPAC). This was undertaken to break down silos and bring things together that naturally should have synergy. It was then abruptly abolished a mere four years later, in 2022. This was a fairly naked attempt to head off at the pass condemnatory findings that were about to come to light through the Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings. In an eerie echo of the narrative at its establishment, the rationale for disbanding Communities Tasmania was also to - wait for it - break down silos, with its aggregate parts being divvied up, some back to DPAC and others into the newly expanded and named Department for Education, Children and Young People (DECYP).

Shuffling deck chairs - this is busyness for busyness' sake. But wait, there's more. As I said, it's now habitual for this government, which seems to believe it can trick Tasmanians with busywork and thought bubbles, to create bureaucratic entities and then tear them apart a few years later. Another example is Homes Tasmania, which was created in 2022 as a new independent state entity with a skills-based board, taking out of government departments the management of our state's housing and homelessness systems. We were told this was essential to deliver outcomes in this space, that they'd be able to do it much more effectively and efficiently than from within a state government department. At the time, a number of us in this place objected to its creation, including me, and warned that it was not the right model, and that putting these functions at arm's length from the ministerial responsibility where they belong would result in less accountability and worse outcomes for a Tasmanians. Lo and behold, we are now reabsorbing Homes Tasmania, apparently, back into a government department from where it was taken in the first place.

This is nothing short of an admission of complete failure on the part of government. This government's habit of building and destroying our public bureaucracies as busywork in an effort to look purposeful is seriously detrimental to Tasmania. We can have no confidence that these decisions were the result of careful and strategic analysis and consideration of how to achieve best outcomes. It's pretty straightforward. If you did it as a thought bubble and without careful, strategic, well-researched and conceived policy work to guide the decision of what to do and how to do it, then it's doomed to failure.

I believe we can put a safe prediction on the record right here and now that this newest thought bubble, called Building Tasmania, will be an entity of short duration and will be lucky, in my guess, to make it to 2030 still intact.

Back to the immediate impact of dismantling State Growth, the projected loss of 250 FTE positions as part of this major restructure is a huge ask for the community to absorb and serves up a disconnect with other commentary from the government regarding how strong an economy we're experiencing, and how wonderful State Growth has been in developing and delivering that economic success.

You can't turn around having praised State Growth for purported economic success and driving it in the right direction and at the same time then abruptly decide you're euthanising it instead because it has failed to deliver the outcomes that just two minutes ago, you applauded it for.

Let me put on record here and now: I am very pleased to see housing and homelessness broadly being brought back within a government department, but it's clearly being done so in a knee-jerk fashion again, with no clear plan. We don't know what it's going to look like yet. We've announced it. This is *Yes, Minister* territory; this is *Utopia* territory. Make an announcement so that something gets said and looks busy, and then figure out how it's going to work later, even though that's going to be absolutely detrimental to getting good outcomes in this state, utterly detrimental. These are people and people's lives that we're talking about here when we shift these particular deckchairs on this particular *Titanic*.

For example, I'm highly concerned about what will happen to the functions of Homes Tasmania that are not about construction and don't belong in something called Building Tasmania, in particular the housing and homelessness support service system. Those elements are not about construction. They can't go to Building Tasmania. It would be a nonsense to

locate them there, but there is no other sensible home for them in the current arrangements that we have. We don't have a human services department anymore. That was dismantled in 2018 when it was ripped away from the health department where it sat and turned into Communities Tasmania, only then to be disbanded again in 2022 when Communities Tasmania disappeared. No human services department to place those two. No Communities Tasmania left to switch them out to. Housing and homelessness services do not fit with the Department for Education, Children and Young People and they do not fit with the Department of Premier and Cabinet. Where will they go? To the Department of Natural Resources and Environment perhaps? I don't think so; this is highly concerning.

When we decide where we're going to put these particularly important services for the most vulnerable people in our state who are at the extremity of need, facing homelessness or experiencing current homelessness, for example, we absolutely have thrown them to the wolves by having a thought bubble announcement about a fundamental change to the bureaucratic architecture that they sit within and no clear plan whatsoever about where they're going to be located. It is shameful.

Similarly, I'm concerned about where climate change will go. Where will creative industries go? Sport? Where will visitor economy go? All these things that sat within the mega-department of State Growth when it was cobbled together back in 2014 - where will they all go and sit? They could go through the same litany of current departments and we could decide in relation to all of those, there's nowhere for them to go. You know what this means: as well as the manly name of Building Tasmania being created, we're going to have to come up with another department to park all of these other what, presumably, in terms of the government's priorities, are just miscellaneous concerns in this state.

How can we interpret them as anything else? According to this government, these must all just be miscellaneous concerns that can be cast about and parked wherever we find there's a convenient spot for them. Let's just call it the Miscellaneous Department and chuck them all into that, shall we? Because as far as this government's priorities go, from what they're demonstrating, that's the only credence they give our housing and homelessness services, our creative industries, et cetera. Climate change - God knows where that's going to end up. We don't have a minister properly responsible for it anymore, so why would we need a department? This is beyond frustration. I'm angry about this and I think many, many Tasmanians will rightly be angry about this, too. It's disgraceful.

One final comment on this particular matter. A key problem with this random creation and destruction of government departments and entities is disruption to accountability. Tracking policies, funding and responsibility becomes well-nigh impossible when you shake the kaleidoscope every few years and move things about. Specifically, tracking funding in budget papers is completely disrupted by this sort of activity occurring every few years. The obfuscation resulting from this government's habitual cycle of creation and destruction is not hard to see as an intended design feature of this chaotic busywork from this government that has run out of ideas and lacks the vision or the drive to pursue one.

Do we have a quorum, Madam Deputy President, just to check?

Madam DEPUTY PRESIDENT - All good.

Ms WEBB - I'll continue. The government finds itself undertaking such policy and PR contortions with these random announcements because it's hyper-allergic to being fully honest and transparent with the community. The Premier's Address is silent on any genuine intention to place community at the centre. Bizarrely, you could be forgiven for walking away from the Premier's Address feeling as if you're being told, 'All good here; nothing to see; business as usual, but, by the way, a few of you are going to lose your jobs. Quite a few of you, actually, but thank you for taking one for the cause.' And you're told that without that cause being fleshed out in any detail, and there's certainly no encouragement for the community to feed into, engage with, and assist in shaping that cause. When you're not prepared to be honest with the community, you cannot genuinely engage with them and bring them along on the journey to shape the future of our state. That's what this government is failing to do in its failure to be honest with the Tasmanian people.

The attitude is prevalent across a whole range of areas: genuine consultation practices, absent; areas of integrity and accountability, absent; also in the area of budget reform. For example, the government proudly announced last year its intention to establish a government business charter in partnership with peak business groups. Great idea. Well done. Where's the equivalent government community sector charter developed in partnership with the peak community and social justice groups? Where is it? Where's the actual engagement with community that isn't just about business and the mates that you probably have drinks with at the footy on the weekend? Where's that? Where's the people out there in the community who don't have the deep pockets to make donations and hobnob with you when you're running for election? Where's that engagement? Silence is the answer to that. No answer. The urgent need for the recognition of a viable community services sector is lost in the negative space of this Premier's Address.

By the way, our economic circumstances are still heading south, well and truly, as others here have very clearly articulated. We're going to have massive layoffs imminently from the public sector. Cuts to government services have been telegraphed for the very near future. We are on a pathway to supercharged demand for our community services sector. Our community services sector is about to be slammed, smashed in fact, at a time it had already sounded the alarm on the unmet need and a workforce and service provision pushed to breaking point. The budget will reveal the full brutal reality of the expected cuts to the community services. I know some in that sector strongly fear that their organisations are facing severe cuts. Some of them are saying they fear cuts up to 40 per cent. If that is what transpires, and we'll see when we come to budget time in a couple of months, but I assure you, if it's anything like that, the results for our state and for the key outcomes of important areas of our state - our health, our education, our employment, our economy - all of those outcomes will suffer because of the pressure we put on our community services because they are our safety net. They are our community builders, they are the ones Tasmanians turn to in times of need and, boy, are we going to be needing more as we face the future under this government on the trajectory they've put us on.

The other key but missing government commitment to the community, in this speech, is the glaring absence of anything related to the Tasmanian Aboriginal community. I was shocked and disappointed at the Premier's silence on the pressing matters of reconciliation, truth-telling or treaty, but maybe that silence is, is at very least, an honest representation of the lack of prioritisation, the lack of commitment or care the government has on this matter. If they bothered to say anything about it, we could perhaps refute such an idea. I hope I'm wrong, but the silence is deafening. We know that in May last year, the government paused progress on a formal treaty, instead stating that it would first prioritise truth-telling. Well, here we are, almost

a year later and the Premier does not see fit to provide an update on the truth-telling process in his supposed agenda-setting formal address to this parliament. This is more than disappointing; far beyond it, in fact. I believe it's inexcusable and it's shameful, and I reiterate, as I regularly have in this Chamber, that it is inexcusable that the Premier does not hold the portfolio responsibility for Aboriginal Affairs. Given that the Premier has jettisoned all other portfolio responsibilities to devote his time to holding together his minority government - potentially with bailing twine and string or whatever the expression is - it would be an important and salutary gesture to bring responsibility for Aboriginal Affairs back to himself as Premier, where it should rightly belong. I'm not going to hold my breath on that one, though.

There were other glaring silences, further large areas of policy negative space, some to mention - we're not going to be able to go through all of them though, of course, but I particularly want to mention the climate crisis: the increasing risk our state faces from extreme weather events, and the 'just transition' challenge that we face in our community, where inequality is already described as creating two Tasmanias. Another significant area of policy given no further mention: the Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings' recommendations and reforms, nor the urgent need within that context to focus on youth justice reforms.

While we hear a lot, a lot in fact, about construction and things that require high-vis - we hear a lot about that aspect of housing supply, but the silence is deafening on defining and prioritising sufficient, accessible, affordable social housing and, particularly, addressing the catastrophic failure of our private rental market, the urgent need for reform of our *Residential Tenancy Act* to better protect tenants who have never before - I say never before - been so vulnerable, powerless and massively at risk of freefalling into homelessness in the current state of our private rental market. Vacancy rates have been below 0.5 per cent here in Hobart for an extended period of time now and, just to remind members of the stats and the research of it, we know anything less than a 3 per cent vacancy rate is market failure in a private rental market. We have been under 1 per cent for years now, I believe, nowhere near 3 per cent in any of the time that I've been in this place. That's how badly this government, which has been responsible for this area since 2014, has failed Tasmanians when it comes to housing, especially the growing proportion of Tasmanians who are in the private rental market.

There was further silence from the Premier on 3 March on when the parliament and the community could expect the government's formal responses to either of two key reviews that had been done: either the independent Snell and McCormack RTI review or the pivotal independent Woolcott Review report volumes 1 and 2 into the actions that were taken in response to information and concerns raised by the commission of inquiry. These are really important review reports.

Since then, as we know, we did suddenly receive, on Tuesday morning this week, the government's response to the independent Snell and McCormack RTI review. Maybe I need to flag my intent to debate my motion no.8 currently on the Notice Paper, noting the Woolcott review's findings and recommendations, and that may prompt another 6.00 a.m. media release on the day of debate with the government's response to those reports attached. Maybe that's the only way we get this government to respond to key important reviews with important recommendations that should be seriously considered for structural reforms. But it shouldn't require such pulling of teeth and such political games.

The Premier's Address could have provided the expected timeframe for the provision of the government's formal response to both of these significant policy driving, governance shaping, independent reviews. That would have been a respectful and reasonable thing to include. These silences, speak volumes. They are silences that actually shout out across the public policy void which sits at the heart of this government. They tell us who matters to this government, and, with crystal clarity, who does not matter.

Mr President, welcome back.

I will now move on to sharing some thoughts on how we could fill some of that negative space. It won't be exhaustive, just some things I would like to touch on in my response today. The focus of this needs to be about how we value community priorities and how we seek to bring people along with transformative change.

We hear a lot lately of communities and public discourse becoming more divided and fragmented. The spectre of community division is frequently pointed to nationally and locally by those who wish to dog-whistle and exploit underlying fears, and those who are concerned about where we're going as a society. History also tells us that people can be at their most vulnerable either to being susceptible to rhetoric of hate and division, or being at risk of victimisation by such rhetoric, when times get tough.

We know we're facing a budget crisis. We know we're in a terrible fiscal mess. We know that Tasmanians from all walks of life may experience increased costs and financial challenges and other related constraints over the next few years. In this regard, I fear the state has not really learned the lessons of the COVID-19 pandemic, that if we do not proactively and transparently seek to ensure that people are not left out or left behind, the disparity between the haves and the have-nots will only grow and fester.

The Premier warns in his address:

The increase in government investment that saved us from economic devastation during COVID cannot become baked into our budget.

I would counter that by stating we cannot risk hard-baking inequality and intergenerational disadvantage into our social fabric either. People warned at the time via submissions to what was the then premier Gutwein's Premier's Economic and Social Recovery Advisory Council - people might remember that in the deep, dark past - and elsewhere, against boosting only one sector or a select area of our economy, the main one being construction, for example, against putting all our eggs in the one basket. But those warnings were not heeded. That's exactly the path we've gone down under this government.

The opportunity to restructure our financial base during the post-pandemic rebuild, as it was framed, was missed. Instead, we saw election after election where it wasn't the COVID spending that was bankrupting our state. It certainly wasn't that, and we know that from Saul Eslake's review and reporting. It was government election spending promises. It was them being prepared to put hands in the pockets of Tasmanians, to use public money, to basically buy votes. Shocking. How dare the Premier suggest that the COVID spending that was required to keep people safe and keep our economy moving in that very urgent time, how dare he suggest that's the thing that might be then bankrupting our state, when in fact it was his absolute desire to hold onto power through elections?

But we did see glimmers during that COVID pandemic time of what a 'caring community at the centre' approach could deliver. During the pandemic we saw that when there was a policy imperative, for example, we could provide housing to Tasmanians, we could push back on homelessness, for example. We saw people encouraged to be innovative in a collaborative manner to keep local businesses going or even to drive the establishment of new styles of businesses. Nobody wants to revisit the pandemic and that is not what I'm suggesting. Instead, what I'm pointing to is that there were important lessons experienced during those difficult times which we should be ensuring are not lost while we face the current crossroads before us.

Therefore, I believe it would be a significant move to reinstate a role in this state that's focused into this space - a Tasmanian equity and inclusion commissioner, for example.

Some members here may recall that in 2008, Professor David Adams was appointed the state's inaugural Social Inclusion Commissioner, who, during his tenure in that role, developed Australia's first ever state cost-of-living strategy and also a social inclusion strategy for Tasmania, which was released in 2009. That groundbreaking social inclusion strategy presented 10 action strategies for Tasmania. It highlighted the importance of shifting from a deficit to an assets model of people and places. It was community centric in the best sense of the word. It included things like this: promoting enterprise solutions to build capacity and sustainability for groups and places, devolving responsibility locally as much as possible through a focus on place management, supporting families in communities to have greater choice and responsibility over their futures, and changing the way government works. Mr President, that sounds to me like a sound priority framework which would be absolutely apt and appropriate for consideration, highly relevant for the here and now.

The government does not need to look too far for initiatives for progressive and reforming legislation. We can give them plenty of suggestions if they've run out of ideas themselves. I again highlight the necessity of our state instituting a Tasmanian human rights act.

This Chamber has passed at least two motions supporting the implementation of the Tasmania Law Reform Institute's recommended Tasmanian human rights act. The TLRI has done the bulk of the research and work. It would be an investment in strengthening our equity and inclusion framework with leadership demonstrated from the top down; it would become a really good touchstone for measuring how we're protecting our community and their rights while we attend to the challenges we face across a range of areas.

When discussing the risks of intergenerational inequities when we're facing an urgent budget crisis, I do find myself coming back to the need for a rigorous independent mechanism to identify and advise on a coherent package of immediate and long-term structural fiscal reforms to address the dire state of our state's finances. I feel like a stuck record in this regard, as do other members in this place, because there's a lot of good intent, certainly in this Chamber, of ideas and thoughts on how we could move forward in a more collaborative way, with evidence-based, expert-informed agreement on how we can address the challenges we face fiscally.

Clearly the Rockliff government is congenitally incapable of being honest about the financial mess it has created and stuck in that fog of persistent denial; it cannot map out an effective way forward. That has been demonstrated now yet again with this address, and I believe when we get to the budget in May, this is something we'll be talking about also.

Treasury, in its Fiscal Sustainability Report, and others, have talked about this in much more detail. I will mention it briefly. That report, released last month, could not be more categorical. Without corrective action, debt will balloon massively, debt servicing costs will take a huge slice of our budget, and all government services will suffer egregiously. We have a short window, that report tells us, of a few years to put corrective actions in place and avert the otherwise inevitable financial disasters that lie ahead. The Treasury report plainly lays out that all available policy levers must be pulled, and we cannot rely on growing the economy only to get us out of this mess.

I also feel even more strongly that I have a responsibility, as do others in this place, to keep reminding this government that if they cannot bring themselves to make responsible decisions and hard choices, there are other ways to ensure we do undertake the necessary fiscal structural reforms. Moreover, we should do that in a way which ensures any funding cuts or taxation reform are discussed and delivered in ways that are transparent, equitable and fair. I reiterate again today one idea only in previous calls I've made in this place, an option that could genuinely tackle this challenge. We could have an independent expert panel or mechanism be established by the parliament which reports to parliament, and that panel would be tasked to undertake comprehensive analysis of state finances and the fiscal framework. It will be charged to test whether our current taxation base and mix is most suited to supporting a modern and intergenerationally equitable fiscal framework and then make immediate and long-term recommendations regarding structural reforms to address this. This would take into account our social, ecological as well as economic demands and futures. Importantly, such a panel - similar potentially in nature to the expert independent energy panel that had previously been established under the Labor-Greens minority government of 2010 - would publicly consult and provide the opportunity for the community to participate in and shape the eventual outcomes.

Let's face it, it is the Tasmanian community - the public sector workers, the students, the small-business owners, the educators, just to mention some - who will have to live with the budgetary challenges and choices that we have before us. Importantly, such an expert independent panel undertaking this work would help reassure people that any budget reform decisions made, no matter how unpopular, are evidence-based and are not ideologically driven or driven through political self-interest - something which many Tasmanians do not feel confident about currently when it comes to decisions being exhibited by this government.

Apparently, we are set on a course to address current and looming debt via an in-house strategy of not rocking the boat of corporate mates and big business while telling other Tasmanians to accept random public service cuts. Based on what assessment? We are not informed. Community service cuts and God only knows what else is coming down the track at us because of this government's congenital inability to be honest about the state that they have driven us to.

The government's cut to manage debt without addressing revenue shortfalls approach is just populism. It's because they can't make hard decisions. They refuse to do anything that might jeopardise the death grip they now have on power in this state. It cuts corners and avoids the real hard work necessary. It's utterly irresponsible. It's based on political self-interest and serving vested interests while failing to faithfully serve the public interest for Tasmanians. What we are guaranteed is that the inevitable harm felt by Tasmanians as a result of this approach will not be shared equitably or with the necessary buffers in place to protect those who need it most.

As the Premier's Address did mention the government's budget approach, I do want to take this opportunity to highlight the government's responsibility and imperative to provide a genuine and comprehensive gender budget assessment as part of this year's state budget. I take this opportunity to place on the record here that the gender equality and impacts on women, girls and gender-diverse Tasmanians must be firmly in the centre of budget decision-making processes. By that I mean a comprehensive state budget gender impact statement must detail how any cuts to services, funding or jobs have been assessed for potential impacts on women, girls and the gender diverse.

On International Women's Day, I asked: how many of the announced, for example, 250 jobs to go at State Growth will impact female employees? How will any changes to services provided by State Growth impact upon women and girls and the gender diverse? Where is the plan to manage those impacts? I haven't received any indication of an answer to that.

Assumptions that budgetary policy decisions are gender neutral are wrong and dangerous. We know policy assumptions can result in people being impacted differently or disproportionately due to their gender, which can be further compounded by other characteristics such as race, religion or disability. That's why rigorous gender budget impact statements are necessary to help expose any assumptions, highlight potential risks of perpetuating current inequalities, and identify unintended consequences and impacts. Government is on notice. There's no justifiable reason for this not to be delivered.

While still taking a holistic and intergenerational approach here, another glaring omission from the Premier's Address is any mention of tackling the climate crisis, as I mentioned briefly earlier. This deafening silence demonstrates an extraordinary disconnection between government priorities or big-build obsessions with the world around us. This summer has seen temperatures escalate, particularly interstate, where for seven or eight days straight, interstate temperatures were around 45 degrees or higher. There were instances in other jurisdictions where people were collapsing waiting at bus stops and in some cases dying of heat stress. Public notices ran on radio, TV and across social media, detailing public libraries and other community facilities which were remaining open after hours to provide some temporary refuge from the baking heat for those suffering homelessness. But the wildlife had no escape from the baking temperatures. Animals were dying of heat stress and birds were falling out of trees.

While Tasmania may not have experienced that degree of summer heat, currently we have areas of the state on water restrictions. Long-term weather forecasts predict a dry winter. These changes pose immediate, daily and long-term challenges for our biodiversity, the health of our waterways, and our marine and terrestrial environments.

There are also very real consequences for people's livelihoods, and for everyone just going about their daily lives. Climate justice must be interwoven with the state's key policy priorities, and when we seek to address systemic, socioeconomic and intergenerational inequalities, we must have climate justice at the heart of how we do that. Not everyone can afford an air-conditioned private car to get to work during a heatwave, hence why people were collapsing at bus stops on the mainland. That's an example of the inequitable impact of climate change, which climate justice seeks to recognise and address.

Health, emergency services and community sector organisations are reporting how heatwaves, fires and floods result in a spike in domestic and intimate partner violence, another

example of environmental stress having a direct correlation with increased human stress. Climate justice means not only putting equity and human rights at the core of decision-making and action on climate change, but in other policy areas as well. Yet the concept of climate justice appears alien to this government. Time prevents me from going into further detail here, so I'll reiterate that we urgently require a climate justice lens on both our budget repair measures, as well as holistically across our general policy framework.

Another deafening silence in the Premier's Address was the need to strengthen our integrity framework. A meaningful legislative agenda from the government could easily include a legislated lobbyist register, introducing truth in advertising measures as part of our electoral funding framework, as well as addressing the current administrative funding inequity within that framework between the two Chambers of this place. The government continues to thumb its nose at long-outstanding calls for reforms from a range of the state's independent statutory oversight entities. The Tasmanian National Preventive Mechanism (TNPM), which is required under international obligations, has released two implementation reports, one in 2023, the other in 2024, providing 12 key recommendations detailing the necessary structural measures required to establish an independent and accountable office that is most suitable for Tasmania, that would be best placed to prevent torture and ill-treatment, designed to complement and work with existing oversight bodies, engage actively with civil society and ensure appropriate parliamentary scrutiny of its activities.

It's all mapped out in those two implementation reports. Despite this Chamber passing a motion for these 12 implementation recommendations to be adopted by government, all we have heard back is silence.

In the interim, Tasmania is at risk of non-compliance with our actual state act, the *OPCAT Implementation Act 2021*, and with our international obligations that it relates to. Thumbing the nose and giving the cold shoulder to our independent statutory oversight officers is at risk of becoming the norm under this government. We have seen recommendations, whether for structural reform or funding reform, repeatedly ignored, whether they come from the Ombudsman, the Integrity Commission, the Custodial Inspector, the TNPM, the coroner, the list goes on. While it's easy to simplistically dismiss these calls along the line that 'not everyone can receive everything they ask for, particularly in light of the current financial constraints', the fact is that by strengthening our integrity framework, we are actually investing in better-quality decision-making, and better outcomes from that decision-making. Investing in a stronger integrity framework is also an investment in a robust democracy, a safer community, and in building public confidence and trust.

In relation to the Office of the Ombudsman, I again reiterate the need for the government to commit to boosting that office's annual funding by \$1.5 million over the next three years as a minimum, in accordance with recommendation 41 of the independent RTI review we have previously discussed in this place. I also take this opportunity to restate my call for an immediate moratorium to be placed on the staff and resource funding for all our independent statutory officers in light of the government's expected budget cuts. They should not be the target of budget cuts. In fact, to go one step further, an important integrity and legislative reform the government could and should have made and announced in the Premier's Address was to commit to instituting an independent mechanism to determine appropriate funding levels for our key independent statutory oversight officers and bodies.

The purpose of this, an independent mechanism to determine funding, is to depoliticise budget decisions on the funding of our statutory entities. It is to buffer them from ideologically driven death by many cuts of any particular government of the day. Other states are moving in that direction and it's one that we should emulate here. I also note the current review of the ministerial diary disclosure process - finally, action by the government late last year, after only three of my motions in this place calling for it being passed.

While unnecessarily delayed due to that disrespect shown to an affirmative vote passed by this Chamber, it's heartening to see the public submissions that were made late last year and here, just by chance from the Leader in an earlier debate this week, that it is apparently the intention to reduce the public release timeframe from the current quarterly basis to monthly. That would be a significant improvement, but it shouldn't be the only one.

I look forward to hearing more detail about further improvements that will be made to the ministerial diary disclosure scheme as a result of the review from late last year. Again, a missed opportunity; the Premier certainly did not make any reference to that in his speech.

On the face of it, the belated focus on arts and creativity in the Premier's Address is welcome. However, I cannot help but concur with the member for Mersey's comments on this matter in his contribution, which I thought was an excellent contribution. I'm pleased he highlighted this area of the arts. It is all very well to trumpet intentions to champion the arts in a new strategic plan for example, but we have to look at previous performance to best predict future outcomes. This government, under this premier, has seen a steady decline in supporting investment in the arts. For example, as the member for Mersey pointed out in his address, we are seeing the oldest professional theatre company in this state, the Tasmanian Theatre Company, and Mudlark Theatre Inc. having to close, as they say explicitly, due to a lack of government support. Now, that's just disgraceful and it is only one of many examples we could point to. It is a case of far too little, far too late when it comes to apparent support for the arts.

Indeed, the sentiments expressed by the Premier in his address look like little more than a belated scramble to deflect criticism of the latest blow to our state's arts communities. The government has been stripping arts and screen courses, of course, from our TasTAFE just since late last year, abruptly, out of the blue, stopping those courses that were a key pipeline for people's employment and engagement in those areas.

Ms O'Connor - Yes, but we got the Foo Fighters instead. Subsidised. Sorry, I mean, I know -

Ms WEBB - Don't get me started, member for Hobart. We know I've been here for a while already. Those were disgraceful cuts to our TasTAFE programs. Just because you don't wear high-vis when you make art doesn't mean it doesn't matter.

Ms Forrest - Well, you might.

Ms WEBB - Well, you might. Well, actually, maybe if everyone made a point of doing that in this state, then it might get attention.

Ms Forrest - And a hard hat as well.

Ms WEBB - Maybe that will be in the strategic plan the Premier talked about when it comes to the arts: a requirement to pop on the high-vis and the hard hat and the steel-toed boots and they will be right. You can still play instruments, you can still lift up a paintbrush when you are wearing high-vis.

Ms Thomas - It will fit into Building Tasmania then, too.

Ms WEBB - It's late in the day. I'm nearly there, so on we go.

Mr PRESIDENT - No, I'm having a great time.

Ms WEBB - Having given such a prominent promotion to his intention in the art space, many will be looking keenly for there to be genuine and meaningful delivery by this premier on his apparent support in the upcoming and future state budgets for the arts sector. We will be keeping a keen eye on that. It had better be more than token, I tell you that, because there's a lot of ground to make up for when you think of what hasn't been there in the time that this government has been in power in terms of support for the arts.

In summary, listening to the Premier's Address felt like being taken through a hall of mirrors. It was a hall of opaque shadows disguising potentially sharp corners and deep cracks in the floor. Quite frankly, a hall with the brief reflection of the government congratulating itself for itself rather than seeking to reflect back to the community the broader range of values and priorities which concern them. It is a meandering hall, though, worryingly aimless, directionless when it comes to investing in and building social inclusion, cohesion and equity. The lack of vision was stark, and the lack of progressive and reforming legislative agenda articulated was absolutely telling.

Instead of ensuring this annual priority report provided a clear map of where the government intends to go, how it intends to get there from here and, most importantly, how it intends to ensure no Tasmanian is left behind during that transformative journey, we were presented with predominantly rehashed self-congratulatory rhetoric.

In fact, there was a very troubling and disconcerting sense of being told on the one hand we have been too spoilt really in the past and we need to wind back some of our spending, but on the other hand, nothing to see here, everything's fine, we're strong and good. Apparently, it's an exciting time to be Tasmanian, but best not to look too closely at exactly what might be happening to the Tasmanian services that we all rely upon so fundamentally.

In my mind, this appears to warn that we need to brace ourselves for more of the same thinking that has led us to this current situation - a situation largely defined by the large budget and fiscal storm clouds that are no longer on the horizon. They are here, they are hanging over us as we speak. Some Tasmanians may have access to the necessary infrastructure and supports, they can shelter under and weather that storm, but there will be many, many Tasmanians who do not have access to that same support and shelter.

It is unclear to me that the government has a plan to ensure that all Tasmanians have the capacity to weather this storm. They certainly have not articulated as such and so it is with a high degree of alarm that I note the Premier's Address.

[4.32 p.m.]

Ms PALMER (Rosevears - Minister for Education) - Mr President, it's lovely for me to have a guest in the Chamber this evening - my husband Andrew, who's come down to drive me home. I feel very spoilt.

As the Minister for Education, Minister for Children and Youth and Minister for Disability Services, and, of course, as the member for Rosevears, it's my privilege to stand today and to speak in reply to the Premier's Address.

I reflected on this last year, but it bears repeating because it is the driving force behind everything I do. With every decision I make, I ask myself a simple question: how can I make a difference for Tasmanians, for our learners, for our teachers who guide them, for Tasmanians living with disability and their loved ones, and for our most vulnerable children?

Like our Premier, I am ambitious about where we are heading and I'm proud to work alongside him to ensure Tasmania continues to be the very best place to live, to work, to invest and to raise a family.

I firmly believe that not only as a minister but as a local member and frankly, simply as a human being who is always striving to understand, to grow and to learn. We can only achieve that by getting out into our communities, by listening, by engaging and sometimes by having the tough conversations.

Those conversations are best had where our communities live, work and play, whether it be Summerhill or Sorell, Riverside or Rokeby, from Devonport to Dover, I continue to spend time meeting with Tasmanians, hearing their experiences and learning from the very people we are here to serve.

As Minister for Education, my more than 150 visits to schools, colleges and Child and Family Learning Centres across the state have been about listening and about aspiration. I've heard directly from our students, teachers and support staff about the future they want to build.

In his state of the state address, the Premier highlighted our focus on building strong foundations in reading, writing and numeracy to ensure every child has the strongest possible start. Our \$12 million investment to strengthen literacy resources in schools is already delivering results. Through the minimum schooling guarantee, we are ensuring evidence-based teaching is a right, not a privilege. The results are already proof of what's possible: year 1 phonics achievement has climbed to 57 per cent in 2025, with some schools seeing a breathtaking 30 per cent jump in performance. Our progressive assessment tests, or PAT, also show encouraging progress across prep to year 10. In 2025, student achievement in reading increased by 1.3 percentage points compared with 2024. Every gain matters. We're not stopping there. By 2027, every primary student will benefit from a dedicated hour of structured numeracy, daily.

We are taking the success we've seen in reading and mirroring it in maths, ensuring our kids are ready for the high-tech, high-growth jobs of tomorrow. Many schools are already doing excellent work, and this initiative is about ensuring consistency across the system so that every student, no matter which government school they attend, has access to the best teaching.

We know a hungry child cannot focus on a bright future. That is why our healthy school lunches and our \$6.5 million partnership with Variety Tasmania Breakfast Club are so vital. We are fuelling the bodies and the minds of our next generation. I have proudly sponsored the Breakfast Club at Summerdale Primary School since becoming the local member. It remains a highlight of my calendar when I can dish up a cup of Milo or a few slices of toast to students, served with a fantastic side of wonderful chats, which is always my favourite part. I also have the privilege of attending Riverside High School to launch our partnership with Variety. It's always a site to behold to watch just how much teenagers can eat in the morning.

Of course, we also understand -

Ms Rattray - Don't you see that at home?

Ms PALMER - Yes, I do. It costs a lot. It is lovely to see it at my old school. They have apple juice, orange juice and blackcurrant juice, and they have yoghurts and muesli bars. You see the kids pop a muesli bar and an apple in their pocket ready for their morning tea. It's really beautiful.

We also understand that supported, healthy and connected students need teachers who are safe and supported in their work environments. When a school feels safe, it becomes a place where big dreams can take root. Our School Staff Wellbeing Response Team was the first initiative of its kind and it has been well received by schools. The focus is now prevention.

The Violence in Schools Action Plan identifies five key priority areas to guide work over the next three years, including increased training for staff, targeted support through learning and support hubs in two primary schools, professional learning networks for approximately 20 schools and improved flexible learning options for students who might struggle in traditional classrooms. This work was developed in consultation with school leaders, unions and staff with lived experience, ensuring it is a system-wide response to better protect school staff across Tasmania. Importantly, it delivers practical actions that can be implemented immediately while also laying the foundations for long-term change.

I was pleased to stand next to Mat Grining from the Tasmanian Principals Association, who was supportive of the plan. I was also really pleased to hear from one northern school principal who was so excited about the changes this action plan presents for his school community.

We've already strengthened our early-career teacher induction with new staff receiving information on behaviour management, incident reporting and safe intervention strategies from their first day this year. We've also established professional learning networks with staff attending targeted professional learning on de-escalation strategies and trauma-informed practice this week.

As part of our recent teacher agreement offer, we have proposed an additional 8.6 FTE to implement the Violence in Schools Action Plan, and additional senior staffing across 29 identified schools, including 7.4 FTE assistant principals and 4.4 FTE advanced skills teachers, and establishment of a statewide school psychological assessment hub with an additional 7 FTE dedicated to school psychologists to reduce those long waiting lists, increase equity of access and free school-based psychologists for core early intervention and wellbeing activities.

One of the most precious commodities our principals and teachers have is time - time to spend with our students, time to teach and time to inspire. We've been working really hard to give our educators time back through making school time count. This work focuses on practical changes such as stopping unnecessary administrative tasks, simplifying processes, and improving the way central systems operate so they place less demand on schools. Since 2024, we've reduced administrative requests through principal matters by 22 per cent and slashed non-attendance red tape by nearly one-third. Those precious hours can now be spent in schools mentoring and leading.

Our record investment in school infrastructure is physical and tangible evidence of our aspiration. Capital works in schools are not just about buildings, they're about opportunity. Modern classrooms, safe facilities and well-designed learning environments give every student the space they need to learn, grow and succeed.

When I opened the \$11 million redevelopment at Exeter High School last week, I didn't just see new classrooms, I saw a gateway for future farmers and scientists and creators.

From an \$11 million hub to a \$20,000 library upgrade at Howrah, we're showing our students that we believe they are worth the investment.

Our brand new Brighton High School and Legana Primary School: I had the privilege of visiting both schools one year after they opened, and it is clear that the foundations they have laid, both literally and figuratively, are already creating the launchpads for the next generation of Tasmanian leaders.

For too long, year 10 was the finishing line that held back many of our bright young minds, particularly in our regional and rural communities. By extending our government high schools to include years 11 and 12, we fundamentally changed the story of education in Tasmania. By removing the hurdles of travel and distance, we're giving our young people the choice to stay local or attend one of our senior secondary colleges. We have brought senior secondary education to the doorstep of every Tasmanian student. By 2023, over half of prospective Tasmanian year 11 students lived within 2 kilometres of a senior secondary school, up from only 20 per cent in 2015. There are now over 1100 students attending years 11 and 12 at their local high school who might otherwise have walked away from education after Year 10.

We're seeing more students than ever pursuing vocational education and training and school-based apprenticeships right in their home communities, gaining the hands-on skills that our economy desperately needs.

The Tasmanian Liberal government has maintained a clear focus on the early years, recognising that the strongest outcomes begin long before a child walks through the school gates. Tasmania has led the nation through initiatives such as Working Together, delivering free, high-quality early learning for vulnerable three-year-olds in partnership with the early childhood sector. Programs such as Early Learning for Three Year Olds take a place-based approach delivering support where it's needed most. Trial sites have been established in communities with limited early childhood education and care options, including Fingal, Cape Barren Island and soon Zeehan.

We've also invested \$24 million to build three new Child and Family Learning Centres (CFLC) in Scottsdale, Smithton and Longford. Through the Building Early Education Fund,

we worked with the federal government and secured \$25.5 million to build six new Early Childhood and Education Care (ECEC) facilities across Tasmania on government-contributed land alongside our own \$5 million investment in a Huonville childcare facility.

We're also establishing a permanent CFLC outreach service in the Huon Valley region, and that's backed up by a \$3 million investment to upgrade facilities.

Our \$4.5 million Early Years Workforce Development Fund includes support for up to 200 scholarships for students entering the sector, and we're also supporting rural and regional communities with relocation and retention incentives for early childhood educators in areas such as King Island, Flinders Island and the west coast.

Then there is out-of-school-hours care. Any working parent knows school hours don't exactly match our working hours, which is where outside-school-hours care becomes necessary. We have listened and we are investing \$10 million to support primary and district schools to establish new on-site outside-of-school-hours care services in areas of need.

As the needs of the community evolve, so does the response of our government. That's why we've worked incredibly hard with the Latrobe Council and Lady Gowrie, to ensure families would not be left without crucial child care in the region following the closure of a local facility. We committed \$200,000 to the new facility; I have advocated strongly to the federal government for its support and I was thrilled when it made a commitment of over \$300,000. The service opened last month. We know there is more to do as we continue to improve access to high-quality learning environments for all Tasmanian children and families, regardless of where they live.

Following the 2025 election, I had the opportunity to take on the role of Minister for Children and Youth and I take this responsibility incredibly seriously. Our youth justice system is undergoing significant reform through delivery of commission of inquiry recommendations and the Youth Justice Blueprint 2024-2034.

We are investing \$156 million over the forward Estimates to build a new youth justice facility designed to provide therapeutic support in a home-like environment. In the meantime, we continue to invest in the Ashley Youth Detention Centre to ensure it remains open and safe.

Encouraging outcomes are also being seen through our \$51 million Strong Families, Safe Kids reforms and we're investing a further \$15 million over two years in out-of-home care services, building on \$120 million allocated over four years in the 2024-25 budget.

In July 2025, we announced a \$4.5 million workforce package, followed by national recruitment campaigns to strengthen frontline staffing. During the election we also committed to increase the base support rate for foster and formal kinship carers. We are delivering on that commitment through \$2 million in the 2025-26 budget to provide a temporary uplift in payments while further reforms are developed in consultation with carers and stakeholders. I've had the privilege of meeting many of the staff working across child safety and youth justice. They operate in such complex and challenging environments and yet, their dedication to supporting children and young people is extraordinary.

Last year, I had the great joy of attending and addressing the Speak Out conference in Devonport. It's always one of my favourite events of the year. During the conference the room

erupted in applause as attendees acknowledged the *Disability Rights, Inclusion and Safeguarding Act 2024*. Our nation-leading act commenced on 1 July last year and the work has not stopped as we continue implementing measures to ensure Tasmania is truly the safest and most accessible island for people with disabilities.

One of the key measures under the act was the appointment of our inaugural Disability Commissioner, Catherine Whittington, who began in the role in May last year and has hardly drawn breath since. She has already undertaken key reporting work, appointed staff and established a new office space on Collins Street in Hobart, which was officially opened by the Governor, Her Excellency the Honourable Barbara Baker AC, in November. I had the privilege of visiting the premises just a few weeks ago, and I was truly impressed by the accessibility of the space for staff and visitors alike.

I would also like to acknowledge the important work of our Senior Practitioner, Marita O'Connell. The senior practitioner plays a critical role in protecting and promoting the human rights of people with disability by authorising, overseeing and reporting the use of restrictive practices by disability service providers in Tasmania. Since the commencement of the *Disability Rights, Inclusion and Safeguarding Act* on 1 July last year, the Office of the Senior Practitioner has engaged extensively through the disability sector, providing education on the new definition of restrictive practices, the authorisation process and the regulatory role of the office that includes supporting the sector to strengthen positive behaviour support and ensuring appropriate compliance and oversight.

We are also in a period of significant reform in the disability sector. In recent months, there has been considerable discussion about foundational supports and Thriving Kids. Earlier this year, the federal, state and territory governments all agreed that Thriving Kids, the national system of foundational supports for children aged eight and under with developmental delay or autism, and their families, will commence operations in July 2026, with full rollout expected by January 2028. I know there's been a lot of uncertainty in the community about these reforms and I want to assure parents and caregivers that the Tasmanian government remains committed to a disability support system grounded in evidence and best practice.

Just a few weeks ago I had the privilege of opening the Through My Eyes art exhibition in Salamanca. It was there that I once again had the privilege of seeing the work of Vincent, an artist who lives with a rare form of dementia. Members may remember I spoke about Vincent and his beautiful painting during last year's Macquarie Point debate. This year I purchased another of his paintings. This one was titled *Accessible Horizon*. I actually haven't told Andrew that I purchased it. It's beautiful.

Ms Forrest - It didn't cost very much at all.

Ms PALMER - It didn't. It's beautiful. It's already hanging in my office. This beautiful artwork depicts a man who reminds me of my dad. He's in a wheelchair looking out across the Tasmanian coastline and he's on a pathway that's leading to a beach. It's symbolising inclusion and independence and the right for everyone to experience nature without barriers. But the path ends just before the water, which is a constant reminder to me that the job is not done. The painting now sits proudly in my office, and it serves as a powerful reminder of what I fight for every day as the Minister for Disability Services.

Being the member for Rosevears has been the greatest privilege of my life. It's where I grew up and where I've raised my own beautiful family. While I always felt a deep connection to my community, this has, of course, grown during my time as the local member. It's seeing community members grow and thrive and give back to the community in so many ways. When I'm in the electorate, catching up with community groups or visiting small businesses, sitting down, having a cuppa in a favourite cafe, or just chatting to people in the street, the feeling is optimistic. Business confidence is high, as evidenced through the latest NAB business survey. Importantly, we are delivering economic conditions for small business to grow. We just had an incredible summer in the north, with the Foo Fighters, Festivale and Party in the Paddock. All of these events have a flow-on effect to the northern region, my electorate, and the state as a whole. And a shout-out to local Rosevears' distiller Justin Turner from Turner Stillhouse for taking away the best beverage stall at this year's Festivale. This also seems like an opportune time to mention that we have 38 local cellar doors across the Tamar Valley. Like a child, I can't pick a favourite, but if any of you wish to visit, you'd be most welcome. I have a great list for you.

Also, people like Dr Reddy, who was awarded the 2025 Young Professional of the Year at the Launceston Chamber of Commerce Business Excellence Awards. Dr Reddy's dedication to his Beaconsfield practice and his community was also recognised in 2024 when the practice was named RACGP's Tasmanian General Practice of the Year. It is no exaggeration to say that Dr Reddy is something of a local hero in the area of Rosevears, and deservedly so. He's dedicated to supporting the local community, and our government is proud to have provided \$500,000 through the GP Sustainability and Viability Initiative, for the Beaconsfield Family Medical Practice to almost double its patient consulting spaces, increasing from four to seven consultation rooms. This is an absolute game changer to our community.

Standing here today, I would also like to take the time to acknowledge and pay tribute to an iconic Rosevears business that suffered a shattering tragedy. Tamar Marine has been a family-run business since 1979 and was recently lost in an accidental fire. As you can imagine, it has been nothing less than devastating for the local Lovett family and also for Almass Australia, which was a business nearby that was also lost in the blaze. We want them to know that their community stands beside them and with them.

Lastly, I'd like to finish with a focus on the doers, the lifters of our community who continue to inspire us all. I start by acknowledging the very type of person who embodies the young spirit of Rosevears, Caitlyn Duffy. A former member of the Youth Advisory Council of West Tamar, Caitlyn stepped into and saved the popular Abound Cafe in the Launceston Eye Institute, which was about to close. After meeting with the lady who was running the cafe but seeking to step away, Caitlyn took a chance and took over the lease. Incredibly, Ms Duffy took over the cafe in year 12, graduating through homeschooling. What a great example of the many pathways to success for our young people.

Then there's the West Tamar Joint Citizens of the Year in Lorraine Gardiner and Rob Mantach for their long contribution to the community.

In closing, 2 May will be a big day for the electorate of Rosevears and a big day for me and my family. It will be my community's opportunity to choose if it wants me to continue to represent them in this place for another six years. I've given my heart to my incredible community and to every role I've had in this place. I sincerely hope I will be given the

opportunity to once again be the elected member for the western suburbs of Launceston and the West Tamar. It certainly has been the privilege and the honour of my life.

I note the state of the state address.

Mr President, I move -

That the debate stand adjourned.

Motion agreed to.

ADJOURNMENT

[4.56 p.m.]

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council) - Mr President, before I move that the Council do adjourn, I'd like to indicate that there won't be a requirement for a quorum call in the morning, so those who have got committees on foot won't have to break to come. Thank you very much to those who made an offer of being available.

I move -

That at its rising the Council adjourn until Tuesday 24 March 2026.

Motion agreed to.

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council) - Mr President, I move -

That the Council do now adjourn.

The Council adjourned at 4.57 p.m.

Appendix 1

Net Operating Balance | Fiscal Balance OFFICIAL Attachment
 Tabed and incorporated into Hansard
 T. Rattray 19 March 2026
 Yvonne Chobot

	2015-16	2016-17	2017-18	2018-19	2019-20*	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Net Operating Balance											
Budget	(59)	77	54	162	57	(1 118)	(689.8)	(474.6)	(297.5)	(792.8)	(1 008.0)
Actual	62	804	126	66	(338)	(344)	(231.8)	(285.0)	(1 509.2)	(1 268.1)	
Variation (\$m)	120.6	727.1	71.9	95.9	- 395.0	773.7	458.0	189.6	1,211.7	475.3	
90% Confidence Range (+/-)	946.1 / (1 030.6)	1 081.9 / (894.7)	1 058.9 / (917.8)	1 166.5 / (810.1)	1 062.0 / (914.7)	(113.3) / (2 090.0)	314.9 / (1 661.8)	530.0 / (1 446.6)	707.1 / (1 269.5)	211.9 / (1 764.8)	(3.4) / (1 980.1)
Average			16.3	StdDev (\$m)	600.87						988.3
Fiscal Balance											
Budget	(157)	(161)	(254)	(285)	(248)	(1 780)	(1 041.2)	(1 135.9)	(988.8)	(1 293.3)	(1 352.1)
Actual	4	677	(4)	(221)	(427)	(525)	(505.3)	(654.2)	(1 825.4)	(1 375.9)	
Variation (\$m)	160.6	837.5	250.2	63.6	- 178.6	1,255.0	535.9	481.7	836.6	82.6	
90% Confidence Range (+/-)	1 042.6 / (859.4)	1 039.1 / (862.9)	945.7 / (956.2)	915.0 / (986.9)	951.3 / (950.6)	(580.0) / (2 481.9)	158.5 / (1 743.4)	63.7 / (1 838.2)	210.8 / (1 691.1)	(93.7) / (1 995.6)	(152.5) / (2 054.4)
Average			248.7	StdDev (\$m)	578.14						951.0
90% Confidence Interval (+/-, \$m)											

Standard deviation is calculated using Excel StdDevA formula for sample population.
 Confidence Interval is calculated using Excel Confidence Formula with alpha = 0.10 (for 90%) and sample size of 1 (point estimate confidence).
 Confidence Range is calculated using base Budget plus Average adjustment +/- Confidence Interval.

OFFICIAL

Revenue and Expenses - Attachment 1 OFFICIAL

Tabled and incorporated into Hansard
 T. Rattray 19 March 2026

	2015-16	2016-17	2017-18	2018-19	2019-20*	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Revenue											
Budget	5 308	5 574	5 874	6 217	6 407	6 428	7 257.5	7 848.2	8 422.2	8 951.8	9 498.2
Actual	5 434	6 478	6 093	6 377	6 414	6 899	7 877.8	8 515.8	8 570.8	8 968.9	
Variation (%)	2%	16%	4%	3%	0.1%	7%	9%	9%	2%	0.2%	
90% Confidence Range (+/-)	6 019.8 / 5 140.9	6 321.3 / 5 398.4	6 662.0 / 5 689.3	7 051.3 / 6 021.8	7 266.1 / 6 205.2	7 290.4 / 6 226.0	8 231.0 / 7 029.3	8 901.0 / 7 601.5	9 552.0 / 8 157.4	10 152.6 / 8 670.3	10 772.3 / 9 199.5
		Average 5.1%		StdDev (%) 5.0%							90% Confidence Interval (+/-, %) 8.3%
Expenses											
Budget	5 366	5 496	5 820	6 055	6 349	7 546	7 947	8 323	8 720	9 745	10 506
Actual	5 372	5 674	5 967	6 311	6 752	7 243	8 109.6	8 800.8	10 080.1	10 237.0	
Variation (%)	0.1%	3%	3%	4%	6%	-4%	2%	6%	16%	5%	
90% Confidence Range (+/-)	6 031.9 / 5 139.1	6 178.0 / 5 263.6	6 541.6 / 5 573.3	6 806.4 / 5 799.0	7 136.8 / 6 080.5	8 482.0 / 7 226.6	8 932.9 / 7 610.7	9 355.1 / 7 970.4	9 801.2 / 8 350.5	10 953.2 / 9 331.9	11 809.3 / 10 061.4
		Average 4.1%		StdDev (%) 5.1%							90% Confidence Interval (+/-, %) 8.3%

Standard deviation is calculated using Excel StdDevA formula for sample population.
 Confidence Interval is calculated using Excel Confidence Formula with alpha = 0.10 (for 90%) and sample size of 1 (point estimate confidence).
 Confidence Range is calculated using base Budget plus Average adjustment +/- Confidence Interval.