

APPROPRIATION BILL (No. 1) 2025 (No. 26)

Second Reading

[3.04 p.m.]

Mr BARNETT (Lyons - Treasurer) - Thank you very much, Honourable Speaker. Today, I have the pleasure of delivering the second budget of this re-elected Rockliff Liberal government. A budget that delivers what we said we would do. A budget that continues to deliver our 2030 Strong Plan for Tasmania's Future. A budget that backs business, creates jobs, supports families, and builds stronger and safer communities. This Budget invests in things that matter to Tasmanians: cost of living, health, education, public safety, and housing. A budget that gets the balance right. This Budget delivers a sensible pathway to surplus without increasing taxes. This Budget builds a better Tasmania, now and for the future.

Tasmania's economy is strong and growing. It is now worth more than \$40.6 billion. Gross State Product has increased by \$8.9 billion since we came to government, which is a 26 per cent increase. We have the strongest wage growth in the country and the highest level of business confidence. Never in Tasmania's history has the unemployment rate been so low. We know that a strong economy is necessary for investment in essential services. In other words, to ensure the government can support and care for Tasmanians, we need to build and grow a strong economy. Our plan is to make Tasmania the best place to live, work, raise a family, invest and do business.

We understand that family budgets continue to be stretched. High interest rates and inflation have made it harder for families to make ends meet. This Budget recognises that challenge and continues to deliver record cost-of-living support to help ease that burden. Our Renewable Energy Dividend will continue our commitment to help Tasmanians with their power bills. This year, every Tasmanian household will receive a \$60 credit on their power bill. This Budget continues half-price bus fares for Tasmanian school children and for regional routes. This is an important cost-of-living saving that will make life a little easier for thousands of Tasmanians. The Budget provides record concessions to assist those most in need. We are also investing \$6.7 million for the delivery of food-relief programs.

Building a better health system has been a cornerstone of our 2030 Strong Plan for Tasmania's Future. This government has a proud record of delivering health services. Over the last 11 years, we have invested more than \$1 billion in new hospitals and health infrastructure, and we will spend a billion dollars more over the next decade to keep building a better health system for all Tasmanians.

This Budget provides an extra \$942 million to meet increased demand for health and mental health services. That is almost \$10 million every single day into our health system. This is a massive investment, but it is absolutely the right thing to do. We will continue to be there for Tasmanians at their time of greatest need because that is what Tasmanians deserve. This Budget provides more than \$70 million over the next four years to keep delivering record elective surgeries for Tasmanians. This Budget also delivers more health services to Tasmanian women, including \$7.5 million for additional diagnostic breast imaging clinics to provide statewide public diagnostic mammography services.

To help relieve pressure on GPs and hospitals, expanded access to health care from pharmacies will be boosted - \$5 million is being invested to further expand the role of pharmacists to include treatment of conditions such as ear infections, reflux, skin conditions such as shingles and eczema, and wound care.

Helping Tasmanians own a home has been a key focus of this government. This government has been tackling the housing challenges with a bold suite of planning reforms designed to increase supply and help meet demand. The Budget invests nearly half a billion dollars over the next four years in Homes Tasmania to help more Tasmanians access a home.

We are continuing to stamp out stamp duty for first home buyers of existing homes up to \$750,000, saving Tasmanians up to \$28,000. We are continuing the MyHome shared equity program allowing eligible Tasmanians to purchase a home with as little as 2 per cent deposit.

This Budget also assists at-risk women and children, providing \$2.4 million to support those facing homelessness with services at the former Bethlehem House site.

This government is committed to community safety. We are providing record investment to keep our streets safe. We are investing in a record number of police. This Budget invests more than \$3.7 million in protective equipment, including handheld metal detector wands, the trial of tasers for our officers on the beat, and additional body-worn cameras. We are also investing heavily into programs that aim to break cycles of offending and providing the support that is needed to enable offenders to rehabilitate.

The government recognises that education is a powerful driver for improving economic and social outcomes in Tasmania. This Budget reflects a record investment in education of over \$2 billion next year alone. This government has signed a historic funding agreement that will see our schools supported more than ever before. Our 192 schools and just over 53,000 students from prep to year 12 are already benefiting from this investment through actions including super-charging our successful Lifting Literacy initiative. This additional funding will help drive our ambition for full literacy attainment, giving young Tasmanians a solid foundation for future learning and career choice.

With \$297 million invested in education facilities over the next four years, students and staff from 25 schools across Tasmania will benefit from building works. This Budget provides

an additional \$10 million to support the delivery of education to the growing number of students with disability in Tasmanian government schools, with over 8600 students with a disability being supported.

This Budget also includes \$5.6 million, on top of our overall commitment of \$32 million, to build four new super-sized child and Family Learning Centres in Huonville, Longford, Smithton and Scottsdale.

To provide services to Tasmanians, we must continue to have a strong economy. This government is continuing to ensure the key drivers of Tasmania's economic strength receive the support needed to flourish. This Budget supports Tasmania's productive industries. From agriculture to aquaculture, fishing and forestry, manufacturing and mining, we are backing the industries that feed our families, support our exports and provide thousands of local jobs. We will continue to advocate for these industries in Canberra and at an international level.

This government has led the nation when it comes to sustainable irrigation. Water is?

Government members - Liquid gold.

Mr Winter - We are not serious, are we?

Members interjecting.

Mr BARNETT - Liquid gold, and our Schemes are economic and social drivers. They enhance and grow our regions. This Budget includes \$63.7 million of our \$75 million commitment to the \$300 million Greater South East Irrigation Scheme. The scheme will provide a highly reliable supply of irrigation water to what is one of the driest areas in the state. It will drive millions of dollars of new on-farm investment and create valuable jobs during and after construction.

This Budget also provides \$1.5 million to continue funding the vital Agriculture Research and Development Fund to support world-class research, development and extension to deliver practical, on-farm benefits to our state's agri-food producers.

The Budget also continues to support Tasmania's renewable energy future. We are continuing to invest in Tasmania's future as a renewable energy powerhouse, with \$64.8 million over the forward Estimates to progress strategic renewable energy projects. We are bringing on new generation and delivering our Tasmanian renewable energy target with our \$14.4 million Renewable Energy Approvals Pathway and progressing our clean fuels agenda.

We are continuing to back Marinus Link, an intergenerational project that has the potential to unlock substantial new investment in renewable energy generation, improve energy security and grow the economy for decades. We are demonstrating our commitment to progressing Project Marinus by provisioning \$300 million in equity. Our commitment to Marinus Link, however, is not at any cost. It is contingent on what is in the best interest of Tasmania and a positive financial investment decision by all three governments by August this year.

This government is building a better Tasmania now and for the future. This weekend, all Tasmanians can be rightly proud with the opening of our largest transport infrastructure ever, the Bridgewater Bridge. This is intergenerational infrastructure, and this Budget will continue to invest heavily in road infrastructure with \$1.6 billion across the Budget and forward Estimates. This includes the start of the major multi-year program of improvements to the Arthur Highway; ongoing major investment in the Bass Highway along with the East and West Tamar Highways; investment of \$419.7 million over four years on maintenance, continuing our important blitz on potholes; the final stages of completion of the 10-year Midland Highway Action Plan; and further investment in the South East Traffic Solution, including duplication of the Midway Point and Sorell causeways, and the Tasman Highway between the Hobart Airport interchange and the Midway Point causeway.

Our focus is not just on roads. The Budget also invests \$95.7 million in Tasmania's freight rail network in 2025-26 as part of the \$243.7 million commitment over the next four years.

This government knows the state's 42,000 small businesses are the engine room of our economy and support our rural and regional communities. We value small business, and we value the more than 100,000 Tasmanians employed by small businesses.

In conjunction with the Small Business Council of Tasmania and the Tasmanian Chamber of Commerce and Industry, our government is delivering our Small Business Growth Strategy 2026. This year's Budget features over \$2.5 million to support small businesses, including \$500,000 to establish a Small Business Start-Up Permit process. The new startup permit will enable small businesses to trial their concept for 12 months with a single permit and will make Tasmania the startup capital of Australia. This government will always put small business in front and centre of our policy agenda.

Recent data shows that tourism growth is outpacing the state average in jobs and contribution to Gross State Product. Now, one in six jobs are in tourism and hospitality in the state. We know we are in a globally competitive environment to attract visitors. Tourism is crucial to our economy and way of life. The Budget contains an additional \$38 million investment to maintain tourism marketing funding over the next 4 years. Our funding commitment will also support research into emerging consumer markets.

Tasmania's natural landscapes are world-class destinations, attracting millions of locals and visitors every year to explore incredibly diverse coastlines, recreational and wilderness areas, and unique wildlife. That is why we are continuing to invest over \$441 million in our parks to deliver significant economic, social and cultural benefits for our state.

We will continue to deliver the \$2 million online booking system to enable locals and visitors to Tasmania to pre-book campsites, walking experiences, cave tours and park passes. Our new commitment of over \$33 million to maintain and upgrade visitor experiences and amenities across our much-loved destinations underpin what Tasmanians love about our state. This investment also supports regional employment with over 380 nature-based tourism operators in our state to benefit from these improvements.

We will continue to deliver the \$40 million Next Iconic Walk in the spectacular Tyndall Range and secure our reputation as one of the greatest walking destinations in Australia, if not the world. This is in addition to our support for mountain biking experiences, which are

attracting international events. These investments back our growing visitor economy, create jobs and support Tasmanian contractors and suppliers.

The Budget backs in sports and events. It commits \$414 million for sporting infrastructure and community sports over the forward Estimates. That includes facilities like the Northern Suburbs Recreational Hub, the Glenorchy Sports Centre, the JackJumpers High Performance Centre, and the AFL High Performance Centre in Kingborough, as well as vital upgrades to the Silverdome, investment into the new Devonport Stadium, and improvements at Dial Park. These state-of-the-art facilities will provide endless opportunities for the next generation of Tasmanian champions and promote healthier lifestyles.

Events are a core driver of our visitor economy, and we are continuing to support an ongoing and lively event scene in Tasmania with \$62 million to attract and support events. This includes iconic events like Dark Mofo and the Taste of Summer as well as new, innovative offseason and shoulder-season events throughout the regions.

Tasmanians deserve to be supported to achieve at the highest levels in sport, which is why we are investing \$1.5 million in our Tasmanian Institute of Sport Talent ID program ahead of the Brisbane Olympics. We are also investing \$11.6 million into major partnerships with the Tasmanian JackJumpers, Hawthorn Football Club and Cricket Tasmania.

This Budget includes provision for our investment in the Macquarie Point Precinct, an industrial area that has been underutilised for decades, a precinct that has the potential to revitalise the Hobart waterfront. We are not just building a home for our very own AFL and AFLW teams, we are investing in a precinct and the future of our state, investing in our next generation. This project will supercharge the state's economy, create new jobs, be a catalyst for further investment and new opportunities: a state-of-the-art stadium and precinct that will generate employment, drive tourism and boost local businesses.

The development of the Macquarie Point precinct will bring year-round activity that will lift the entire state - concerts, major events, national and international sporting fixtures, and conferences - delivering a steady stream of visitors and spending to our economy.

This Budget also provides ongoing funding to support Closing the Gap programs, including support for the Palawa Business Hub. We know we need to do more to reduce and eliminate economic and social disparity. The Budget funds new appointments, working in partnership with the Tasmanian Aboriginal community and people, to promote our agenda for improvement.

Framing a budget is never an easy task. I have approached this task carefully, with the needs of all Tasmanians in mind and the principles outlined in the *Charter of Budget Responsibility Act 2007*. Firstly, Responsibility and Sustainability. Responsibility to manage the state's finances for the wellbeing of all Tasmanians and to ensure the state's economy remains strong. To invest for the now and provide for the next generation of Tasmanians. The state's fiscal strategy will be reviewed in 2026-2027 to ensure it is robust, sustainable and meets the needs of Tasmanians.

Secondly, compassion for those who need our help. In times of national and global uncertainty, in times of high inflation and interest rates, we must prepare for such unexpected

events and ensure that we can weather any economic headwinds that may arise. This government will step up. That is what Tasmanians deserve.

Thirdly, accountability. I am a strong supporter of giving all members of parliament the resources and support they need to effectively and efficiently participate in the budget process. I acknowledge the recommendation in the Eslake Review about the establishment of a Parliamentary Budget Office and the views of members in this place. We must all be responsible with the expenditure of government money. That is why the Budget sets aside funds to explore the best way to provide such a resource to the parliament. We will examine what existing assets we can coordinate and utilise for what we consider a very worthy objective.

As a state, we have faced challenges and taken them head-on. We invested heavily in the face of the COVID-19 pandemic to save lives and livelihoods. That came at a significant cost, estimated at over \$2 billion. That expenditure is still being felt and will continue to wash through the budget for some years to come.

We continue to invest heavily to implement the recommendations of the Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings.

Despite the challenges, Tasmania's economy is strong and growing. The level of debt is manageable and is necessary to ensure we continue to back business and industry, support jobs and grow the economy. We remain on track to deliver a net operating surplus by 2029-30. It is a sensible pathway to surplus.

We want to do even better. We want to return to a net operating surplus earlier than that. That is why this government has presented an ambitious reform agenda which is reflected in this Budget. It contains three important initiatives.

Firstly, it recognises a strong economy is central to everything we can deliver as a government. It recognises the most valuable way to support a strong and growing economy is to back business, and that is exactly what we are doing. This year we have rolled out planning reforms to make Tasmania's planning approvals easier, faster and cheaper. We have stepped up our war on red tape, supercharging our ongoing efforts to support small business and streamline the processes our businesses must navigate.

Secondly, we are working with the public service to systematically review all government programs and determine what is no longer a priority, what can be done better and more effectively and productively. The Efficiency and Productivity Unit will assist government agencies to identify areas for improvement and ensure that we have a public service that is the right size, the right shape, in the right place, and equipped with the right tools and resources to deliver for Tasmanians. We are ensuring we spend every single dollar of taxpayers' money wisely, just as Tasmanians expect.

Thirdly, we are also undertaking the biggest reform of government-owned businesses in decades. It is a Team Tasmania approach. This will ensure that government businesses engage with business and community to deliver services to Tasmanians at the lowest sustainable cost, while also growing our economy. It will also consider which businesses may best serve Tasmanians outside of government ownership.

Over recent weeks work has been progressing with the assistance of Mr Eslake. I can update the House today that the following businesses have been assessed and determined as best remaining in government ownership, albeit with strong governance arrangements. They are: the Port Arthur Historic Site Management Authority, TASCORP, Tasracing, TasRail, Entura, and the Public Trustee.

Further, following the receipt of an independent assessment, the government has determined not to pursue a merger of TasRail, TT-Line and TasPorts.

In light of that decision and observations contained in the independent assessment, the government has also ruled out divestment of TT-Line.

As we have previously stated, Hydro Tasmania will not be divested.

The remaining government businesses will continue to be thoroughly assessed.

This is a government committed to Tasmania's long-term future. We must ensure that all government businesses are utilised in the best interests of all Tasmanians. Efficiently allocating public resources for community benefit is what responsible governments do. This parliament will have decisions to make in coming months that will be vital for Tasmania for years to come.

Divestment of some government businesses and surplus Crown land will provide growth opportunities for private investment and enable the government to invest more in essential services for Tasmanians. It would also mean the state returns to surplus sooner and pays down debt. That will be a decision of parliament.

I thank the Premier, the Honourable Jeremy Rockliff, for his strong leadership of our Liberal government. I also acknowledge that we are a minority government, and I look forward to continued goodwill and collaboration with all members so we can make a positive difference.

This Budget will continue to deliver our 2030 Strong Plan for Tasmania's Future. It is a plan that will continue to grow a strong economy; a plan that gets the balance right with necessary investment into the services Tasmanians need now, and without new or increased taxes; a plan that provides a clear and sensible pathway to surplus.

Honourable Speaker, in conclusion, it is a plan that is building a better Tasmania now and for the future. I commend the bill to the House.

Members - Hear, hear.