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Adam Brooks MP, budget reply speech

5.13 p.m.]

Mr BROOKS (Braddon) - We heard yesterday from the Leader of the Opposition, Will Hodgman, in his budget reply speech that this year's State Budget confirms what we already knew and, sadly, most of us suspected would happen. Labor would break its promises and their poor cousin, the Greens, simply would not have the backbone to stand up with their new best mates and deliver on their promises. This is why Will Hodgman is the only credible leader who can hold his head up high in this Chamber and indeed this State with his integrity still intact.

I would like to start by first making some broad comments and general analysis of the Budget that we have been presented with by those opposite and their greenie mates. It seems to me that we have ourselves a net operating balance that runs in deficit for this Budget by \$65 million, and next year's budget is already in line for an \$82 million deficit. The current budget ending this month was headed for a deficit but was only saved by the fact that we received an additional \$394 million in revenue. So it would be fair to say that that was more to do with good luck than good management by the Labor Government. It does not paint a great picture.

Last year we had a 3.9 per cent growth in public sector wages, even though it was the global financial crisis and now we are heading upwards they will put a 3 per cent increase in public sector wages in the Budget. I am not sure if that is realistic or not. It could be more. I am not sure what the contractual obligations are, but going into a more positive outlook from wages growth I would say it might be a bit underfunded there.

The visual presentation of the Budget papers was good. They were quite nice. The matter in between the presentation and the detail was pretty bad. In fact, the Budget states that the level of private investment remains a key risk to the outlook for the Tasmanian economy. [Mr Aird](#) states that we have a low tax environment. Unfortunately, [Tasmania](#) does not have a low tax position for business. We have the highest payroll tax rate of any State, and no wonder investment is at risk. The Labor-Green Government does not want anybody here. [Mr Aird](#) also stated that [Tasmania](#) has not increased any taxes in 12 years. This deliberately mischievous statement does not account for bracket creep, which means a real increase in tax paid. An example is payroll tax whereby wages go up and payroll

tax payments go up. Payroll tax has not changed since July 2003 so the tax-free threshold has also remained the same. [Mr Aird](#) knows - well he probably does not - that inflation has added significantly to wages over that period. He knows that even if business has not grown their tax contributions have gone up.

[Mr Aird](#) stated that we have a really good position on the Standard and Poor's credit rating list. What he does not say is that we are equal last with [Queensland](#) on that rating, and that [Queensland](#) is in so much trouble they are having a fire sale of assets to pay their debts. Are we in such a bad State we need to sell off our assets? We will probably never know.

The secret report into our energy assets may shed some light on how bad a shape we are in but the Labor-Greens Government are so scared of what it says that they will not tell anyone.

We did mention the GBEs could possibly be in a better position, but Labor does not think so. This is important. We do not expect any return from our monopolised energy retailer. How bad at business is this Government? We cannot get a return from a GBE that has no competitors, can price gouge but does not make any profit. That is fine.

[Mr Bartlett](#) - Did you hear what the TCCI said about your alternative budget? Not happy.

[Mr BROOKS](#) - They control the market. They have the monopoly and the Government is incompetent. You cannot keep prices down when they are election promises and you cannot run at a profit either. You have no excuse.

I heard the Premier on a radio advertisement the other day in Braddon - the Premier is on a spin campaign to promote himself and his Budget. I object to the use of taxpayers' funds for propaganda and self-promotion. I would like to know how much this costs and [Mr McKim](#) no doubt supports his Leader doing this. Talk about hypocrisy. The Greens with their Coalition mates support the increase in the cost of living. Now they support the Government advertising what a good job they think they do.

The Greens put a higher price on stability than honesty. As long as it is stable, corruption or incompetence or anything else is okay. That is fine . It does not matter. I am not surprised people refer to them as a bunch of liars, cheats and scoundrels. We need to add hypocrites to that as well.

I also note that I see there is a sharp decline in the infrastructure spend after the next year. What this means is they are spending big to make it look like they are doing something, but after that there is nothing - just a band-aid budget measure that will not actually achieve anything. [Tasmania](#) needs to continually invest in our infrastructure, and I feel that this Government lacks vision when it comes to investment. The

dramatic decrease in infrastructure spending is typical of the short-sighted nature of this Government.

I would also like to touch on a few issues that relate specifically to the electorate of Braddon that I represent. Firstly, being a born-and-bred Devonport boy, it was disappointing to see that the Greens failed again to deliver their election promise of a Devonport aquatic centre. The [Devonport Police](#) Station's new building is going to be spread out over three years. I do not know why it will take three years to build but apparently it will. I also could not believe that you have set a quota for the police speeding targets. So you will deliberately target people to push up your budget, will you?

I, too, would also like to welcome the funding for the Burnie High School which will go a long way to rebuilding that part of the school that was devastated by the fire. I look forward to seeing this new facility once it is built and I know the Burnie community will benefit with the state-of-the-art education facility.

[Mr BEST](#) - We did get one tick, then.

[Mr BROOKS](#) - Yes, one - that is it, though. I was also disappointed to note that the Government sold out to the Tasmanian mining industry with its deathly silence on the resource profits tax but there was very little, if anything, in this Budget for mining anyway, which is a huge employer. I will talk a bit more on the tax at the end if there is time.

I would like to acknowledge the commitment in the Budget for surf lifesaving clubs for their infrastructure support. At least the Treasurer must have been listening to my inaugural speech. It is good to see the Government listen to my recommendation.

[Mr Deputy Speaker](#), I would now like to spend some time on the engine room of any prosperous society and, make no mistake, that is the men and women of Tasmania's small business. I know those opposite me and to the left, [Nick McKim](#) and his mates, like to think they support small business but, by any measure, they do not and in fact, in the last term of government, they made it their business to turn up the heat on free enterprise. I know those opposite me see hitting up small business as the perfect cash cow to try to alleviate the disastrous budgetary pressures brought about by this Labor Government's reckless recurrent commitments built up over 12 years of messes. Those opposite me can no longer float along the rivers of gold from GST receipts; in 2000 the late [Jim Bacon](#) thought it was an absolutely abhorrent tax but could not wait to sign up, a bit like the [Mr Rudd's](#) health plan that the Premier could not wait to push the other premiers out of the way to sign up to. 'Don't worry about what's in the detail, we'll just sign it - where do we sign?' It mentioned getting rid of health - 'Just sign here', and he was there, done. Anything to get rid of it. In fact, he paid the Government to take health off his hands. Well done, Premier.

The rabid spinning habits and the record time it took for the Rudd Federal Government to plunge us back into national debt has squashed business and consumer confidence which, in turn, has hurt the GST receipts that were floating the State coffers. I would also like to make the point that I wonder what the state of affairs would be if the then Coalition Liberal Government had not had such a large budgetary surplus for Rudd to spend. I suggest we would all be stuffed. So what does this State Labor Government do to make up the slack? Have they tightened their own belts or that of the most bloated bureaucracy in the country?

[Mr Wightman](#) - Who wrote these lines for you, Brooksy?

Members laughing.

[Mr BROOKS](#) - I just realised I might have been a bit contradictory there.

Members laughing.

[Mr BROOKS](#) - Did they cut down their spin machine to what by any measure would be a respectable number of lieutenants? No, more advisers, more media advisers, you name it, they will go and get it. They stick the blowtorch in the meantime onto small business like typical desperate Labor governments do and now the Greens support it. What they simply do not understand - or might understand but simply do not care about - is that you cannot have a healthy society without prosperous free enterprise and successful small business to underpin it. Let this be clear: social cohesion is totally reliant on the economic health of the fruits of free enterprise that small business create, not the other way around.

I would love to know how many opposite me have laid in bed at night thinking about how they are going to pay the wages tomorrow or how they are going to pay the rent and knowing that if they cannot meet the loan repayments, the very house they are sleeping in is up for grabs. How many opposite me have been there? How many have risked everything they had, with no guarantees? I would suggest, not many. The payrolls they have all belonged to have been paid from the public sector or some union group.

[Mr Wightman](#) - Do you have a problem with teachers?

[Mr DEPUTY SPEAKER](#) - Order.

[Mr BROOKS](#) - Let me tell those opposite, [Mr Deputy Speaker](#), that it is not about a sense of rights and entitlements amongst the small business community. Small business does not expect governments to meet them halfway or to provide handouts in tough times. All small business wants is the freedom to operate without undue interference, to be able to respond to market conditions and for governments to desist from turning on them when their cash runs out as a result of poor decisions in the past, which is exactly what those opposite are doing right now.

During the election the Greens said that they were committed to delivering a small business minister. Well, what happened there? Not in this Budget ? Not sitting here anywhere? Could not convince your new best mates, Mr O'Halloran? In fact, this is exactly what the Greens said:

'Many of the challenges facing the small business sector are currently overlooked by government due to the sector not having a voice at the Cabinet table. The Greens are committed to establishing a minister for small business portfolio within Cabinet. The ministerial role will provide a whole-of-government approach to meeting the challenges facing the small business sector and ensuring that opportunities are identified and fostered, provide a voice for the small business sector at Cabinet and input during the formulation of the State Budget and economic development strategies.'

Mr O'Halloran was in here during his budget reply speech crowing about how this Budget has delivered all they promised. Does he not consider small business important to the people of Braddon? As shadow minister for small business I will do everything in my power to hold this Government to account on its treatment of small business. I will not be like the Greens and backflip on election promises, I will deliver. Small business owners in my own electorate of Braddon are going through tough times at the moment and they are counting on me to do just that.

One of the other portfolio responsibilities conferred on me by my leader, [Mr Hodgman](#) - and I might say again, the only leader in this House with his integrity intact and any respect within the community after the way those opposite, with their Greens mates, sold out this State in a last-ditch attempt to hold onto power - is as shadow minister for hospitality. I was pleased to see that within this Budget there are some good and positive initiatives for the hospitality industry and I am pleased to see that you did not backflip on those policies that you made during the election campaign. I would also like to caution the minister here too to make sure he is well aware that he is no longer a unionist and it is not about screwing every business he can. The majority of the businesses within the hospitality sector are small businesses. We need to also remember that many of these people who work in the hospitality industry need to be supported as much as possible by us here in this House to ensure their long-term viability.

In my short time here as a new member, I have been able to meet and have some discussions with some of the key stakeholders within the hospitality industry and I look forward to gaining a greater understanding of that sector. Labor's commitments to establish a partnership agreement with the [Tasmanian Hospitality Association](#) is a good start, but I hope it is simply not lip service to the industry during an election campaign. The [Tasmanian Hospitality Association](#) states on its own website:

'The THA lobbies on all matters affecting the hospitality industry,

including food, safety, training, liquor licensing, gaming, small business, tourism, industrial relations and health.'

I do not need to reiterate my concerns about this Government's capacity to deliver good outcomes for the Tasmanian business community and the broader Tasmanian economy. Similarly, Labor's commitment during the election and funded budget announcement of \$30 000 to implement the Pubwatch scheme to curb alcohol-fuelled antisocial behaviour which is on the increase and of growing concern to people in [Tasmania](#) is a good thing, but I will watch with interest to ensure you actually deliver it. The issue we have with this Government which is drunk on power is that they have to keep an eye on themselves.

[Mr Speaker](#), the racing industry in [Tasmania](#) needs to be reinvigorated after years of neglect, mismanagement, betrayal, by this Labor-Greens Government. As the shadow minister for racing I look forward to being able to keep this Government to account. Let us not forget how important the racing industry is to [Tasmania](#), as those opposite have, because the Tasmanian racing industry injects about \$90 million into the Tasmanian economy annually. The Greens are so out of touch with the needs of the Tasmanian racing industry that they could not even be bothered having a specific racing policy. Labor had a sort of attempt at one but it was not much chop either. The racing industry is a huge employer for our economy. Central to what we proposed is self-funding the racing industry through TOTE, and I suggest that the Government take on our suggestions. A Hodgman Liberal government will not sell TOTE [Tasmania](#).

There are many other great initiatives within our policy, and [Mr Green](#) probably should go and read it. However, that is right; he does not read reports or suggestions or anything. This Government has betrayed the racing industry so much that they could not even develop a decent policy -

[Mr Best](#) - We liked you before you made this speech.

Members laughing.

[Mr SPEAKER](#) - Order, order. The honourable member needs to be heard in silence, not with constant interjections.

[Mr Best](#) - It's not an inaugural.

[Mr SPEAKER](#) - Yes, but you cannot keep interjecting and harassing the member; he needs protection.

[Mr **BROOKS**](#) - [Mr Speaker](#), the final shadow portfolio I am delighted to represent here in [Tasmania](#) and indeed the electorate of Braddon is the portfolio of Veterans Affairs. My bushwalking mate, [Bryan Green](#), the Minister for Veterans Affairs, would be well aware from my inaugural speech that I have a unique and first-hand understanding of the issues facing our current returned men and women of the armed services, having

served eight years in the Royal Australian Navy. The very real and human aspect of such a sacrifice to serve our country was brought home to us all this week with the deaths of another three Australian soldiers serving in [Afghanistan](#), bringing our total deaths in [Afghanistan](#) to 16, with the number of wounded to about 130. I am pleased to at least acknowledge that Labor actually has a veterans' policy, unlike their disregard for the racing industry, and it is quite a good policy. As an ex-serviceman, I am proud of the policy we took to the last election. I feel it is better than the Labor policy and I hope you take on some of our suggestions from that as well.

I do note that the Greens did not have one. Where was that policy, [Mr McKim](#)? Missing in action. It is good to see that one of the few policies that Labor decided to stick to was their veterans' affairs commitments. I would simply compel the Government to have a good hard look at our veterans' policy. The Greens do not like veterans because they could not even be bothered having a policy.

I just wanted to touch briefly on the resources tax. The budget papers say of Australian conditions that currently much of the growth is being driven by activity in the resource sector. Some manufacturing plants have already closed or have reduced the size of their work force and further reductions in employment are expected. The business investment component in [Tasmania](#) tends to be volatile and strongly influenced by a few large projects. Currently there have been few announcements of new investment projects that will utilise the resources once the current projects are completed. There are no major new projects expected in Tasmania's mining sector.

[Mr Aird](#) said that the new mining tax was not considered in budget estimates. We have already seen an impact on [Tasmania](#) from this new mining tax. [Tasmania](#) is a unique place in every aspect, and Tasmania's mining industry is no different. If this great big new tax on Australia's mining industry is to go through unchallenged by this Labor-Greens Government, thousands of Tasmanians will suffer, and not just those directly employed in the mining industry. The unique challenges facing Grange Resources are a classic example of just how draconian this great new big tax is. Grange produces magnetite, which is Australia's new iron ore. For those in this Chamber less versed in the mining industry, it is a complex material to mine and produce. The main focus is on concentrate and pellet production. Grange has some very complex issues it must face as a significant employer in [Tasmania](#), with more than 600 employees. If you look at a multiplication factor of four to one from their investment, it is a considerable investment. They spend around \$40 million annually on suppliers locally, and that contributes to around about \$160 million locally. Some of the issues they have in their current plant include ageing assets, with the pellet factory being 42 years old, and their huge power consumption due to the complex nature of mining and producing magnetite. The quality they produce is some of the best in the world due to the high-grade iron ore, about 65 per cent compared to a lode [China](#)

which can reach 50 per cent on a good day but it is normally around 35 per cent. Grange has to compete globally with its main competitor - [Brazil](#) - with [Russia](#) and [China](#) also making magnetite. Demand is being driven by [China](#) as they want to buy our magnetite and blend it with theirs to produce a more cost-effective, stronger iron product. This new tax will simply make us uncompetitive. Also, Grange is a test case for other such mine projects in [Australia](#), such as Southdown in [Western Australia](#) which is due to start in 2014. The resources profits tax has already wiped almost 30 per cent of the business value off Grange, approximately \$800 million down to \$500 million.

The Budget does cover royalties, though, and it reflects an improved outlook for commodity prices. A new mining tax will not impact the Budget, apparently, but we believe it will. The mining tax imposes a tax on profits if a mining company shows a higher return than the bond rate of 5.75 per cent. If you have \$1 000, \$1 million or \$1 billion to invest, the Government says - cheered on by [Mr Green](#) -

[Mr Green](#) - Have you had a rinse?

[Mr SPEAKER](#) - Order.

[Mr BROOKS](#) - [Mr Speaker](#), what is going on here? I do not interrupt anyone.

Members laughing.

[Mr SPEAKER](#) - Order. That is also a personal reflection.

[Mr BROOKS](#) - If you invest your money, the Government is saying that anything over 5.75 per cent return is a super profit and you have to pay more tax on it. If you search online, the average bank interest rate is 6 per cent to 7 per cent for term deposits. Even the Auditor-General stated that a return from GBEs should be around 6-7 per cent, but if it is a mining company it is okay to tax it more. I do not think it is because it is not a super profit to receive 5.75 per cent on your investment.

What has the State Labor-Green Government done to stand up for all Tasmanians here? Nothing whatsoever. The Minister for Resources, [Mr Green](#), who lives in the same town as the head office of Grange Resources [Tasmania](#), has not even bothered to walk down the road to see if they have any particular issues with this great big tax. Instead, he supports it. If you have a look at [Mr Green's](#) interests on his web site you will see one of his interests is bushwalking.

[Mr Green](#) interjecting.

[Mr BROOKS](#) - So you are saying you have gone down and spoken to Grange Resources about this tax?

[Mr Green](#) - No, but if I had gone down I would have walked passed

Whiteley's office. Remember him? You know that bloke you did over.

[Mr SPEAKER](#) - Order.

[Mr BROOKS](#) - [Mr Speaker](#)!

[Mr SPEAKER](#) - Order. I seek to protect you.

[Mr BROOKS](#) - [Mr Green's](#) website states that he likes bushwalking. Perhaps, [Mr Green](#), you could put your bushwalking boots on and walk about 500 metres to the Grange office and stand up for the mining industry workers of the State who are fearful for their jobs because your Federal mates want to tax the hell out of them. You support job losses in your electorate.

[Mr Green](#) - No, I don't - definitely not.

[Mr BROOKS](#) - I organised a meeting with them on Saturday morning, as that is the only time we were both free. I would say that is pretty accommodating, would you not, for a meeting to discuss their issues? It is not hard, [Mr Green](#), but maybe you do not want to hear that as the Resources minister you are sitting on your hands while our mining industry has no idea if they have a secure future here in [Tasmania](#) or not. [Mr Green](#), have you personally gone down and spoken to Grange about this tax? No. Has the Federal Government had our State Government provide them with any feedback about this issue?

[Mr Green](#) - They were coming to see me but they had a cave-in there and called it off. I will be talking to them soon.

[Mr BROOKS](#) - Did you ring to see how they are going with that cave-in? No, you did not. You have not rung them? You have not spoken to them?

[Mr SPEAKER](#) - Order.

[Mr BROOKS](#) - This Labor-Green Government is insufficiently engaged with this crucial sector of our economy. I believe that Grange was invited to attend a meeting in [Hobart](#) and they cancelled that meeting because of the cave-in. We have a resources minister who lives in the town - and I am sure he probably went there on the weekend - but did not go down to see how they are going with their cave-in. He did not go to see how production is and did not go to discuss the tax that is crippling their investment. We have seen it. So he is happy to sit here and do nothing and that is fine with everyone.

[Mr Green](#) - What about the 25 per cent increase they got in their price.

[Mr BROOKS](#) - That will probably be taken up by the power increase that you support.

[Mr Green](#) - They have gas there, mate. There is subsidised gas to the site.

[Mr BROOKS](#) - Grange Resources needs to be included by this Government. They need to know if this Labor-Greens Government will put pressure on their Federal Labor mates to amend this tax, or they need to know how and when this is going to happen. They have had to stall on progress in their business and put things on holds as hundreds of Tasmanian jobs become less and less certain.

Sadly, the Tasmanian people are the ones who have lost out with this Budget. That is right. They have been sold a great big lemon. [Mr McKim](#) got it wrong yesterday. This is not a bagel that the Tasmanian people got. They got a great big lemon when [David Bartlett](#) broke promise after promise and jumped into bed or went for a bike ride with [Nick McKim](#) and this Budget is -

[Mr SPEAKER](#) - Order, order. You mean the Minister for Human Services or the member for Franklin.

[Mr BROOKS](#) - I am sorry. The Premier, [David Bartlett](#), the 'never-ever deal' Premier, [David Bartlett](#), went a did a deal with his good friend [Mr McKim](#) and this Budget is no different from what we have come to expect from those opposite. Just a great big lemon. We could squeeze and we could get a lemon bagel.

Members interjecting.

[Mr SPEAKER](#) - Order.

[Mr BROOKS](#) - You say all we do is complain about it. I have two things to say about that. You are the Government and if you cannot fix it - which you have said you cannot because you keep asking us to tell you what to do - then get out. We will clean up the mess for you.

[5.42 p.m.]