

## **Greens Leader Nick McKim MP**

### **RESPONSE SPEECH – ANNUAL PREMIER’S ADDRESS**

**Delivered on Wednesday, 7 March 2012**

*[Please check against delivery.]*

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#### **Thank you Mr Speaker**

I rise today to respond to the annual Premier's speech in my capacity as Greens Leader but I will also talk about the portfolios that I administer as a Minister of the Crown.

Mr Speaker, the Greens believe in a compassionate diverse and resilient Tasmania underpinned by a diversified, robust economy.

#### **Economic Transition**

We hear lots of doom and gloom about Tasmania and no doubt Tasmania is facing its fair share of challenges but the Greens are very excited and very confident about this State's future, as long as we get some key decisions right, and I say to the Tasmanian people, the majority of those key decisions that we need to make will be made over the next couple of years.

The best government to make those decisions is the government that we currently have in place now, a government that, yes, is made up of representatives of two different political parties, but what that allows such a government to do, is understand the different points of view that are legitimately held by large sections of the Tasmanian community. Government is not a winner takes all under the power sharing approach. Government requires negotiation, consultation, cooperation and good communication, and hard work.

A Labor-Green government, at this point in time, is best placed to make those key decisions. Labor, quite rightly, are a proud political party based on the values of looking after working people. The Greens, another proud political party, based on a range of things but including primarily environmental sustainability, ecological sustainability, looking after the planet that looks after all of us.

Now in Tasmania we are in an economic transition. It has been under way for a decade and we are in a position to make key decisions as part of that economic transition that will require working people to be looked after and they will require our environment to be looked after. That is why a Labor-Green Government is uniquely placed to make those decisions and we will make those decisions and that is why a majority Liberal Government is not the best option during this very challenging but very optimistic time for Tasmania.

I want to read for the House a quotation from Mr Peter Holmes a Court, printed in the *Weekend Australian Magazine* last month (February 18-19), regarding the risks he believes are facing the Australian economy:

*“I believe the greatest risk is if the economy becomes a “simple carb doughnut”. You can make a doughnut with just a few ingredients and some sugar. It tastes OK and you feel good at the time. But not for long. The economies that I respect are those that have maintained an educated population and are structurally diverse. Diverse economies tend to*

*underperform in boom times but are the most resilient during times of crisis. Mining-based economies only do well during mining booms.”*

I agree with Mr Holmes à Court that diverse economies are the way to go and, Tasmania has underway an economic transition that has been going for a decade and which has the capacity to position this State to enjoy a prosperous and successful and economically strong future.

This is a moment in time for this State. The next two years will determine, and the decisions made in those two years will determine, whether or not this economic transition continues and sets Tasmania up for the future that all Tasmanians deserve.

### **Great Green Dividend = Price on Carbon**

One thing that will assist us with that opportunity is the great green dividend that will flow to Tasmania, the financial windfall that will flow to Tasmania via Hydro Tasmania from a cost on carbon applied at a national level. This cost on carbon is a great green dividend for Tasmania and negotiated through the Federal Parliament by the Greens, delivered by the Greens and Labor federally and it will benefit Tasmania as we move forward.

### **Investing in Tasmania’s Brand: Clean, Green and Clever**

When positioning to withstand the winds of change, you look to your strengths.

I want to talk a little about Tasmania's brand because I do not think we give it enough credit and I do not think that we pay it enough attention. Our brand is as a clean, green, clever and creative State and it is incredibly valuable to us in dollar terms. It forms a fundamental part of Tasmania's sense of identity, it provides a huge marketing advantage and it provides us with a strategic framework within which we can make decisions about Tasmania's future direction.

I have raised a number of brand-related issues in my decade or so in this place but I do want to remind the House of something that I went to in my inaugural speech in 2002 and that was that Interbrand, a globally recognised brand assessment company, found that in 2001 Coca-Cola had a brand value of \$69 billion out of a total market capitalisation of \$113 billion. That is, 61 per cent of the value of Coca-Cola was in its brand, not in its formula, not in its people, not in its plant and equipment, not in its distribution networks but in its brand. Xerox had a brand value that was 93 per cent of its market capitalisation.

Tasmania’s brand as a clean, green and clever state, is incredibly valuable to us in dollar terms.

It forms a fundamental part of the State’s sense of identity, provides a huge marketing advantage, and one which the Greens believe is still not being utilized to its full capacity. I have raised this matter previously in this Place, and again I think it is worthwhile to focus again on the value of our Brand and whether we really are valuing or leveraging it as we should be.

In today's global market, perception is everything. The way that consumers feel about a product determines whether or not they will buy it. Multinational companies realise this and, as a result, they protect their brand with every means at their disposal should it be threatened and they nurture it at every opportunity.

Imagine the true and full value of Tasmania’s clean, green, and clever brand: our clean air, water, high quality GE-free produce, unique world class natural experiences, compassionate diverse community, the list goes on...

But the main point here, Mr Speaker is that this is not just a nice fluffy idea, it is the hard-edged no-nonsense economic trend. This is our asset that will make us irresistible to those emerging Asian middle classes seeking out quality products, educational and recreational pursuits. These emerging markets are not going to waste their time on a “single-carb doughnut” – they can get that at home. They want the 3-D three course meal. But it must be genuine. Tasmania has all the competitive advantages we could wish for! We need to protect and enhance them.

### ▲ **Greens’ Proposal: Freight Equalisation Scheme Reform**

The Greens understand how many Tasmanian producers felt knocked for six with the recent news that Victoria intends to impose a licence fee on the Port of Melbourne Corporation, which will be passed onto Tasmanian shippers.

We don’t know the upshot of where the Melbourne Port levy issue will end up. But what it does highlight yet again is the economic vulnerability of an island state.

The Tasmanian Greens will be stepping up our campaign to investigate issues surrounding the 20 year long campaign to expand the Tasmanian Freight Equalisation Scheme. It has long been identified that there are issues regarding tackling the ‘tyranny of distance’ and the need to provide a level playing field and equitable connection of Tasmania with the rest of the nation.

The Greens’ proposal seeks to address concerns of inbuilt inequalities within the freight subsidization scheme, which impact upon some imports and exports. We also need to think outside the square when it comes to dealing with the loss of some Asian shipping services.

We are proposing a joint Federal-State program to address the export/import inequities, as well as develop innovative alternatives to maximize shipping services. For example establishing a shipping coordinating program, which may involve consolidating and co-ordinating freight movements to provide full containers could boost Tasmanian business needs to secure regular and reliable shipping services. .

This proposal is consistent with the principle of positioning for the long-term economic trend – in this case high Australian dollar creating challenges for the manufacturing and business sector.

### ▲ **Greens Proposal: Tasmanian Retail Sector E-Connect Program**

Another long-term trend is the decline in local retail. To assist positioning Tasmania, the Greens are announcing a **Tasmanian Retail Sector E-Connect Program**.

In Tasmania not only are Tasmanians buying more over the internet, but predominantly those purchases are off shore. Many people and stakeholders with whom the Greens have discussed this matter point to the fact that it is surprisingly difficult to purchase Tasmanian products on-line.

This would be similar to the already successful Tourism Tasmania’s Digital Coach Program, which offers tourism operators free one-on-one coaching by specialists in the digital and e-commerce fields. We propose that building on this expertise to provide a specific training ground for the retail sector to improve its on-line presence could assist in reaping a greater percentage of Tasmanians’ discretionary income expenditure within Tasmania and on Tasmanian items.

Features of our proposed Retail Sector E-Connect Program would be consistent with those proven to be effective in the Tourism program and would include:

- New and/or updated, fully optimized websites

- Online sales and purchasing capability
- Improved online interaction with customers
- Development of online 'loyalty' schemes
- Improved Search Engine Optimization and website listings – to be in the top 5-10 places in Google searches
- Business names claimed on Google Places
- Integration and use of social media

This proposal is something we are keen to discuss further with stakeholders, including the Small Business Council to flesh out the degree of resources required, the capacity for shared public-private sector resourcing, and how to best target delivery.

This is consistent with economic structural reform predicated upon leveraging off our assets. In this instance one of those assets potentially being underutilized is the NBN capacity. E-connectivity can open, or keep open, many of our small business doors.

▲ **Greens Proposal: Create Expanded Feral Species Unit and proclaim the Cat Management Act of 2009**

Mr Speaker, another identified long-term trend is one that presents a massive opportunity for Tasmania if we are positioned to maximize it: that is the predicted growth in demand for high quality agricultural products. So how are we positioning our agricultural sector to maximize this growing market?

Since 2006 the Greens have advocated the establishment of a Feral Species Unit. We are now proposing that this be implemented by investigating the expansion of the current Fox Taskforce. While the expanded Feral Species Unit would cover a range of introduced species, while maintaining its vigilance against foxes becoming established, the Greens see an urgent and rising need to combat the problem of feral cats - both on our ecology and on our primary industries sector.

Feral cats carry infectious diseases such as toxoplasmosis and sarcosporidiosis. Both of these diseases can result in rejection of farm meat for human consumption, while the TFGA Budget Submission stating Toxoplasmosis has cost farmers tens of thousands of dollars in both sheep meat and still with the prospect of significant abortion of lambs in the next lambing season.

This disease is also killing native wildlife – this is an often agonizing and cruel death. There is mounting evidence of wallabies, wombats, bandicoots, possums and pademelons dying from this disease.

Dealing with the feral cat problem at only one end is to leave the job half done however. The Greens are urging that the *Cat Management Act of 2009* is proclaimed. This was meant to happen last year but did not due to budget constraints. Well, to leave this tool sitting on the shelf but just out of reach is false economy, Mr Speaker. We need to combat the recruitment into the feral population from the domestic one.

Appropriate models and methodology for how best to establish feral cat eradication programs would need to be developed in consultation with the community.

***Battery Hen Ban***

To further ensure our agricultural sector can leverage Tasmania's Brand, the Greens will pursue a battery-hen ban. Having this in place, with a transition package for egg producers and an increased

marketing focus targeting interstate markets, is consistent with our invaluable GE-Free, and hormonal growth promotant free reputation.

Just imagine for a moment where consumers in Melbourne, Sydney, Brisbane, Adelaide, Perth and right around the country can, with absolute 100 per cent confidence, purchase Tasmanian cruelty-free eggs knowing definitively they are not produced by causing unnecessary suffering to the hens that produce those eggs. At the moment, unfortunately, nobody in Australia can be certain that when they pay a premium for free-range eggs that they are getting free-range eggs. I have no doubt a massive egg substitution racket is occurring in this country whereby eggs that are not produced by free-range hens are being marketed and sold at a massive premium as free-range eggs. Tasmania can be a national leader here. We can market our eggs into the national market as Tasmanian cruelty-free eggs and consumers would be able to have 100 per cent confidence that these eggs are from Tasmania and cannot possibly be battery-farmed eggs.

This commitment to expand the Fox Taskforce into a Feral Species Unit while also proclaiming the *Cat Management Act*, and ending battery hen farming is consistent with the need to position ourselves to leverage the identified economic trend; it is clean, its green, and its common-sense.

## **Tasmanian Forests and Forestry Industry Transition**

Forests – We can't talk about Tasmania's immediate and long-term economic diversification without addressing Forests. This short-term cycle is well and truly broken. It is not just the Greens pointing this out. It is the clear take-home message of the redacted URS Strategic Review of Forestry Tasmania, Stage 1, report recently released by the Treasurer.

Within this context I want to be very clear: the Tasmanian economy is right in the middle of a lengthy transition out of having too many of our eggs in the one basket of resource extraction and exporting essentially undifferentiated bulk commodities into the global markets. The folly of an over-reliance on that export of bulk commodities can be seen in what is happening in the timber industry right now in [Tasmania](#), an industry that has shed more than 3 000 jobs in the last four years prior to the signing of the IGA, an industry that the Liberals think business as usual will take care of despite the overwhelming empirically-sourced evidence that makes it abundantly clear that business as usual in the timber industry is not an option.

Change is happening, no matter how long or how loud you howl at it. All that does is leave you hoarse and voiceless at the crucial time we should be articulating clearly that we can change and can offer quality products as demanded by the market place.

Leadership is needed. Not more of the same being force-fed the bland undistinguished 'single carb doughnut' of bulk commodities, but rather move to a fully fledged prime quality a la carte meal.

The IGA has not caused the problems and hurt experienced within the forest industry – it has arisen in response to them. And for all of its flaws, it is the only meaningful Plan on the table.

The recognition that this change is occurring was the catalyst for the diverse gathering of industry, sawmillers, union and environmental representatives sitting around the table now referred to as the Signatories.

Recognition is one thing. Being prepared to act is another. We have a policy choice before us. We can choose to accept change is going to happen whether we like it or not, and actively move to transition to a scaled down sustainable, viable and diversified timber industry, that is predominantly based on the

current plantation resource. Or we choose the more painful option of not adapting, which the Greens believe will make the inevitable change harder, more destructive, and more painful than it needs to be.

The policy choice to do nothing except lock in the status quo guarantees a direct and prolonged collision with global economic trends, with the high Australian dollar, and it will leave us isolated from the very markets in which lie long term opportunities.

By choosing to participate in the transition we can shape the transition, but choosing to bury our heads in the sand just risks suffocation. Fundamentally, that is why the Greens are prepared to give the GIA process a go, although we are signatories and do not agree with everything it contains.

We can meet our clean green brand by protecting our unique high conservation value forests, while also diversifying into a smaller-scale value-added viable forest industry. It still bemuses me to the extent that the fallacy the Greens want to shut down the forest industry keeps being perpetrated. The Greens are the only State Party which has published a *Forest Transition Strategy: More Jobs – Less Logs*. We first released this in 2002, and then updated it and re-released in 2010. This revised work was conducted by Associate Professor Graeme Wells.

It is available on our website, but a quick summary of its findings include: While it was estimated that the end of logging in identified high conservation value forests would see 306 jobs go from that sector, the Strategy is jobs positive and expected to result in a net increase of more than 542 direct timber industry jobs and 175 direct tourism industry jobs. (In contrast, the proposed Gunns' pulp mill is only flagged to provide 280 direct jobs once construction is complete). The Greens Transition Strategy also is predicated upon the expansion of downstream processing of specialty timbers creating more jobs in those industries.

We identified opportunities for two new sawmills (softwood and hardwood), as well as the retooling and expansion of existing sawmills. We also advocated the establishment of a Specialty Timbers Commission to assist in the development, auditing and management of proposed new Specialty Timber Zones, as well as develop training and skills centres.

Additional to our *Forest Transition Strategy*, we have also released a proposal to retool the Tonganah site at Scottsdale to facilitate its upgrading into a Diversified Wood Processing and Training Mill. We proposed this in July 2008, but received the cold shoulder from the other two parties. Can any of us estimate now how that could have contributed to the local economy, employment levels and community confidence, if that diversified timber mill as proposed by the Greens was now underway?

## Maintain Community Fabric in Tough Times

The Greens will be pursuing our progressive policy agenda that invests in Tasmania as a compassionate and resilient community, leading the nation in freedom and equality.

- ▲ **Cost of Living:** It has been said that the test of a society is how it treats the most vulnerable during the tough times. The Greens welcome the Premier's commitment yesterday to invest \$5 million into implementing key components of Professor David Adam's Cost of Living Strategy. This Strategy is a national first, and the reason Tasmania has this ground-breaking work is due to the Greens taking the proposal into our 2010 State Budget negotiations with Labor. While we are proud of that legacy, we are also determined that where possible its implementation is prioritized.

- ▲ **Marriage equality for all Tasmanians:** Should the Commonwealth government fail to provide marriage equality at a national level, the Greens will pursue legislating at a state level to remove this discriminatory barrier.
- ▲ **\$1 Bet Limit on Pokies:** For the 2011 calendar year, Tasmanians lost \$212, 463, 531 on pokies. At this rate, before there is any kind of action under the watered-down Gillard policy that won't occur before 2016, Tasmanians are on track to lose over 1 billion dollars on pokies between now and 2016. This is untenable and the Greens will pursue a state-based \$1 bet limit on pokies.
- ▲ **State Based political donations disclosure system:** This is fundamental to strengthening our democracy and the community's faith in it's democracy. The Attorney-General's Discussion Paper on this matter is a long-awaited and positive step in the right direction, but I stress that this is no longer a question of if we introduce a state-based system, but when and how. Voters deserve to know who has donated what to whom at the time they go to the ballot box, not 18 months later as can currently be the case.
- ▲ **Restore MPs Numbers:** Once the voters have voted to fill the State Parliament, it's a fair assumption on their behalf that the Parliament can actually do the job and fulfill its responsibilities to the electors. It is clearly struggling to do so. It is a false economy to not address it by restoring the House of Assembly numbers back to 35. The Greens will introduce our own legislation to seek to rectify this, and in time for the next State election.

Other important democratic reforms are already underway; including the commitment to address the current dual representation problem which allows Members to hold both a seat in the State Parliament and in local councils, as well as the introduction of compulsory voting for local government. Both reforms initiated by the Greens, and that constructive legacy is something of which we are very proud.

Investing in maintaining our social fabric is fundamental, and on behalf of the Greens I wish to take this opportunity to refute – and to rebuke – those who resort to the lazy line that social and democratic reform can only be afforded in good economic times.

What defeatist nonsense.

It is also highly irresponsible.

Tasmanians have the right to expect its policy makers to be prepared and able to multi-task. We can and we must pursue both sound economic policy, as well as pursue progressive policy in keeping with community expectations.

## Greens' Ministerial Priorities

Mr Holmes a Court, whom I quoted earlier, also emphasized the need for an '*educated population*' as a critical component of a resilient diversified economy. As Education Minister this is clearly close to my heart. Close in fact to many within the Greens as we have long advocated that education is the single most influencing factor over which we have direct control that shapes the State's economy and society.

Last week I released the Tasmanian Skills Strategy report card which highlighted pleasing and strong results. We have met our first target to increase the number of students with year 12 or equivalent attainment by 5 per cent each year. Further, we have exceeded our target to increase the proportion of 15-64 year olds with Certificate III or above. Yes, of course we have more work to do in the area of skills and retention, particularly around the proportion of 15-64 year olds enrolled in education or training, but we are making steps in the right direction.

There has been a lot of debate about whether we should extend our high schools to include years 11 and 12. Although the Liberals have not had the guts or, in fact, the decency to release a policy position paper on this issue so that Tasmanians can understand exactly what they are proposing, we have seen from media releases in recent weeks that the Liberals are proposing to focus firstly on rural and regional areas and to increase the number of years 11 and 12 courses available in those areas. Well, Earth to the Liberal Party - that is exactly what we are doing. In fact, over the last four years an average of 20 schools per year in regional and rural areas have provided programs for years 11 and 12 students. That is out of a total of 55 high schools or district schools in Tasmania. We have about 40 per cent already offering years 11 and 12 courses via enrolments in schools and via service delivery either in schools or in associated trade training centres with public and private VET providers providing those courses.

The grand policy position of the Liberal Party is to do exactly what we are currently doing as a government. Last year 18 schools offered programs, including the Jordan River Learning Federation, Glenora District High School, Smithton High School, Lilydale District School, St Helens District High School, Scottsdale District High School, Tasman District School and Sorell School.

There has been a lot said and done about retention and in Tasmania our apparent retention, and in Tasmania our apparent retention rates for government and non-government schools certainly have historically been well below the national average. However, encouragingly the 2010 data indicated a significant change to this trend from an overall result of 64.1 per cent in 2009 to 70 per cent in 2010 - an increase of some 6.5 per cent in apparent retention to years 11 and year 12. Of course the Australian Bureau of Statistics data shows that Tasmania's apparent retention rate for years 10-12 for Government schools increased from 62.2 per cent in 2009 to 73 per cent in 2010.

We also have the historic opportunities around renewable energy and very recently the Greens' Climate Change Minister, Cassy O'Connor, unveiled the Greens' vision for renewable energy in Tasmania. That includes a proposal to invest in a solar fund for investment and subsequent downward pressure on power bills for many Tasmanians who are doing it tough under an increase in electricity prices in recent times. It also includes a vision for Basslink to become a 100 per cent south to north interconnector - that is, to use Basslink to do what it should have been doing from the first place, and in fact that which Hydro Tasmania claimed it was for, and that is to export our renewable energy generated in Tasmania to displace dirty brown coal-generated power being used in our mainland markets and generated in places like the Latrobe Valley.

Mr Speaker, I need to quickly touch on a couple of other portfolio areas. Firstly, my vision for school education as Minister for Education. I made it clear in a recent speech to over 250 educational leaders in Tasmania from the Department of Education and our public school system that if you want a high-quality education system you have to have high-quality teachers and high-quality school leaders. I note here that Mr Ferguson is on the record as saying that these areas are 'not a priority for the Liberals at this stage.' Well I say to the Liberal Party, have a look at what is happening in the world's best education systems. They focus on teacher quality and the quality of school leadership.

## ***Closing Summary***

Mr Speaker, I do not have the time now to outline all the Greens ministerial and non-ministerial initiatives and priorities for the year ahead. My Greens colleagues will expand on these in their own respective addresses-in-reply. To conclude: Tasmania's economic transition is underway. There is no going back. It is a time of change but also of opportunity. Global turmoil creates local opportunities but we need to recognize and act on them.

China is expected to pass the US in five years as the world's largest economy. By the mid 2040s-50s India is expected to pass China as the world's largest economy. How are we positioning ourselves to maximize the interest and needs of these emerging economies?

How do we compete with a high exchange rate? Not by relying on the 'single-carb doughnut' bulk commodity. But by investing in and value-adding to our community, and our natural assets.

*Thank you.*