

Local Government Association of Tasmania (LGAT) General Meeting

26 July 2017

Wrest Point, Hobart

Thank you for the opportunity to speak at this important annual event.

Could I begin by acknowledging my parliamentary colleagues, the President of LGAT Doug Chipman, the Lord Mayor, Mayors, Deputy Mayors Aldermen and councillors, ladies and gentlemen.

When we came to Government nearly three and a half years ago the State's financial position was unsustainable, we had an unemployment rate of more than 7% after peaking at over 8%.

The State's economy had been in recession, over 10,000 Tasmanians lost their jobs, population growth had stalled, business and consumer confidence had collapsed and in fact 2 out of every three businesses felt that the previous Governments policies were working against them instead of for them.

We laid out a plan that had at its core fixing the state's finances, restoring confidence and creating jobs and opportunity for Tasmanians.

Whilst there will always be more to be done in the main we have delivered on those aims.

Our financial position is now the envy of many of the larger states, confidence has returned and our economy has been one of the fastest growing in the nation. 10,500 new jobs have been created and our population is growing at its fastest rate in 6 years.

Our strong budget position has enabled record investment in Health, Education and protecting those most vulnerable.

Our financial position was also strong enough in the recent budget to roll out programs that will support 7600 apprentices, trainees and young people into jobs through cutting payroll tax and supporting small business. Our infrastructure spending is back at record levels investing in roads, bridges, hospitals, schools, rail and dams.

Tasmania is a much more positive place today than it was when we came to Government.

National survey after national survey point to Tasmanians being some of the most confident in the country.

In terms of the view of this State nationally and also internationally there is no better litmus test than the influx of visitors we are seeing and that we lead the country in terms of the highest rate of growth of international visitors around country would be of no surprise to anyone.

Respected economists such as Saul Eslake and those from Commsec and Deloitte now regularly point to Tasmania as a State that is beginning to realise its full potential, kicking goals nationally and leading on key economic indicators like the strongest jobs growth in the country.

Largely these impacts are now being felt State wide.

It is fair to say the south and especially Hobart are booming.

The North and North West whilst needing some additional stimulus in past years through programs like the interest free loan scheme and the bringing forward of spending on schools and infrastructure like Cradle Mountain are now poised for a period of sustained economic growth as projects like the UTAS transformation and Devonport living cities projects gain further momentum.

As a government we have delivered on our plan and whilst there will always be more to be done more often than not now the public discourse is not about the need to attract investment but whether or not it's the type of investment we want.

All of you in this room have played a part in this renaissance in some way.

As a State Government we acknowledge the important role Local Government as a sector have played.

The developments that are coming out of the ground have all come across your tables in a planning sense and you have remained positive and provided strong local leadership when faced with the natural disasters of floods and fires that we have faced in recent years.

You have worked diligently to support the challenging planning reform agenda we have been working on to deliver a more consistent set of rules across the state.

Work that has enabled a very positive economic message to be heard nationally-that we are open for business and that we are leading the country in delivering a truly state wide approach to planning which will be supportive of investment but also protects those local attributes that local communities consider are unique or special.

Whilst needing careful management ongoing the steps this state has taken with your support to embrace the sharing economy has been described as a model for the rest of the world.

You have supported the building reforms which I understand have challenged many in this room but still with the States interests front and centre you have ensured that these reforms were able to be delivered.

The vast majority of you in this room have also embraced the Governments view that as a local government sector becoming more efficient will help you serve your ratepayers better and the work that has been undertaken on a range of voluntary amalgamation options and resource sharing models will stand the sector in good stead for years to come.

Whilst not all of the studies have been finalised yet, the work that has been done in some cases in difficult circumstances like the greater Hobart study will ensure that a body of evidence and data is available to make more informed choices about what changes, what choices are in the best interests of your ratepayers.

We have come a long way when you consider that only a handful of years ago the very mention of the word amalgamation would have led to world war three.

The mature and sensible way that we have been able to work together for the first time in the state's history on not one amalgamation option for a couple of councils driven by crisis but for multiple councils driven by a desire to understand what is in the best interests of your ratepayers will stand the sector in good stead in coming years.

Councils in all regions are considering either resource sharing or voluntary amalgamation options and the southern region especially have worked diligently considering multiple options with in some cases councils considering 5 or 6 different models of either voluntary amalgamation or resource sharing which has been very pleasing to see.

In coming weeks I look forward to being able to release the Northern and North Western resource sharing studies which will provide a body of information to make informed judgments around improving services to your communities.

This approach I believe has supported the positive confidence levels being expressed by the business community because I suspect they have accepted that councils are genuinely interested in improving their efficiency and the services provided to ratepayers.

Obviously there is still a lot of water to go under the bridge but the progress has been very pleasing to date especially and importantly for your ratepayers and the communities you represent.

There are a range of other matters that I could spend time on today such as the review of the local government act, the review of the dog act or major projects legislation which were all discussed recently at the Premiers local Government council however I understand that you have already received an update through LGAT.

The point that I wanted to make with my comments so far is that whilst I know not everyone in this room has been in furious agreement with the direction on the aforementioned measures - as a result of the work we have undertaken the benefits are being felt right around the state.

Your communities are in the main better off either because of increased opportunities for work or increasing business activity and those that own properties in your municipalities will in the main as well all be a little wealthier than they were a few years ago.

Your rate bases across all municipalities are strengthening in terms of both rateable properties as well as the value of those properties.

Everyone's boat in this room has risen under this Government and yet there is one issue that we do have a disagreement on that needs to be discussed and I hope discussed in a sensible way.

We all know that change is not easy and change can be hard.

The defence of the *status quo* is often the first response to proposed change, and Tasmanian State Governments and local Governments have over time found issues such as amalgamation especially, voluntary or not, for example to be too difficult to discuss.

When you look at some of the commentary on this issue over past decades it had degenerated into name calling, division and even threats of legal action.

Sounds familiar doesn't it but as the work we have engaged in over the past three years demonstrates when politics are set aside and ratepayers and the services they receive are put front and centre real progress can be made.

In a robust representative democracy tiers of government can agree to disagree and the current Water and Sewerage reform process is one such area of significant disagreement about the way forward.

And whilst I expect this debate to be robust I would ask that it be conducted at a sensible level.

Today I accept that we agree to disagree on the future direction and governance of TasWater.

But my very clear message is that just because we disagree on this issue, doesn't mean we can't continue to work together for the betterment of the Tasmanian community

As a Government we highly value local government and the role you play and whilst we remain committed to our plan to provide Tasmanians with access to better water and sewerage services quicker and at a lower cost that in no way should diminish the very positive progress that has been made on so many other matters.

In recent days we have released a range of information that is now available to you including independent advice from respected local engineering firm Pitt and Sherry that confirm that the accelerated investment is achievable as well as the draft legislation that will now be subject to an inquiry by the Upper House prior to them considering the legislation later this year.

The draft legislation confirms the commitments we have made in terms of;

- ensuring that the payments promised to you by TasWater will be legislated to provide certainty.
- the Government Business Enterprise will not be able to be privatised
- that prices will be capped in the first year at 2.75% and then between 2.75% and 3.5% ongoing; and further:

That after the guaranteed period post 2024-25 that 50% of the net profits will be paid to you in perpetuity and also that any remaining profits will not be paid to the State Government but rather they will be kept by the business to invest into infrastructure or reduce debt to ensure that price increases can be kept lower.

I understand that you not happy about what we are proposing and you have made that clear but I do want to acknowledge your President for his comments this morning and for the very sensible conciliatory tone he took when interviewed on this matter.

As I have said I acknowledge that we agree to disagree.

However I firmly believe that our relationship is strong enough and robust enough to ensure that neither of us loses sight of the very positive successes we have already delivered for the Tasmanian community.

In concluding today, I want to return to some of my remarks from last year at your conference because they remain pertinent today and to your conference theme this year: Developing Better Communities.

Reform is not a process of a tentative step towards change and a retreat back to the status quo.

It takes leadership and commitment for change to occur, and demonstrate the benefits.

As elected representatives, we must always govern with our constituents best interests in mind; and,

We must be prepared to embrace change if that is in their best interests and provides better outcomes for them even though it may not necessarily always suit our own self interests.

Thank you for your time today.