

A Stronger Tasmania

Tasmania policy – Following support shown by the first Howard/Fischer Coalition Government, this policy lays the basis for more new jobs and opportunities and a stronger Tasmania.

Tasmania

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Executive Summary

Part 1 Labor's Record

- **Labor displayed contempt for timber communities by treating forestry as a political issue, rather than an issue of jobs balanced**

with conservation.

- Labor failed to provide real support for the important tourism industry.
- In the same way that Labor failed regional Australia on the mainland, they ignored the special needs of Tasmania in areas such as communications and environmental repair.
- Labor failed to deliver a business environment in which the important Tasmanian small business sector could flourish.

Part 2 Highlights of the Government's Achievements

- The Coalition provided \$110m to put in place a lasting Regional Forest Agreement, which will generate hundreds of jobs while also putting in place scientifically based conservation reserves.
- As promised at the last election, the Coalition provided a subsidy for bringing vehicles across Bass Strait. This reduction in cost for people wishing to visit Tasmania has provided an enormous boost to tourism in the State.
- The Coalition has provided \$20m to support development of the Abt Railway on the west coast. This will lead to new tourism-based jobs in a depressed area of the State.
- The Coalition provided \$125m from the Natural Heritage Trust to repair the environment.
- The Coalition provided \$58m to upgrade regional communications in Tasmania.

Part 3 Tasmania

- The Coalition will provide \$5m each to upgrade York Park and Bellerive Oval. This will ensure that high level, including national, sporting events continue to be held in Tasmania.
- The Coalition will provide an additional \$15m a year for an improved Tasmanian Freight Equalisation Scheme. This will provide lower transport costs across a range of industries, providing the basis for further job growth.
- The Coalition will introduce a new Ships Bounty Scheme at a cost of around \$70m over four years, which will provide significant support to this important Tasmanian industry. It will lay the basis for many new jobs in shipbuilding and related industries.
- The Coalition will provide \$2.5m to support redevelopment of the Inveresk Railyards in Launceston. This will provide an additional venue for tourism as well as directly stimulating new jobs.
- The Coalition will provide \$50,000 for a feasibility study into the Emu Bay Heritage Village in Burnie. This project has the potential to generate many new jobs in Burnie.

Part 4 The Tax Plan for a Stronger Tasmania

- **The significant cuts to transport costs will provide enormous benefit to industries such as mining, forestry and tourism, leading to more jobs in these industries.**
- **The Tax Plan will provide further incentive to expand small business, a major employer in Tasmania.**
- **The more sensible financial arrangements under the Tax Plan will provide Tasmania with a more secure source of funds to provide services such as schools, hospitals and police.**

Labor's Record

A Support for Industry

The Labor Government continually sacrificed Tasmanian jobs for reasons of political expediency and elite special interests rather than mainstream Australia.

The Wesley Vale Pulp Mill was a generational opportunity to generate significant jobs in Tasmania. The Labor Government, of which Mr Beazley and Mr Evans were senior members, intervened and stop the Pulp Mill to buy a few green votes in other States.

In a similar manner, Labor sacrificed forestry industry jobs. Large reserves were created with no scientific or conservation basis. These decisions devastated many Tasmanian communities. Labor did it for no other purpose than attracting green support in other states.

B Support for small business

Small business is a vital sector in the Tasmanian economy which suffered years of neglect under Labor. The tax burden was excessive and provided no incentive to grow while interest rates reached crippling levels. Small business was burdened with industrial relations laws designed for union bosses which inhibited employment.

C Support for Infrastructure

The Labor Government ignored the infrastructure needs of Tasmania.

Regional communications were ignored, which placed many Tasmanians at a distinct disadvantage given the disparate nature of the Tasmanian population. The Labor Party will continue this neglect if

returned, as evidenced by their recent announcement that Mr Beazley will freeze funding from the Howard Government's innovative Regional Telecommunications Infrastructure Programme.

The rail system is a vital transport link in Tasmania and is used by many industries including mining and forestry. Again, Labor neglected it. It was saddled with debt and left to die a slow death, costing more jobs over the years.

Highlights of the Government's Achievements

A Resources and Environment

Environment

The Coalition Government provided \$125m from the Natural Heritage Trust, out of total funding of \$1.25 billion, to provide real solutions to Tasmanian environmental problems over a five year period. This money is helping deal with problems such as erosion, protecting endangered species and pollution of rivers and oceans. This initiative has been well received in the community, with \$33m committed so far.

Resources

- In 1997, the Coalition Government provided \$110m to implement a statewide Regional Forest Agreement. This will create many hundreds of new jobs by providing the certainty industry needs to invest. As part of the solution, the RFA also provides for significant new reserves based on scientific criteria rather than political criteria.

The mining industry is also a vital part of the Tasmanian economy. The Howard Government's RFA also promoted the development of this industry by giving it the land use certainty it needs to invest in confidence. In addition, the Howard Government has also committed \$300,000 to examine the infrastructure needs of the mining and minerals processing industries in western and north western Tasmania.

B Tourism

As promised at the last election, the Coalition Government put in place a subsidy for bringing vehicles to Tasmania, the Bass Strait Passenger Vehicle Equalisation Scheme. This provided a direct

stimulus to bringing more tourists to Tasmania, which in turn generated more jobs for Tasmanians. The Howard Government spent more than \$15m in 1997-98 on the vehicle subsidy. The scheme has been so successful that the number of passenger vehicles jumped from 80,642 in 1996-97 to 111,465 in 1997-98, with further increases forecast for 1998-99.

In addition to this support, the Howard Government has also announced that it will spend \$20m to support development of the Abt Railway. This will be the focus of investment and new jobs in the tourism industry on the west coast.

C Communications

Tasmania will receive \$58 million from the Coalition Government's Regional Telecommunications Fund; this funding will continue should the Coalition be returned while Labor will freeze funding. Already, more than \$15 million has been announced on a range of projects. These include :

an electronic commerce initiative for West North West Regional Tourism Ltd which will help small adventure and eco-tourism businesses to develop interstate and international markets;

funding for the Service Tasmania project, which is being used to take services, including financial, back into the regions; and

a statewide network of more than 50 Telehealth centres to promote more equitable access to health services for rural and regional Tasmanians.

Around \$43 million remains to address the communications needs of regional Tasmanians if the Coalition retains Government. Labor has announced a freeze on this funding, again showing contempt for Tasmania by depriving communities of the \$43 million left for Tasmania.

D Small Business

The Coalition Government has put in place sweeping reforms to the small business sector. This will provide significant benefits for Tasmania where small business is a key sector.

The Howard Government has cut the provisional tax uplift factor by 3%. In addition, the Howard Government introduced a rollover relief

provision which defers CGT if you sell your small business and use the money to buy another small business, as promised at the last election. This provides an incentive for small business to expand and employ. The Howard Government also introduced significant reforms to provide greater protection to small business dealing with big business.

Tasmania

A Sporting Facilities

(i) York Park

York Park is the principal sporting venue in the north of Tasmania, however it is not of a standard to allow national or international sport. Unfortunately, Tasmania is the only State that does not have a locally based AFL team, despite the fact that Australian Rules Football has a long and proud heritage in the State.

The Howard Government will spend \$5 million to upgrade York Park in Launceston to a standard capable of hosting national AFL games away from home base states.

The Coalition is confident that a \$5 million contribution to the upgrade of York Park will entice national AFL games to Launceston.

Upgrading York Park to a standard capable of hosting AFL matches will provide Tasmania with a sporting and tourist boost. York Park is the most suitable venue for AFL broadcast matches being played in the State.

(ii) Bellerive Oval

The Howard Government will spend \$5 million upgrading the Bellerive Oval. This will ensure that Bellerive continues to be a venue for top level sporting competition.

International cricket (test matches and one-day internationals) has been played at the Bellerive Oval in Hobart since 1989.

No federal support has been given to the development of the ground to this date. The Tasmania Cricket Association (TCA) has proposed a further development of the oval to maintain its viability as an international, multi-sport venue. The Howard Government will contribute \$5m to support these developments, including indoor

practice areas, upgraded change room facilities, a media centre and general amenities for players, officials and spectators.

B Tasmanian Freight Equalisation Scheme

The Howard Government will provide an additional \$15 million per annum for an improved Tasmanian Freight Equalisation Scheme (TFES), providing a further boost to investment and jobs growth in Tasmania.

The Howard Government currently spends around \$41 million per year on the TFES. The report of the Tasmanian Freight Equalisation Scheme Review Authority, chaired by the Hon Peter Nixon was handed to the Tasmanian and Federal Governments on June 29th 1998, following consultation with Tasmanian industry.

The report drew attention to a number of anomalies and short comings in the present scheme including:

- no proper basis for calculating rates of assistance to shippers.
- historical anomalies in assistance for some products, especially newsprint.
- large shippers receiving reduced assistance with no proper rationale

The Authority made sixteen recommendations for improvements to the scheme including:

- the most appropriate concept on which to base the rates of assistance is the sea freight cost disadvantage, being the difference between wharf gate to wharf gate costs and actual road freight costs for an equivalent task;
- the anomalies in benefits paid to some shippers be removed;
- large shippers rates of assistance shall no longer be discounted;
- incentives for shippers to seek out the most competitive freight rates;
- a scheme which is simple and efficient to administer; and
- annual reviews to ensure cost relativities are up to date.

The Howard Government accepts the report in full and notes that the new scheme is a complete overhaul of the TFES, retaining and enhancing delivery of Federal Government support to Tasmanian industry. The new scheme will deliver:

- transparency for calculating rates of assistance;
- a fairer distribution of funds for shippers with particular assistance for newsprint (an additional \$5.4m per annum from within total funding);
- improved competition on the Bass Strait trades;
- an increased commitment by the Federal Government to Tasmania's

industry of (\$15m) in additional funds, bringing the level of assistance to \$56m annually; and

- annual review of the scheme with a five year rolling commitment for certainty of planning for industry.

C Ship's Bounty

The Howard Government will extend support for Australia's shipbuilding industry. This support will encourage export success and innovation within the industry.

Australia's commercial shipbuilding industry has emerged from a period of extensive restructuring. It is entrepreneurial, aggressive, innovative and extremely successful in international markets.

More than 90 per cent of the industry's output is exported. The industry has a strong regional presence in Tasmania, Western Australia and Queensland.

Despite being a world leader in some niche markets, the Australian shipbuilding industry's existence remains precarious and the superior resources of major shipbuilding countries could overwhelm it.

Australia's shipbuilding industry is currently assisted by a bounty paid at rate of 5 per cent on the value of eligible production.

To help safeguard the immediate future of Australia's shipbuilding industry the Government has already extended the shipbuilding bounty from 1 January 1998 until 30 June 1999.

In January 1998, the Government commissioned a review of the shipbuilding industry, to examine the long-term strategic direction of the industry.

The review panel recommended that the Government should continue to support the industry until the end of the year 2000, when subsidies on competing European shipbuilding interests are to be eliminated.

The review found that advances in technology and design had been critical factors in the Australian industry establishing its current position as a leading supplier of fast ferries to the world. However, the threat of competition from larger overseas ship yards is increasing, particularly as they catch up in terms of design and quality. Continued innovation and well targeted research and development is therefore a crucial element in sustaining Australia's competitive advantage.

The Federal Coalition endorses the findings of the Review Panel and

will implement its recommendations in full. In particular:

- a re-elected Coalition Government will extend the shipbuilding bounty from 1 July 1999 until 31 December 2000, at a rate of 3 per cent, costing \$28 million over four years. For a vessel to be eligible for the bounty, final contracts would need to be in place before 31 December 2000 and the vessel would need to be delivered by 31 December 2003; and
- the Coalition will introduce a new Shipbuilding Innovation Scheme to encourage a strengthened focus on product research and development and design innovation. The new scheme will provide assistance to firms on a dollar-for-dollar basis, up to a maximum of 2 per cent of eligible production costs.

This will maintain assistance for the shipbuilding industry, at a rate equivalent to the existing 5 per cent bounty, to total funding of \$68.8 million over four years. The strength of the Coalition's plan for the shipbuilding industry is that it directly encourages the industry to develop the new advances in technology and design necessary to renew its competitive advantage over the rest of the world.

Combined, these measures will provide assistance to the industry worth around \$70 million over four years. The cost of the new Shipbuilding Innovation Scheme, estimated at \$40 million over four years, will be absorbed within the \$1 billion funding for innovation provided in the Government's Investing for Growth industry policy statement, announced in December last year.

D Inveresk Redevelopment

The Howard Government will spend a further \$2.5m to support development of the Inveresk Redevelopment Museum and Art Gallery in Launceston. One million dollars of this will be funded from the Cultural and Heritage component of the Federation Fund.

Launceston's Inveresk railyards redevelopment is the largest urban renewal programme in Tasmania. The Inveresk redevelopment involves commitments from Federal, State (\$4m), and local Government (\$3m), and the local Show Society (\$2m). The Federal Government has directly spent \$7m on the site to date with a further \$8.8m being allocated to through the University of Tasmania to allow the university's arts centre to move to the site.

This proposal involves the planned next stage of the redevelopment – the establishment within the site of the Queen Victoria Museum and Art Gallery. This phase will see the redevelopment of more than 20

former railway buildings, the creation of working exhibits based on the State's industrial heritage, such as the old blacksmith's shop and the restoration/construction of a new art gallery.

The project should be completed by 2000. As an integrated commercial, social, sporting and cultural centre for Launceston the Inveresk site will be critical to the further process of urban renewal in the city. The project will provide significant employment in the construction phase and long-term employment once completed.

Federal support for the museum and art gallery completes the package of support the Commonwealth has delivered to Inveresk over five years.

E Emu Bay heritage Village

The Howard Government will provide \$50 000 for a feasibility study into the Emu Bay Heritage Village in Burnie. This is an exciting new proposal which could employ many Tasmanians.