

4 June 2020

Peter Gutwein, Premier

Two year Blitz to generate \$3.1 billion in construction value

The Tasmanian Liberal Government is set to reboot the economy with a record construction blitz over two years, underpinning around 15,000 jobs.

The package will build on the Government's current infrastructure package of \$1.8 billion over the next two years, and in total will support an estimated construction value of \$3.1 billion across the next two years.

It brings forward government expenditure, it will stimulate investment in the private sector, it will strengthen and underpin the economy and it will create thousands of jobs.

The best way to get our budget back on track and grow business confidence and create jobs is to grow the economy, and that is what we are doing.

I have said that the hallmarks of this Government will be one of compassion, conviction and opportunity, and never before has that been more important as we rally together to build our way out of coronavirus.

The program of works will build next-generation infrastructure, improve the opportunity for more Tasmanians to become a home owner and provide houses for more Tasmanians, it will get our economy back on track, fuel the supply chain across the state and create jobs.

The centrepiece of the package delivers 2300 new dwellings, including social and affordable houses across the state.

And there's no better place in the country right now to build a house with our state-expanded First Home Owners funding of \$20,000 for any owner occupier to build a house, combined with the Federal Government's injection of \$25,000 meaning there's a massive \$45,000 available, regardless of if it's your first or your 10th house.

It also secures and fast-tracks projects across community infrastructure, roads, irrigation and other essential infrastructure.

Including:

Housing (Delivering a total construction value of est. \$792 million)

- **2295 new dwellings, including social and affordable houses**
 - \$100 million to deliver an additional 1000 new social houses, in partnership with Community Housing Providers.
 - \$24 million in additional and brought forward funding for 220 houses under the Affordable Housing Strategy.
 - Improving the HomeShare program to revise eligibility thresholds, helping to reduce the initial cost of buying a house and the monthly cost of owning it. It is estimated uptake would result in 150 home purchases, including 75 new builds over two years.
 - \$20 million to support the delivery of 1000 homes by extending the successful \$20,000 First Home Owners Grant initiative to all Owner Occupier build applications for 2020. This means if you contract to build a house this year, you will receive a \$20,000 grant, whether it's your first home or not. Detailed guidelines and eligibility criteria will be available on Tuesday 9 June.

Roads and Irrigation infrastructure (delivering a construction value of est \$55 million)

- The Government will allocate \$40 million for state road safety upgrades in 2020-21 and 2021-22 and bring forward \$40 million through an accelerated procurement tender process. This will provide the local construction industry with certainty of work over the coming months and into the next construction season.
- The first tranche of projects under this package are now out to market, including safety upgrades on Highland Lakes Road at the 'Pub with No Beer' corner, improved turning facilities on the Bass Highway at Boat Harbour, and road widening and improved turning facilities on the Arthur Highway at Eaglehawk Neck.
- A further nine projects will be put to market under this process and will include bridge strengthening works, the upgrade of Binalong Bay Road, the Bruny Island landside infrastructure, and road widening works on Midland Highway between Powranna and Tunbridge.

- Our record \$378 million roads budget next financial year already includes other significant projects, such as the new Hobart Airport interchange, park and ride facilities in Kingborough, the West Tamar Highway upgrades and the start of the \$100 million Bass Highway upgrades with the Boat Harbour turnoff. These projects are all on track to start later this year.
- We're investing \$15 million to prioritise the \$28.51 million Don Irrigation scheme and to meet the increased demand for Tasmania's next five irrigation schemes. The Don Irrigation scheme is expected to commence construction early 2021 and deliver 130 direct and indirect jobs.

Essential Services (with a total construction value of est \$42.1 million)

- An additional \$10 million to upgrade regional health centres and ambulance facilities.
- \$7 million will be invested to undertake refurbishments to the Launceston Police Station.
- \$3.5 million will be invested in a new Emergency Services State Operations Centre.
- \$8.7 million will be provided to upgrade the final 29 Police Houses across the state.
- \$5.9 million of the \$15 million Burnie Court upgrade will be brought forward.
- An additional \$7 million is being provided for Child and Family Learning centres as part of the \$28 million investment. We will fast-track five of the six committed centres across the state, including East Tamar, Waratah Wynyard, Glenorchy, Kingborough and West Ulverstone. Sorell will begin construction in 2022-23 in line with the \$25 million redevelopment of Sorell School.

Community Infrastructure (total construction value of est \$167.5 million)

- \$68.5 million will be provided for the upgrade of the Derwent Entertainment Centre, including \$20 million for a community four court multisport facility. Subject to a final agreement on terms being reached, the upgraded DEC will host a Tasmanian National Basketball League team and NBL games.
- \$12 million Cooeee will be provided for the Wynyard Coastal Pathway between Cooeee and Wynyard.
- An additional \$20 million for refurbishments to public buildings and other publically owned assets has been allocated. This funding is in addition to the \$50 million that was brought forward and announced as part of the Government's initial economic and social support measures. This \$70 million Program will continue to provide support for regional employment and trades.
- \$10 million is being provided for Improving the Playing Field, enabling grants for sporting organisations and clubs for facility and amenity upgrades. Grants of between \$25,000 and \$250,000 will be available.
- \$4 million will be provided for the Royal Tasmanian Botanical Gardens for new infrastructure and upgrades to existing infrastructure to meet growing visitor numbers.
- Investment of \$3 million towards a new visitor centre for the Cascades Female Factory in South Hobart. This project has already received Heritage Council and Hobart City Council approvals.

RBF \$200 million Tasmanian Economic and Social Investment Fund (Total construction value of \$200 million)

- As we hold nearly \$2.1Billion in our Retirement Benefits Fund with the vast majority invested outside of the state we are going to bring at least \$200m of that back for investment in the State to secure social and economic returns for Tasmanians,.
- Treasury will implement arrangements, whereby up to 10 per cent of the Fund's investments will be invested in Tasmania and the Premier's Economic and Social Recovery Advisory Council will consider options to provide an economic and social return for the state.
- The fund will be used to identify suitable investments outside of Government in the private sector that can be supported across the economy to increase economic activity, create jobs and strengthen social outcomes.

Education and Skills (total construction value of est \$10.5 million)

- An additional \$7 million will be provided to develop the \$14 million Trades and Water Centre of Excellence. This will skill and train Tasmanians for local jobs in the construction and civil contracting industries, including water and sewerage. The Centre will have its own Industry-based Board, to ensure operations and training align with the skill needs of employers.
- \$3.5 million will be brought forward to commence works on the Devonport High School as part of the \$10.5 million major redevelopment.

The construction blitz is good news for Tasmanian apprentices, with our Building and Construction training policy requiring that contracts in excess of \$250,000 use apprentices for a minimum of 20% of the labour required for work undertaken on government-funded building and construction works.

A state-wide Skills Roundtable will be held in coming weeks to discuss skills and training options that will help deliver our significant infrastructure and construction pipeline and boost local jobs.

The Roundtable will include key industry and business stakeholders, TasTAFE, regional skills and workforce development bodies and relevant unions.

These are challenging times, but now is not the time to sit idle, now is the time to unleash the greatest stimulus program we can, to kick-start the recovery process and help get Tasmania back on track and back in business.