



Media Release

Tasmania tricked so that Labor gets Government

Last year after the Federal Election Andrew Wilkie had been elected as the new member for Denison and found himself in a position where his support would determine who formed Government and who became Prime Minister.

Mr Wilkie negotiated funds for the redevelopment of Royal Hobart Hospital selecting the ALP's \$340 million over the \$1 billion offered by the opposition. But he was tricked. The funds Mr Wilkie negotiated were not new additional money but simply "early" access to our already due GST entitlement! The funds Mr Wilkie achieved, in order for Ms Gillard to become Prime Minister, were nothing more than an advance on our "pocket money" from Canberra. Premier Lara Giddings agrees, in Parliament last month she said, "the reality is, it is not additional, it is just a matter of when we get the funding".

At the time these funds were allocated there was talk of a submission having to be lodged and approval gained however there was never any mention that the money was to come from Tasmania's own future GST revenue.

Mr Wilkie was tricked, the Tasmanian government complicit (they signed up) and the Prime Minister took power by default.

Where does this leave Tasmania? Quite simply, funding for all but \$12m of the RHH redevelopment comes from Tasmania's own budget! Tasmania pays \$553 million of the \$565 million overall cost not just the \$225 million we thought. Money "we don't have" at a time when the health system in Tasmania is failing to deliver through draconian state government cuts to the health budget. How stupid and unnecessary.

If only:

1. Mr Wilkie had sought better advice and got a better deal for Tasmania; he had the power.
2. The State Labor/Green Government had not succumbed and signed up to this bad deal from Canberra; knowing full well that all this deal would do is rob the future to pay for the present.
3. And Ms Gillard had been genuine in her dealing with Mr Wilkie and Tasmanian people.

As elective surgery in Tasmania is being cut and health workers sacked, Tasmanians were under the false belief that the RHH redevelopment funding was additional to the state coffers.

In order to **solve the problem and fix the mess** the AMA calls on the Prime Minister to instruct the treasurer, Mr Swan, to exempt the RHH redevelopment funds from the grants commission GST equalisation process as should have occurred at the time.

This would mean the RHH redevelopment funds become additional funds and would restore Tasmania's GST funding over the forward estimates to original levels. Not to do this leaves an even bigger black hole in Tasmania's budget especially in light of the further GST revenue cuts announced by Mr Swan last week.

For the sake of the Tasmanian health system it is essential this exemption occurs.

Ms Gillard, Ms Giddings and Mr Wilkie, Tasmania needs you to get this right.

Press conference at AMA 147 House Davey Street Hobart at 12:30 Monday 5th December 2011.

In attendance Dr John Davis Tasmanian AMA President, Dr Tim Greenaway Chair RHH Medical Advisory Committee, Dr Frank Nicklason President RHH Medical Staff Association and Dr David Smart representing the RHH Visiting Medical Officers.

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Dr John Davis can be contacted on 0488 142 033