

# 2005-06

## TASMANIAN BUDGET

Presented by the Honourable Paul Lennon MHA, Premier and Treasurer



Our State. Our lifestyle.

## BUSINESS



Tasmania

# Our Strong Economic and Financial Record



## Maintaining the Momentum

**Tasmania is uniquely placed.**

**The benefits of years of hard work by government and industry are now flowing.**

**Population growth, jobs growth, economic growth and steady improvement against Competition Index measurements are all barometers of a vibrant society.**

**Our challenge is to keep the momentum going.**

**That is a challenge my Government is meeting, through a strategic program of investment, community development and lifestyle enhancement.**

**Paul Lennon  
Premier**

## Tasmania's economic framework has changed.

Since 1998, structural changes to the economy have positioned the State for continuing growth.

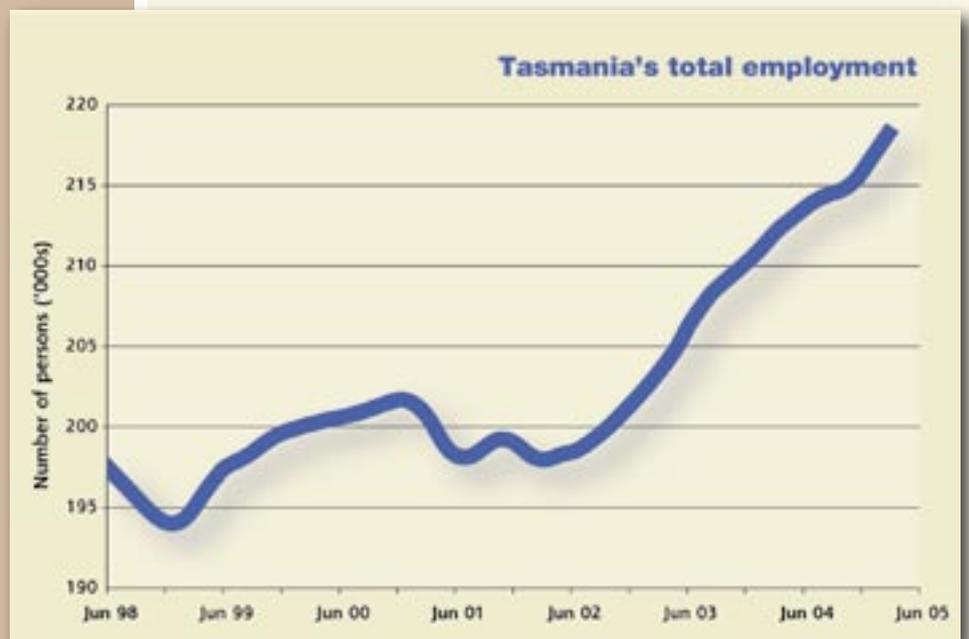
The 2005-06 Budget focuses on keeping the momentum going.

Continuing job growth through 35 consecutive months has been driven by a strategic plan – led by strong investment in infrastructure such as natural gas, wind energy and entry to the National Electricity Market.

Tasmania is, once again, competing at a national level, with business confidence running high.

## Our Economic and Financial Record

- **24,200 more** jobs for Tasmanians since the recovery began in January 1999.
- **Record** low unemployment of 5.6%, a decrease of 4.6%.
- **Record population** with almost 483,000 people living in Tasmania, up 11,031 since June 1998.
- **Record visitor numbers and business investment.**
- **Tax cuts** for business and the community.
- **\$1.6 billion** wiped off General Government Net Debt.
- **Budget surpluses.**
- **Ratings upgrades** from both Standard & Poor's and Moody's.
- **Strong support** for major infrastructure investment.
- **Most competitive** State in 17 out of 34 Competition Index measurements.



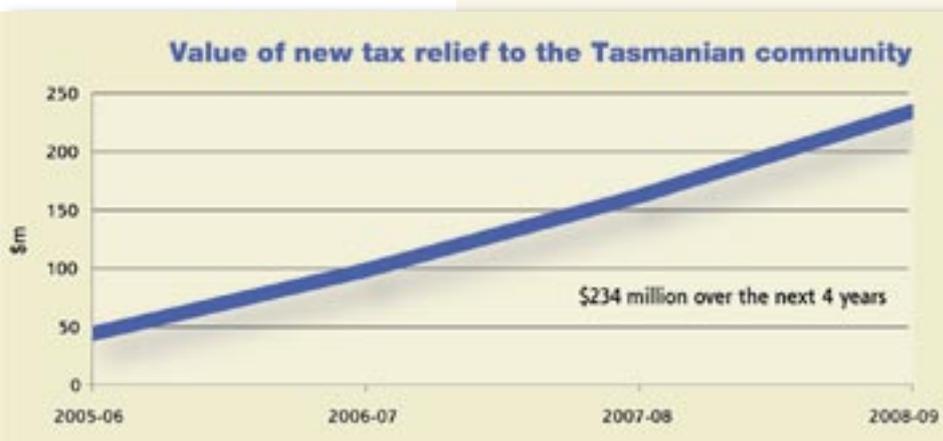


## Improving our skills and jobs – a \$15.8 million package

- **\$12.6 million** for a skills for growth package to directly address skills shortages currently constraining business and industry growth.
- **\$3.2 million** for training and initiatives to identify skills development opportunities and improve job readiness.
- **\$40 million** in additional funding for skills development in just two Budgets.

## Support for major projects – a \$126 million package

- **\$115 million** to continue to support *Spirit of Tasmania III* and its positive effect on Tasmanian businesses and the Tasmanian community.
- **\$6.3 million** to support the proposed pulp mill project for Tasmania.
- **\$5.1 million** to continue support the development of gas infrastructure, entry to the National Electricity Market and telecommunications.



## Tax cuts – a \$234 million priority

- The 2005-06 Budget provides tax cuts that will total \$234 million over the next four years.
- This is an additional \$234 million, available for Tasmanians, to be spent on Tasmanian goods and services.
- This will bring total tax cuts provided by the Government since 2000 to \$148 million per year and the total value to the community over the next four years in excess of \$500 million.

## Continuing the momentum – a \$21 million package

- A package of vitally important projects focused on continuing structural change in the Tasmanian economy, protecting the integrity of Brand Tasmania and facilitating improvement in vital systems and processes, which otherwise might hamper development.
- Includes \$1 million for the Brand Tasmania Council, \$1.8 million for the State Infrastructure Planning System, \$1.8 million for the State of Growth program and \$6.4 million for biosecurity.

## Our vital infrastructure – a \$600 million commitment

The Government's record on improving Tasmania's infrastructure is second to none. In the 2005-06 Budget, the Tasmanian Government is committing to invest:

- \$271 million in our road infrastructure.
- \$185 million in vital hospital, school and prison infrastructure.
- \$60 million in important economic development projects.





## Skills Initiatives in Detail

- **Supporting Enterprise Development** will enable TAFE Tasmania to provide subsidised training to targeted industries to stimulate demand for training for existing employees.
- **Skills Direct** will provide short training programs to meet specific industry skills requirements, including those associated with the proposed pulp mill development.
- **Trades Express** is an accelerated trade recognition and training program for mature-aged Tasmanians and new workforce entrants in trade areas that are in demand in the Tasmanian economy.
- **Training Outcomes for Migrants and Refugees** will provide training to improve employment outcomes for migrants and refugees.
- **Apprentices and Trainees Travel** will provide travel and accommodation for trainees and apprentices to help them undertake more specialised training.
- **Partnerships to Jobs Program** will provide a springboard to more jobs growth.
- **Industry Research Collaboration Program** will complement the Partnerships to Jobs initiative by investing systematically in job readiness and skills development opportunities in targeted communities.
- **Fishing, Aquaculture and Maritime Industries** initiative will provide funding for training in these vital industries.

## What the new tax cuts mean for business

Land holdings of \$700,000 – **a saving of \$4,655 every year**

Investment properties of \$300,000 – **a saving of \$2,430 every year**

New mortgage of \$300,000 – **a saving in duties (when abolished) of \$1,040**

Purchase of a business with real assets of \$500,000 and non-real assets of \$150,000 – **a saving in duties of \$6,000**

Debits duty – **a saving of \$390 every year**