



Budget Speech

Delivered in the House of Assembly
on 12 June 2008 by the
Honourable Michael Aird MLC, Treasurer



2008-09 BUDGET SPEECH

'Ideas. Action. Opportunity.'

BY
THE TREASURER
THE HONOURABLE MICHAEL AIRD, MLC

Delivered in the House of Assembly on 12 June 2008 on the Second
Reading of the Consolidated Fund Appropriation Bill (No 1) 2008

Presented to both Houses of Parliament by the Governor's Command

MR SPEAKER

This Government believes in opportunity.

We believe in the opportunity created by education, by a healthy lifestyle and by having a home.

We believe in the opportunities provided by sharing ideas, by working together and by looking to the future.

We believe in leading by identifying good ideas, and putting them into action to build opportunities for all Tasmanians.

We believe that opportunity provides hope.

The 2008 Budget provides for the present and maps a path for Tasmania's future.

It provides new funding to tackle the challenges of our time.

Challenges such as climate change, demographic change, urban renewal, and maintaining sustainable economic growth.

We need to put ideas into action, for today and for tomorrow.

Mr Speaker

The 2008 Budget is a landmark Budget.

This year, for the first time, the annual Tasmanian Budget tops \$4 billion.

In this Budget, we are delivering a record \$1.1 billion for Education.

We are delivering a record \$1.5 billion for Health and Human Services.

On top of this funding, the 2008 Budget also includes a \$1.5 billion four-year plan to continue to renew and build infrastructure in this State.

The 2008 Budget provides \$65 million over four years in tax relief to Tasmanian business.

It gives \$14 million over four years in concessions to those Tasmanians most in need.

It is a Budget which is based on a strong financial position and a growing economy.

It is a Budget which meets all of our demanding Fiscal Strategy targets.

It is a Budget that delivers.

Improving Literacy and Numeracy

Mr Speaker

Education is the single biggest investment a Government can make.

It leads to a clever society.

It provides a pathway out of poverty.

A well educated workforce drives productivity.

Education leads to a healthier and more connected and tolerant community.

This Budget puts a record \$1.1 billion into education.

Literacy and numeracy are essential tools for life.

In this Budget we deliver on our commitment to tackle Tasmania's literacy and numeracy levels.

Over the next four years we will invest an additional \$34.8 million to improve literacy and numeracy in Tasmania.

This represents the single biggest investment ever in literacy and numeracy in Tasmania.

The Raising the Bar and Closing the Gap initiative will help students who are not meeting benchmarks.

It puts resources to where they are most needed – in the classroom.

We will employ more specialist literacy support teachers to work with students – face to face, one to one.

This Budget is providing resources to help teachers help our kids.

We will provide a further \$16.8 million to support Tasmanian Government school children with high and additional needs.

When added to existing programs, this will mean a total of \$220 million in support over the next four years.

The students with the greatest need must be given an equal chance to fulfil their potential.

We have a responsibility to all students.

Every child deserves a fair go, and we are committed to making sure they get it.

We need every student to be productive in our community.

Mr Speaker

We want the business community to work with us in promoting an education-led future.

We will provide up to \$1 million over two years to work with the Tasmanian business community to establish the Tasmanian Education Foundation.

The prime purpose of the Foundation will be to promote the value of education and learning in the Tasmanian community.

It will provide a link between schools, education outcomes and the vibrant business community of tomorrow.

We need cultural change that switches all Tasmanians on to the value of education.

Mr Speaker

Improving literacy and numeracy skills is not just about our children.

It is also vital to opening-up new opportunities for many adults in our community.

This Budget puts \$2.8 million into the establishment of a Community Adult Literacy initiative.

Adult Literacy Coordinators will connect people wanting to improve their literacy skills with volunteer tutors, with support and with training in their local area.

This is about the Government providing leadership, connection and opportunity where it counts – in local areas across Tasmania.

It is funding that people can see working for them, to help them build education into their lives.

Jobs and Skills

Mr Speaker

There are now over 37 000 more jobs in Tasmania than there were in January 1999.

The number of long-term unemployed Tasmanians has fallen from 8 500 to 2 700.

That means 5 800 more Tasmanians are now experiencing the benefits of paid employment.

This Government is committed to continuing its record of being a job creating government.

We are committed to continuing to grow the Tasmanian economy.

A Tasmania of opportunity is one that gives people the chance to get the skills they need to get a job and support their family.

We all benefit when the improved skills of individuals create stronger economic growth.

This Budget invests \$7.2 million in new funding to implement the Skilling Tasmania initiative.

This funding will assist in the creation of 2 000 new training places.

Skilling Tasmania will include the Connect to Work Program.

Connect to Work will focus on increasing participation in the Tasmanian labour market by those experiencing social and economic disadvantage.

In last year's Budget, we announced that the Tasmanian Trainees and Apprentice Incentive Scheme would cease on 1 July 2008 and be replaced with a new assistance program.

Once again this Government fulfils its commitment by announcing today the new \$10 million Workforce Participation Program.

This program is about providing opportunities for people who face barriers to employment and incentives to business to take on new apprentices and trainees.

The program will be open to all businesses, small, medium and large.

As part of the Government's commitment to addressing the impact of demographic change, this program will include a new focus on mature aged workers.

Through pilot programs in industry sectors such as building and construction, local government and manufacturing, and community services including aged care, the Government will help develop workforce plans with a focus on retaining mature age workers approaching retirement.

The objective is to encourage people to stay beyond retirement age, so that their valuable skills and experience are not lost.

This is another way the Government can lead the State's response to the impacts of demographic change.

It's about continuing to increase the State's productivity.

Health and Human Services Reform

Mr Speaker

The Tasmanian health system touches every single Tasmanian at some point in their lives.

We are investing a record \$1.5 billion into the health budget, an increase of 11 per cent, taking funding for health and human services to 38 per cent of the total Tasmanian Budget.

Recent years have seen the Government commit significant resources to identifying how we can better deliver services to the community.

This has been extremely important work.

Work which has involved extensive consultation with community groups, with the medical profession and with the broader Tasmanian community.

This Budget provides \$80 million in new funding to work with existing Agency funding to implement a far reaching package of reforms.

It turns sound health planning into strong action right across the health and human services portfolio:

- \$6 million to reform family services to support Tasmanian children at risk and their families;
- \$6 million for the reform of Tasmania's Out-of-Home-Care system;
- \$26 million to implement reforms to the provision of services to people with disabilities; and
- \$17 million to implement the recommendations of the Alcohol Tobacco and Other Drug Treatment Sector Review.

These are fundamental reforms that will directly improve the lives of thousands of Tasmanians.

Mr Speaker

Tasmania's Health Plan has provided a blueprint for the development of our health system, a blueprint that will guide health decision-making for the next decade or more.

The 2008 Budget invests further into Tasmania's Health Plan.

It provides \$4.5 million for the Primary Health Services Plan and \$20 million for the Clinical Services Plan.

These funds support a community focussed primary health care system that delivers for Tasmanians and a comprehensive and world-class acute care system.

The Government is also investing \$18.5 million in new, state-of-the-art health IT systems.

Modern IT systems are vital to the delivery of new services and successful outcomes for patients.

Today's Budget delivers on our commitment to continue to build a health and human services system that will withstand the heavy demands of coming decades.

Mr Speaker

One of the best ways to build a healthier community is to encourage a healthy lifestyle.

The Government will lead by example.

The 2008 Budget will implement a \$3.3 million health and activity program for the public sector in this State.

This will include the opportunity for individual health and medical assessments for every State government employee, and a range of wellbeing initiatives.

This unique program will provide 26 000 Tasmanians with the opportunity to be better informed and to take responsibility for their own health and wellbeing.

Housing

Mr Speaker

Housing those most in need in our community is a national issue.

A kinder Tasmania will ensure everyone has the opportunity to have a roof over their head.

The Government has set aside a \$60 million housing fund to meet the challenges of homelessness and the shortages in public housing in Tasmania.

We recognise that we must be open to new ideas and be prepared to use a mix of policy levers to address these challenges.

We recognise the need for strong and immediate action.

Over the next 18 months the Government will undertake an innovative Quick Build pilot program.

This program will be centred on Government tenders to purchase 50 affordable kit homes.

These homes will then be made available for purchase by families, not-for-profit housing organisations and investors, for use as affordable housing or be added to the public housing stock.

Sites for this program will be identified throughout Tasmania.

A review of the program will be undertaken following these initial tenders.

In this Budget we will also extend the Government's existing shared equity scheme for the purchase of public housing by existing housing tenants.

The existing shared equity scheme is expected to provide the opportunity for 100 Tasmanian families to become home owners over the coming year.

Prior to the extension of this scheme, the Government will consult with stakeholders on the most appropriate form for the establishment of a shared equity scheme for low income Tasmanians wanting to build a new house but who don't currently own one.

It is proposed that the Government would take a 25 per cent equity in these properties to a maximum amount of \$50 000.

This will cut owner interest costs and reduce borrowing stress.

The Government believes that up to 150 new affordable homes could be built over the next two years under this new initiative.

Funding of up to \$7.5 million for this program will be available from monies repaid as a result of the wind-down in the Home Ownership Assistance Program.

We will also:

- Increase emergency housing options across the State in partnership with service providers with a particular focus on families;
- Work in partnership with the Australian Government's National Rental Affordability scheme and private and community housing sectors to provide up to 1 250 new affordable housing places in Tasmania over the next four years; and
- Invest in the renewal of our public housing communities around the State with the initial focus on Bridgewater and Gagebrook in partnership with the Brighton Council.

Mr Speaker

The Legislative Council Select Committee on Housing Affordability in Tasmania recommended that a government business be created (separate from Housing Tasmania) with the task of providing, managing and maintaining dwellings used as public housing, subject to certain conditions.

The Government is committed to achieving the long-term sustainability of public housing in Tasmania.

This is a complex and sensitive task and one which has already been the focus of some debate.

To ensure that we get the best possible outcomes we will commence a three month consultation process to identify the best way to deliver housing services in Tasmania.

This process will not be about privatising public housing or making a profit from public housing, nor will it be about band-aid measures.

It will be about recognising that the status quo is not an option and that delivering positive outcomes for Tasmanian families is a responsibility for all of us.

Social Inclusion

Mr Speaker

A strong education system, a strong health system and affordable housing are important parts of the Government's vision for a socially inclusive Tasmania.

This Government has a record of national leadership on social issues.

We are the first Government in Australia to have provided compensation to the Stolen Generations.

We have compensated children abused in State care, introduced Safe at Home legislation to combat family violence, and passed some of the most progressive legislation in the country on the rights of same-sex couples.

This Budget provides \$11.2 million to drive the Government's social inclusion strategy, and continue our strong record of progressive leadership on social issues.

We will implement initiatives arising from the State of Our Community Report and will appoint a Social Inclusion Commissioner.

Mr Speaker

One of the most direct things the Tasmanian Government can do to alleviate disadvantage is to provide concessions to Tasmanians on low incomes.

Each year the Government provides concessions to the Tasmanian community worth in excess of \$300 million.

The Government has recently completed a review of these concessions.

This review has identified a number of areas in which we could improve, and will be publicly released in the near future.

However, some concessions issues can be addressed right now, today, in this Budget.

The 2008 Budget will extend the provision of a range of Government concessions to all Tasmanian holders of Health Care Cards with effect from 1 July 2008.

This includes the extension of the current pensioner rates remission payment which the Government provides to offset the cost of local government rate charges.

Health Care Card Holders will now have access to additional concessions worth up to \$470 each year.

This will benefit up to 46 000 Tasmanians.

These changes will put \$14 million over four years back into the pockets of those Tasmanians most in need.

Earlier this year, the Government increased electricity concessions by 70 per cent at an additional cost in 2008-09 of \$9.8 million.

These are the highest electricity concessions of any state in Australia.

We are already the lowest taxing state in Australia per capita, and the provision of higher concessions in today's Budget demonstrates our commitment to supporting Tasmanian families.

We are sharing the benefits of a strong economy with all Tasmanians.

Our strong record of investment and jobs growth has led to a five per cent drop in Tasmania's poverty rating between 2001 and 2006, as assessed by the ABS.

Mr Speaker

As a pilot program, we established the Huon Learning and Information Network Centre in September 2005.

The Huon LINC has been a great success in combining the delivery of information and education with key Government and community services.

In the 2008 Budget, we invest \$14.9 million in funding to plan, build and commence operating five new LINC's across Tasmania.

LINC's are an example of how we can bring people together for a more connected Tasmania.

They demonstrate how Government can work in partnership with communities.

LINC's will be a welcome addition to existing community services that support and connect people.

For example, we recognise the vital role which neighbourhood houses already play in bringing people together and supporting families.

In this Budget, the Government provides \$2.8 million to neighbourhood houses to employ full time coordinators.

Mr Speaker

Connected communities are strong communities.

Across our State, there are hundreds of community groups and community projects adding to the life of our local areas.

Many of these have been assisted by funding provided by the Community Support Levy and the Tasmanian Community Fund.

The Government will build on the success and intent of these programs by establishing a more strategic and flexible funding program based on one single combined fund.

Presently, \$10 million is available every year for community projects and research from these funds.

Legislation to establish the new fund will be developed in consultation with the community and key stakeholders, including all members of Parliament.

Climate Change and Environment

Mr Speaker

Climate change is one of the great economic, social and environmental challenges of our time.

It is a challenge which will demand new ideas, and will require all of us – Government, parliament, business and the wider community – to work together to create solutions.

The 2008 Budget allocates \$5.7 million to fund climate action now.

Part of that funding will support community based projects.

The Government will also continue to implement the Framework for Action to reduce the public sector's carbon footprint.

Climate change challenges all of us to re-think how we live and consume in our everyday lives.

This includes Tasmanian industries, which are subject to the Government's strong regulatory requirements to minimise their environmental impact.

To make sure that all Tasmanian industries are meeting their environmental responsibilities, there is an allocation of \$10 million to fund the new Environment Protection Authority.

The EPA will be a well-resourced, independent body doing an important job for our environment.

Mr Speaker

This Government has a vision for a clever Tasmania.

We believe in being open to new ideas and policy based on the best available information, advice and technology.

Through this Budget, we are committed to turning ideas into action.

The Government will provide \$3.1 million to roll-out a new state of the art sustainable and power efficient traffic signals system.

This system uses Extra Low Voltage/Light Emitting Diode technology developed in Tasmania.

This initiative will ultimately reduce carbon emissions by 2 200 tons per year.

It will also support an innovative Tasmanian business which is a world leader in its field.

This is an example of what the clever Tasmania can do.

To help provide sound, scientific advice, the Government will allocate \$1 million to establish the role of Tasmanian Chief Scientist.

This position will enhance the work of the highly qualified and respected Tasmanian scientific community.

The Chief Scientist will provide advice to the Government on matters relating to science, technology and innovation.

The 2008 Budget will also continue the Government's investment in irrigation infrastructure.

\$45 million has already been earmarked from the Government's \$80 million fund for initial irrigation projects to help drought-proof Tasmania.

This year's Budget will also fund another vitally important project which will rely on sound scientific investigation and ideas to succeed.

The Tasmanian Devil is an icon.

It is well documented that the devil facial tumour disease has taken a dramatic toll on the Tasmanian Devil population.

In the 2008 Budget, the Government will allocate \$12 million in funding to help save the Tasmanian Devil.

Together with the funding provided by the Australian Government, and the work which is being undertaken around the world, we will do all that we can to stop this disease.

Urban Renewal and Heritage

Mr Speaker

The 2008 Budget also takes action on urban renewal and protecting our built heritage.

We are providing \$25 million for the establishment of an Urban Renewal and Heritage Fund.

It delivers funding for projects that will make a difference in our communities.

That includes allocating resources to meet the increasing costs associated with conserving the most significant collection of heritage buildings in Australia.

Tasmania has heritage buildings and a convict history that are of world significance.

This is epitomised by the iconic Port Arthur Historic Site, which will receive \$1 million in new funding this financial year for conservation works to maintain its national and international significance.

Mr Speaker

As well as protecting the past, we are committed to developing our communities for the future.

The 2008 Budget will provide \$4 million to develop a network of community recreation trails and city bikeways around Tasmania.

This is about increasing the connection between and within our communities.

Recreation is part of a healthier lifestyle.

It's good for people, it's good for the environment and it's good public policy.

The Government will work with communities and local councils to develop these projects.

Mr Speaker

The 2008 Budget takes action to further develop a renewed and dynamic Sullivans Cove precinct on the Hobart waterfront.

This is a once in a lifetime development opportunity.

During 2008-09, we will continue to progress the development of the new Royal Hobart Hospital on the Macquarie Point site, and the redevelopment of Parliament Square and Macquarie Wharf.

We will continue the groundbreaking \$30 million redevelopment of the Tasmanian Museum and Art Gallery, and work with the Hobart City Council on identifying the best future use for Princes Wharf No 1.

In the north of the State, we recognise the importance of the Tamar River to Launceston and other local communities.

This Budget allocates \$250 000 to address sedimentation issues in the Tamar.

We will also continue to invest in the cities and towns of Tasmania's north west.

Ulverstone will benefit from a \$2.2 million contribution to the showgrounds redevelopment, an initial \$500 000 will be provided for access to Burnie's West Park Precinct, \$50 000 will be provided for the Wynyard Sports precinct and \$640 000 will be provided for projects in Devonport.

This includes the upgrade of the historic Home Hill residence of former Prime Minister Joseph Lyons and his wife Dame Enid Lyons.

Urban Renewal is yet another example of the Government leading the way in providing new opportunities for Tasmania.

Mr Speaker

The Government's commitment to renewing our cities, towns and communities is also reflected in another important initiative.

\$1 million will be provided to establish the position of the State Architect.

The State Architect will assist the Government to make building, design and built heritage decisions based on evidence, research and world best design principles.

Investing in Tasmania's Infrastructure

Mr Speaker

Since 1998 employment in the construction industry in Tasmania has increased by almost 6 000 people.

That's a 50 per cent increase in less than a decade.

This increase reflects a record of strong growth and the confidence that local, interstate and international businesses have shown in the Tasmanian economy.

No Government in Tasmania's history has made such a commitment to building the Tasmania of the future as this Government.

And there is more to do.

In this Budget, the Government sets out a \$1.5 billion Tasmanian Infrastructure Investment Program.

When combined with investment by Government businesses and the Australian Government's funding commitments, we are looking at total Government related infrastructure investment over the next four years of over \$3.7 billion.

It is a program that will build capacity in the Tasmanian economy, will drive jobs growth and lay the foundations for the Tasmania of the future.

It is a program that will provide great opportunities for Tasmanian businesses to help deliver major infrastructure projects.

It builds on the investment of over \$5 billion in infrastructure over the last decade.

We are progressing vital major reforms in water and sewerage and optic fibre infrastructure.

We will not rest until Tasmania has effective broadband competition, delivering services at interstate comparable prices.

These are just two parts of the State Government's vision for infrastructure to better connect and support the people of Tasmania.

The key elements of the Tasmanian Infrastructure Program are:

- \$626 million for Tasmania's road network. This includes major funding contributions to the Brighton and Kingston by-passes, North East freight roads, Sisters Hills and the Brooker Highway. It also includes \$23 million for the establishment of a North West Tourist Road, including nature trails, visitor facilities and interpretative services;
- \$232 million in expenditure on planning, preparation and the early stages of the new Royal Hobart Hospital;
- \$136 million for capital works on our schools. This includes the new Kingston High School, the Bridgewater and Southern Midlands Educational Renewal Program and upgrades of primary and secondary schools and colleges throughout Tasmania;
- \$99 million to support housing for Tasmanians including the Government's \$60 million Housing Fund;

- \$67 million for Health Care Centre upgrades across Tasmania. These include the Launceston Integrated Care Centre, the Clarence GP Superclinic and health centres on Bruny, Flinders and King Islands, and at Glenorchy, Kingston and Longford/Westbury;
- \$45 million for a number of major irrigation projects;
- \$28.4 million for further development of the Risdon Prison;
- \$27.2 million to continue the redevelopment of the Tasmanian Museum and Art Gallery;
- \$23 million in State funding to progress the development of the Brighton Transport Hub which will transform road and rail transport in Tasmania;
- \$19 million for the redevelopment of police stations at Devonport, Glenorchy and Bellerive;
- \$18.5 million for new health IT systems; and
- \$13.2 million for the Launceston General Hospital.

\$200 000 will also be provided in the coming Budget year to conduct a tender process to plan, build and operate the new Three Capes multi day walk on the Tasman Peninsula.

We are also committed to ensuring that the Tasmanian public service is part of the clever Tasmania.

A one-off allocation of \$500 000 will be made in the coming Budget year to undertake the first stage of a process to establish a whole-of-government IT platform.

This project will help the Tasmanian public service to become better connected, cut costs and increase productivity.

Mr Speaker

This is an exciting time in Tasmania.

This new infrastructure will provide a foundation for future economic growth and support the provision of services for decades to come.

Infrastructure to provide opportunity.

Infrastructure to connect Tasmanians.

A Competitive Economy

Mr Speaker

In this Budget the Government continues to build a stronger Tasmanian economy.

Over the past year, Tasmania has led the nation in economic growth – outstripping the far bigger interstate economies.

Consumer spending and dwelling and business investment, have all seen strong growth.

The Tasmanian economy of 2008 is a highly competitive economy.

We have the second most competitive tax environment in Australia, and we are the lowest taxing State, per capita, in the country.

This Government has delivered eight consecutive years of tax cuts.

In this Budget, we deliver on our promise to further provide tax cuts to the Tasmanian community.

From 1 July this year non-real commercial property transfer duty will be abolished.

The abolition of this tax will return \$65 million to businesses over the next four years.

It builds on the cuts made to mortgage duty, motor vehicle tax and stamp duty on heavy vehicle transfers in last year's Budget.

It brings the total annual value of tax cuts provided by this Government over the past eight years to a massive \$200 million.

That is \$200 million each and every year that will now stay in the pockets of Tasmanians.

This Government is committed to working with the Tasmanian business community to identify ways in which we can ensure that we maintain this competitiveness.

Today I announce that the Government will establish a Business Tax and Regulation Reference Group.

This group will be chaired by respected business consultant Keith Stacey, and will draw on the expertise and experience which exists across the Tasmanian community to identify changes to taxes and regulations that are both effective and equitable.

The group will assist the Tasmanian Government in its involvement with the Australian Government's comprehensive taxation review.

It is important that the balance of any Federal taxation changes still allow the State Government to retain the financial strength to provide the goods and services vital for the Tasmanian community.

Mr Speaker

Tasmania operates in a globally competitive economic environment and we must continue to put ideas into action to maintain our economic strength.

This Budget delivers \$8 million to meet the Government's commitment to promote the Tasmanian Brand in national and international markets.

This promotion will cross all sectors, from the arts to innovative transport and renewable energy businesses, to our world-class food and beverages.

The promotion of the Tasmanian brand will support small, medium and large businesses throughout Tasmania.

It creates the environment in which new businesses can grow and flourish.

As part of the Tasmanian Brand project we will take the innovative approach of using the network of Tasmanians living interstate and overseas.

If there is one thing we know about Tasmanians, wherever they are, it is that they are passionate about this State.

They are natural ambassadors for the Tasmanian brand.

Through the Tasmanian Brand project we will provide them with the information to promote Tasmania's quality products and services around the world.

This is another example of being clever and connected.

Providing Opportunity for Tasmanians

Mr Speaker

This is a Government that believes in creating opportunity.

This is a Government that is open to new ideas.

This is a Government that believes in action to support the quality of life of Tasmanians, now and into the future.

Tasmania's future is one of unlimited opportunity.

This Budget will help Tasmanians fulfil that potential.



Tasmania
Explore the possibilities

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