

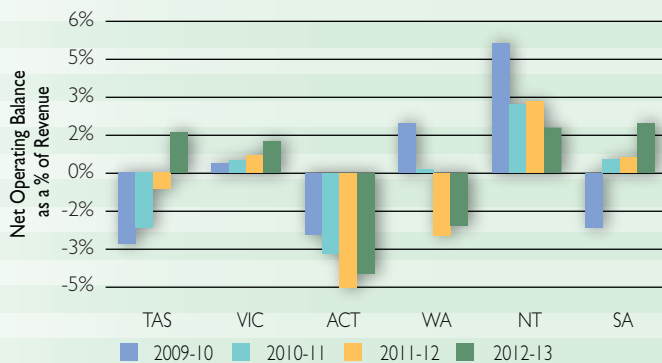
### THE BUDGET AND OUR ECONOMY

The 2009-10 Budget focuses on growing the Tasmanian economy through strong financial and economic management, to support jobs and maintain the delivery of essential services.

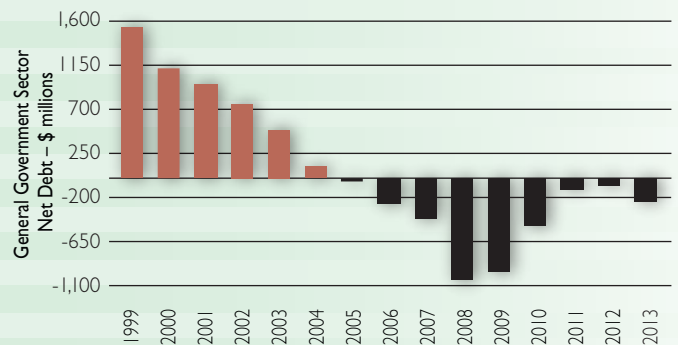
#### Strong financial management

- Prior to the current global recession this government delivered a decade of surplus Budgets.
- More recently, the Global Financial Crisis has had a significant impact on Tasmania's Budget position.
- A net operating deficit of \$117 million in 2009-10.
- Return to a net operating surplus of \$74 million in 2012-13.

**Tasmania's Budget will return to Surplus in 2012-13**



**The Government will remain Net Debt Free**



#### Budget savings of \$760 million over four years

The Government is taking strong action to return Tasmania's budget to surplus in 2012-13. A range of strategies have been implemented to minimise the impact of the global recession on the state's financial position.

- Employment management strategies including vacancy control, early retirement, phased-in retirement, leave without pay, and targeted voluntary redundancies.
- A new wages policy with salary increases no greater than 1 per cent per annum in 2009-10 and 2010-11; and 2.5 per cent in 2011-12 and 2012-13.
- A review of middle management positions.
- A review of Boards and Committees.
- A freeze on Parliamentary and executive salaries for one year.
- A range of savings in advertising, mobile phones, travel and vehicles and a reduction in the Resource Allowance for Members of Parliament.

#### Maintaining essential services

The Government is committed to ensuring that front-line services to the Tasmanian community such as health, education and policing are maintained.

- Primary health services – \$710 million over four years.
- Review and reform of Tasmania's alcohol and drug sector; the Tasmanian Out of Home Care system; family support services; disability services; Tasmania's Health Plan; and the Clinical Services Plan – \$80 million over four years.
- Additional funding for the Tasmanian Ambulance Service – \$48 million over four years.
- Education reforms – \$176 million over four years.
- Ensuring public safety – \$436 million over four years.

## THE BUDGET AND OUR ECONOMY

## Strong economic track record

Tasmania's economy is better placed than ever before to weather the current global recession and has, to date, been relatively less affected than most other economies in Australia.

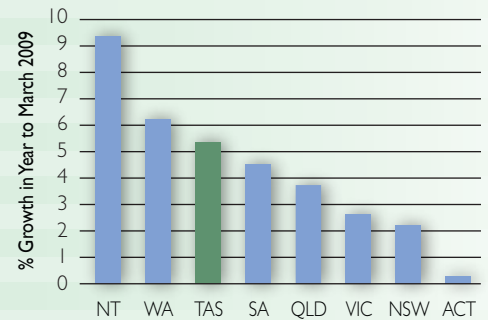
- Economic growth is expected to contract slightly in 2009-10 as the full impact of the Global Financial Crisis is felt.
- A return to trend growth is expected by 2012-13.
- Unemployment is expected to peak at 8¼ per cent in 2010-11 and 2011-12.

## Economic Forecasts

	2008-09		2009-10		2010-11		2011-12		2012-13	
	Estimate	Aust	Forecast	Aust	Tas	Aust	Projections	Aust	Tas	Aust
%	Tas	Aust	Tas	Aust	Tas	Aust	Tas	Aust	Tas	Aust
Economic Growth	1¾	0	-¾	-½	¾	2¼	2¼	4½	3	4½
Employment Growth	2¾	-¼	-2	-1½	-¾	½	¾	2½	1½	2½
Unemployment Rate	4¾	6	7	8¼	8¼	8½	8¼	7½	7½	6½

Source: 2009-10 Tasmanian and Australian Budgets

## State Final Demand

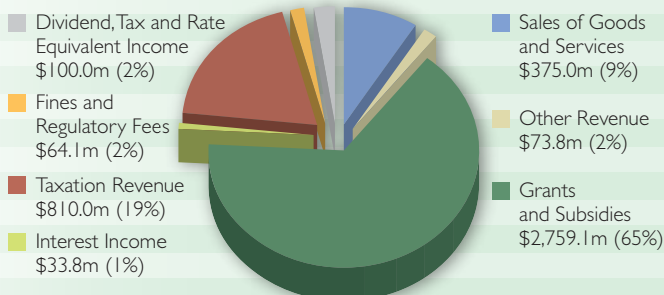


## Response to the global economic crisis

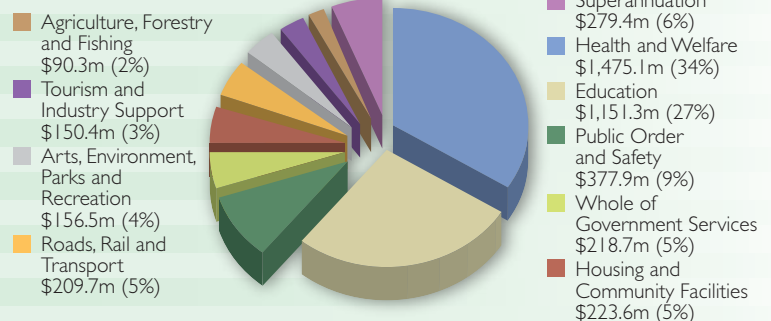
- A massive **\$2 billion Tasmanian infrastructure program**.
- Leading the way in implementing the Australian Government's **National Broadband Network**.
- Payroll tax rebate** until 30 June 2011 for any new jobs created during the period 11 June 2009 to 30 June 2010.
- Duty on agreements for sale abolished** from 1 July 2009, simplifying the treatment of duty on conditional and off-the-plan sales. Taxpayers will not pay duty before taking possession of their property.
- Local Government Infrastructure Assistance Program** to provide interest subsidies for additional capital investment projects, with a focus on job creation in Tasmania's rural and regional areas.
- Up to \$100 million to support local Tasmanian businesses and farm irrigation** Tasmanian Industry Support Scheme + Farm Water Development Loan Scheme
- A new interim fiscal strategy** to suit the changing circumstances of the state's financial and economic position during these challenging times.
- Tasmanian Trainee and Apprentice Incentive Scheme (TTAIS)** reinstated.
- Information workshops** in partnership with private sector organisations and peak bodies.
- Planning reform**, including the creation of a new Tasmanian Planning Commission.
- Tourism marketing** expenditure quarantined from whole-of-government advertising cuts.

## Responsible financial management

## Where the money comes from



## How the money is spent



## Further information

Department of Treasury and Finance, GPO Box 147 Hobart Tasmania 7001 Australia Telephone: 1300 135 513  
Website: <http://www.budget.tas.gov.au>

## Budget 2009 The Budget and our Economy

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2009-10 Budget Paper set includes:  
Tasmanian Budget Speech  
Guide to the Budget  
Budget Paper No. 1 – The Budget  
Budget Paper No. 2 – Government Services (Volumes 1 and 2)  
Various brochures



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