



2010-11 BUDGET SPEECH

'Building Tasmania. Supporting jobs.'

BY
THE TREASURER
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Delivered in the House of Assembly on 17 June 2010 on the Second
Reading of the Consolidated Fund Appropriation Bill (No 1) 2010

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

MR SPEAKER

This Government recognises its responsibility to provide strong stable government for all Tasmanians.

Strong stable government requires strong financial and economic management.

Jobs and a positive future are built on strong financial and economic management.

We have entered a new era in Tasmanian politics, but responsible financial management still remains at the heart of our future.

Over the past decade there have been great improvements in the Government's financial position.

There have also been great challenges.

There is no longer General Government Net Debt.

We have seen the Global Financial Crisis slash \$1 billion from our revenues.

We have implemented far-reaching Budget management strategies.

Throughout this time the Government has responded to every challenge.

We have adapted when we needed to adapt.

That's what effective Budget management is all about.

But we have remained true to our fundamental financial principles.

We have made hard decisions.

We have established and met difficult fiscal strategy targets.

And we are proud of the triple A credit rating.

Delivering our Commitments

Mr Speaker

In the 2010-11 Budget, the Government continues its record of delivering on election commitments.

During the recent election campaign both Labor and the Greens made a range of commitments to the Tasmanian community.

Sometimes we agreed and sometimes we differed.

In any Budget there must always be compromises.

A balance must be achieved between a desire to improve services to the community and a commitment to strong financial management.

A balance between a desire to cut taxes and the funding of services for those most in need.

The 2010-11 Budget has been no exception.

I would like to acknowledge the contribution to the Budget by the Greens.

This collaborative approach is bringing benefits to all Tasmanians.

The Greens have supported the Government's Interim Fiscal Strategy and there are a number of initiatives in this Budget that certainly reflect their priorities and commitments to the Tasmanian community.

It is important to emphasise that Labor remains fully committed to its election policies.

In this, the first Budget after the election, a full three quarters of Labor's election commitments are delivered as proposed.

We are on the pathway to delivering all of our election policies during this term of government.

Further funding will be provided to meet our commitments in future Budgets.

Strong Financial and Economic Management

Mr Speaker

In this Budget the Government continues its record of responsible financial and economic management.

In 2009-10, the original Budget estimate was a Net Operating deficit of \$117 million.

We are now forecasting a surplus of almost \$24 million.

In the 2009-10 Mid-Year Financial Report, we committed to return to a surplus in 2012-13 of \$5 million.

It is now forecast that a surplus of \$32 million will be achieved.

In this Budget, the Government also continues to meet its fundamental commitment to not go back into General Government Net Debt.

We will also deliver the biggest cut to land tax that the State has ever seen.

To achieve these outcomes government departments must continue to implement previously established Budget management strategies.

However, in recognition of the changed financial and economic environment since last year's Budget, these outcomes include an increased provision for wage growth.

Mr Speaker

Not only does this Budget include improved financial outcomes but it also includes better economic projections and forecasts for Tasmania.

These projections and forecasts show that Tasmania will continue to gradually recover from the impact of the Global Financial Crisis.

Economic growth is forecast to increase to two and a quarter per cent in 2010-11.

Projections for employment growth show that the Government's target of 15 000 new jobs during this term is achievable.

Mr Speaker

The 2010-11 Budget is an important one.

It continues to provide increased funding for vital government services such as health, education and community services.

Funding is also committed to important forward-looking initiatives such as the innovation, infrastructure and skills strategies; the economic development plan; renewable energy and sustainable transport.

Infrastructure

Mr Speaker

Infrastructure development is essential to our health and education systems.

It is essential for our economic growth.

It provides business opportunities and creates jobs.

It also helps Tasmanians connect with each other through better transport and access to new technologies.

In the current Budget year, Government infrastructure spending in Tasmania will reach record levels.

It is estimated that total infrastructure investment in 2009-10 will be \$579 million.

But there remains more to be done.

In 2010-11, we continue the record infrastructure investment by allocating \$725 million.

Over four years \$1.8 billion will be invested by the Government in schools, hospitals, local roads, our highways, community centres and community sports facilities.

Government businesses are expected to invest another \$3 billion in infrastructure.

That is a total government infrastructure investment of almost \$5 billion over the next four years.

Mr Speaker

Much has been said about the state of Tasmania's railway system.

The railway system is vital to our economy.

It takes the pressure off our roads.

It is essential to our future.

Last year, the Government showed its commitment to rail transport.

We bought back the rail system.

This purchase was followed by an investment in rail of a further \$19 million for rolling stock and infrastructure.

Since the 2010 election, further advice has been received on the level of investment required to establish a sustainable rail system.

In this year's Budget, the Government announces the biggest investment in rail in Tasmania for over half a century.

Over the next four years, \$315 million will be invested in our rail infrastructure and operations.

This allocation for rail infrastructure will bring the total investment in improving Tasmania's railways to almost \$400 million since the Government bought back the rail network.

This level of investment in rail will build a viable and strong rail network in Tasmania.

Improving Infrastructure Funding

Mr Speaker

This Government is always looking for ways to make the best possible use of the funding available.

We want to make sure that priority projects are funded and that Government funding is delivering for the community as soon as it can.

In the past, there have been occasions where the Government has committed funding to a specific infrastructure project in the Budget, only to find that the project is subsequently delayed.

In this Budget, the Government commences the implementation of a new infrastructure funding process.

Rather than immediately allocate full funding to a specific project, funding will initially be allocated for project investigation, business case development and planning purposes.

A total of \$12.5 million has been allocated over the Budget and Forward Estimates for this purpose.

Only when a project has successfully gone through the review process will we allocate full funding in the Budget to that project.

The allocation of these funds will support project planning which is undertaken within departments as part of their core responsibilities.

In this Budget, a capital provision of \$275 million is provided over the Forward Estimates for allocation to future infrastructure investment.

The new process will increase both government and management flexibility.

The Government will create a greater emphasis on ensuring projects are properly scoped and planned and based on realistic cost estimates.

It will support those projects that are ready to provide jobs for Tasmanians.

Mr Speaker

Let me make it very clear.

The Government will immediately begin initial planning for all the infrastructure commitments that were made during the election.

In particular, planning will commence on the roads infrastructure included in Labor's community roads package and the West Coast package.

Discussions with the Australian Government will also continue on the major redevelopment of the Royal Hobart Hospital.

Specific funding has been allocated in this Budget to meet infrastructure commitments such as those for the new Port Sorell Primary School, North West Cancer Services and the North West Regional Hospital car park.

Total funding allocations for existing projects have remained unchanged.

Supporting Those Most in Need

Mr Speaker

Our society is judged by how we care for the most vulnerable.

A government must also be judged by the same measure.

Each and every Tasmanian should have access to services that meet their basic needs.

The 2010-11 Budget continues the Government's commitment to supporting those most in need in our community.

Children and Families

The Government will always strive to improve the life of Tasmanian children and families.

We will support Tasmanian children and families by providing:

- \$3.5 million to fund Child and Family Centre Coordinators;
- \$1.7 million for more child health checks;
- \$1.5 million to Tasmanian non-government schools to support students with special needs; and
- \$1 million to organisations providing early intervention and autism support services.

Commencing this year, the Government will also provide \$6 million to implement the ground-breaking Safe and Secure Schools program.

No child should be bullied.

We need to work together to stop bullying.

Under this program, schools will work together to come up with the best approaches to counter bullying and to monitor programs so that they continually improve the safety of their learning environments.

In this Budget, the Government also commits an additional \$400 000 to school breakfast programs.

Schools in areas of highest need will be the focus of this program.

Housing

Mr Speaker

There is no more important way to support children and families than to make sure they have a home.

In 2010-11, \$283 million will be provided for social housing services and construction of new affordable homes and public housing.

This includes \$75 million towards the construction of 512 new dwellings under the Australian Government's *Nation Building - Economic Stimulus Plan*.

\$20 million will also be spent from the State's Housing Fund on projects including the purchase of land for affordable housing and providing support for homeless people in Hobart, Launceston and Ulverstone.

Combating Elder Abuse

Mr Speaker

This Government understands that older people in our community are sometimes subject to abuse.

This is not acceptable.

In this Budget, the Government allocates \$2.6 million to develop and implement an Elder Abuse Prevention Strategy.

Through this strategy we will commence a number of important initiatives.

These include developing a whole-of-government approach to the problem, establishing a framework for legislative review and a community education and support program.

Disability Services

Significant reform to disability services has been a strong focus of the Government's social inclusion agenda.

We are committed to making a real difference to the lives of people with disabilities and those who care for them.

In this Budget, the Government allocates an additional \$16.2 million over four years to support disability services and people with disabilities.

\$7.6 million will be provided over two years to meet the cost of implementing the Government's new service delivery model as part of our broader reform of disability services.

\$8.6 million will be provided to fund the Disability Gateway initiative.

The Gateways will make life easier for people with disabilities.

The Government will also be allocating an additional \$4 million to support the Community Equipment Fund.

In this Budget, we also provide funding for two new programs to enable people with disabilities to more fully participate in our community.

\$1 million is allocated to an arts and disability program and \$118 000, over two years, has been provided to establish a graduate program for people with disabilities.

We will also further explore the establishment of a State Disability Commissioner.

Concessions

Mr Speaker

Helping those most in need is also about providing concessions from government fees, charges and taxes.

Each year the Government provides concessions worth over \$300 million to Tasmanians.

In this Budget, the Government increases this concession allocation.

\$11.9 million will be provided to meet the increasing cost of energy concessions.

\$7.9 million will be allocated to provide a one-off payment of \$100 to concession card holders to help them deal with increases in the cost of living.

This \$100 one-off payment effectively delivers a five per cent cap on electricity prices for concession card holders in 2010-11.

Other important initiatives in this Budget that support Tasmanians most in need include:

- an additional \$800 000 in funding for the Legal Aid Commission of Tasmania;
- \$1 million to support the Tasmanian Food Security Fund; and
- \$400 000 for the Migrant Resource Centre to assist with community outreach programs.

Better Education and Health Services

Mr Speaker

Tasmania has always faced unique challenges in relation to health and education.

We have never accepted the status quo.

We have continued to take action to improve health and education outcomes for Tasmanians.

We have never shirked the hard decisions.

Much has been achieved in recent years but we acknowledge that there is more to be done.

In the 2010 Budget, the Government will continue to invest in education and health services.

Education

Education is at the centre of everything that this Government seeks to achieve for this State.

It is the foundation for social equity.

It transforms lives and provides a pathway for people to breakout of the poverty cycle.

We have dramatically cut out-of-school costs and returned the funding to our schools.

We must continue to invest in education to ensure that Tasmanians have the skills they need to get jobs in the new economy.

In the 2010-11 Budget, the Government will provide \$10 million to extend the successful Raising the Bar and Closing the Gap Program to our high schools.

This Program will increase the number of Tasmanian high school students who complete high school with functional literacy and numeracy skills.

Mr Speaker

There are many Tasmanian adults who unfortunately finished their school years without having strong literacy skills.

In this year's Budget, we will allocate \$11 million over four years to fund an Adult Literacy Action Plan.

This Government is absolutely committed to improving literacy in the Tasmanian community.

Mr Speaker

We must also ensure that our children are able to make the most of the opportunities available to them.

In this Budget, we allocate an additional \$5.4 million to fund the Innovative Education Strategy.

This will help students improve their engagement with education and build their knowledge and skills.

We will also provide \$1.6 million over four years to increase travel and accommodation allowances paid to apprentices and trainees.

Other important education initiatives funded in this Budget include:

- \$1 million to undertake the Information Technology Connected Classrooms project, that will build on the opportunities arising from the National Broadband Network and the Digital Education Revolution;
- \$350 000 to trial a water orientation program for children identified through the Launching into Learning Program; and
- \$372 000 to provide Grade 10 students with access to the Rotary Youth Driver Awareness program.

Health

Mr Speaker

In this Budget, the Government will invest in new infrastructure and new technology to deliver a better public health system for Tasmanians.

Over \$30 million will be allocated to establish a Tasmanian Helicopter Emergency Medical Service.

The helicopter will provide a fast state-wide medical retrieval response.

It will particularly benefit those Tasmanians in our regional communities.

In December last year, the Government provided an additional \$30 million, each and every year, to maintain frontline health and human services.

In this Budget, a further \$142.8 million over four years is provided in state and Australian Government funding to continue the task of improving our health services.

\$63.1 million in Australian Government funding will be provided under the National Health and Hospitals Network Reform program.

Of this funding:

- \$14.7 million will be allocated to improve access to elective surgery in public hospitals;
- \$11.1 million will be allocated to create a new Four Hour National Access Target; and
- \$37.3 million will be allocated to deliver and operate new sub-acute care beds.

In the 2010-11 Budget, the Government will provide an initial \$61 million over four years to improve staffing and services at the Launceston General Hospital.

This funding will be allocated to support:

- the Department of Emergency Management and Acute Medicine Unit;
- advanced clinical nursing positions;
- more staff to help patients in the Acute Medicine Unit and the Intensive Care/High Dependency Unit; and
- a Medical Day Care Procedure Unit and Acute Medicine Unit.

In future Budgets, additional funding will be allocated to increase our level of support in all of these areas.

Mr Speaker

It is sadly the case that Tasmanians suffer a higher rate of cancer than in other states.

We are committed to providing additional funding to support services for Tasmanians with cancer.

The funding provided in this Budget for cancer services will make a big difference to our capacity to respond to the demand for these vital services.

The Government will provide \$24 million as part of a new \$48 million cancer program.

This program will deliver on Labor's commitment to ensure that the North-West community has access to comprehensive cancer care services.

The program will also provide for additional cancer services at the Royal Hobart Hospital and at the Launceston General Hospital.

The 2010 Budget includes a number of other important health and community services initiatives:

- \$2.5 million to deliver better palliative care services in Northern Tasmania;
- \$1 million to fund a Virtual In-Home Health Care demonstration trial;
- \$1.3 million for West Coast e-Health solutions;
- \$5.5 million for much needed additional parking at the North West Regional Hospital; and
- \$3.3 million to continue to strengthen the Tasmanian Community Services Industry.

Supporting Police and Corrective Services

Mr Speaker

Our police service ensures that Tasmania remains the safest place in Australia to live.

In this Budget, \$11 million is provided to increase the police service by 30 additional officers.

The Budget also includes:

- \$15.8 million to build new police stations;
- \$4.4 million to replace and upgrade police traffic equipment and uniforms;
- \$5.9 million for road safety related initiatives such as Automatic Number Plate Recognition and drug detection equipment; and
- \$6.5 million for the police connectivity program that includes providing GPS technology to all operational police vehicles.

The 2010-11 Budget also provides increased support for Community Corrections.

Additional funding of \$4.5 million will be provided to Community Corrections to assist in meeting increasing demand.

The additional funding will ensure that Community Corrections is adequately funded to undertake its core activities in the areas of parole, probation and Community Service Orders.

Meeting Future Challenges

Mr Speaker

All members of this Government recognise the dramatic impact that climate change and increasing energy consumption are having on our planet.

There is no doubt that Tasmanians are passionate about our environment.

We strongly believe that we can lead the way and we can make a real difference in meeting the major challenges of our time.

In this Budget, we allocate \$2 million to establish a Climate Adaptation Unit within the Tasmanian Climate Change Office.

This Unit will work across government and also extensively with external stakeholders.

It will work to identify opportunities to maximise the benefits and minimise the risks resulting from climate change.

We will also allocate \$250 000 for research into economic opportunities that will arise for new activity in emerging carbon markets and the role that Tasmanian forests have in emitting and sequestering carbon.

Any debate on the future of forestry in Tasmania must be based on sound independent research and verifiable data.

Sustainable Transport

Mr Speaker

There are many ways energy consumption will affect our future and there are many ways we can work together as a community and government to deal with these challenges.

Establishing and encouraging the use of sustainable transport is one of the most important ways that we can cut energy consumption.

In this Budget, the Government will implement an exciting package of initiatives focussed on developing sustainable transport.

\$7 million will be provided over two years to implement a Passenger Transport Innovation Program.

This Program will build on existing initiatives such as \$16 million to support Metro and implement Park and Ride.

The Government will also provide \$350 000 to prepare a business case for the Hobart northern suburbs light rail project.

We need to make sure that not only is this project environmentally sustainable, but it is also commercially viable.

Mr Speaker

This Government is a strong supporter of cycling both as a form of transport and a healthy recreational activity.

\$4 million has already been allocated to support the development of cycle trails and bikeways.

In this Budget, we continue our commitment to the development of cycling in Tasmania through the allocation of \$2 million to a cycleway development fund.

These important sustainable transport initiatives will, of course, be supported by the Government's massive investment in improving Tasmania's rail services.

Renewable Energy

Mr Speaker

Our strong support for addressing major environmental challenges is also reflected in the renewable energy initiatives in this Budget.

When it comes to driving change and reform Governments can perform a number of different roles.

We can lead by example and take direct action or we can provide others with support in embarking on change.

In this Budget, we will continue to actively encourage all parties to take on the renewable energy challenge.

We will establish a \$30 million Renewable Energy Loan Fund.

This Fund will provide discounted loans to approved applicants to undertake renewable energy projects.

We expect these projects to provide a great example to business and the community of the benefits of renewable energy.

They will show what can be done.

We are also committed to providing King and Flinders Islands with a viable sustainable future energy option.

\$1 million will be provided to a Bass Strait Islands Renewable Energy Research Fund to encourage small scale renewable energy innovation on the Bass Strait Islands.

Supporting our National Parks

Mr Speaker

Earlier this year the Government committed an additional \$10 million to boost frontline field staff in our national parks.

We recognise the high value that Tasmanians place on our parks and reserves.

In this Budget, we increase our commitment to our parks and reserves even further.

Additional funding of \$16 million over four years will be allocated to the Parks and Wildlife Service.

This funding will enable more park rangers to be employed and more important work to be undertaken.

It will provide support for the new Bay of Fires National Park, the State's marine reserves and facilitate the establishment of a scientific fund for protected areas.

We are also very much aware of the importance of our parks to our tourism industry and our economy.

The Three Capes Track has fantastic potential.

It will increase Tasmania's reputation as an iconic bushwalking destination.

In this Budget, the Government provides a contribution of \$12.8 million towards the development of the 68 kilometre Three Capes Track.

Accountability

Mr Speaker

Building public trust has been a top priority of this Government.

It is not a job that can just be done and ticked-off.

It requires an ongoing commitment to build institutions of governance that the Tasmanian people can have confidence in.

In this Budget, we provide significant additional resources to support those institutions that support government accountability.

- \$12 million will be provided to the new Integrity Commission;
- \$1.3 million in additional funding will be provided to the Office of the Auditor-General;
- \$1.2 million in additional funding will be provided to the Office of the Ombudsman; and
- \$6.4 million in additional funding will be provided to the Office of the Director of Public Prosecutions.

We have also recently updated our audit legislation and a review of our other financial management legislation is underway.

Supporting Tasmanian Business and Industry

Mr Speaker

There is no doubt that the global financial crisis has had an impact on the Tasmanian economy.

If the crisis had occurred a decade ago the Tasmanian economy would have been devastated.

Today that is not the case.

Our business community remains positive about the future.

Our jobs growth and export growth have returned to strong levels.

We are committed to supporting business and jobs.

In this Budget, we provide funding to support the implementation of the Government's far reaching Innovation Strategy.

The Innovation Strategy will guide investment in those sectors that are most likely to provide Tasmania with the greatest future economic opportunity.

\$2.85 million is provided to implement the Digital Futures Strategy.

This will include the establishment of a capital development fund for world-class ideas and proposals stimulated by the NBN roll-out.

\$4 million will be provided to support Tasmania's Agri-Food sector adapt, grow and prosper.

\$4 million will also be provided to support Tasmanian farmers to make the most of our water resources.

This funding will support farmers prepare water access plans and support the installation of water meters.

The Innovation Strategy also includes the \$1 million Virtual In-Home Health Care Demonstration trial and the \$1 million Information Technology Connected Classrooms project.

By supporting innovation the Government is supporting future Tasmanian jobs.

Mr Speaker

The Government is also committed to continue its strong support for Tasmania's tourism jobs.

\$20 million will be provided to support the marketing of our tourism industry.

In this Budget, we also support the tourism sector by providing an additional \$6 million in funding for an Events Attraction program and \$1 million to support an International and National Arts Events program.

We are also committed to continuing to support Tasmanian small businesses.

\$3.3 million is provided over two years to deliver new and existing programs.

This includes a new program to be run in partnership with the TCCI to improve business skills and business support in our regional areas.

The small business sector in Tasmania is an extremely dynamic one.

We must continue to make sure that the support that is being provided by the Government is the support that small business needs.

Mr Speaker

At the moment, Tasmania's forestry and mining industries are going through tough times.

These industries are subject to global and national market pressures.

They are vital to Tasmania's economy and they provide the jobs that support thousands of Tasmanian families.

The 2010 Budget provides funding to continue to grow our mining and forestry industries.

- \$1.5 million is provided to support the West Coast Geosciences Project and half a million dollars will be provided for mine marketing;
- \$250 000 will also be allocated to undertake a Western Tasmanian Industry Corridor Study proposed by the Minerals Council;
- \$2 million will be provided to implement the Tasmanian Forestry Industry Plan in partnership with community stakeholders; and
- \$3.5 million will be allocated to promote Tasmanian timber, especially the environmentally sound and sustainable practices.

A Competitive Tax State

Mr Speaker

Taxation will always be an issue for the business community and all taxpayers.

Tax is the biggest source of funding for any Government.

Without paying tax we would not have the health services we want and need.

Our children would not get the best possible education.

We would not have a strong police service and our parks would not be protected.

Tasmania is a low tax environment.

Tasmanians pay the lowest tax per capita in Australia.

We are independently measured by the Commonwealth Grants Commission as being the second lowest taxing state.

Tasmania is the only state not to have introduced any new taxes for 12 years.

Or increased any taxes.

In this Budget, we deliver on our commitment to implement the biggest cuts to land tax ever in Tasmania.

It is a fully funded commitment costing the Budget over \$120 million during the next four years.

Every year \$230 million in tax cuts is now provided to the Tasmanian community.

This is a significant cut in government revenue.

The question now is, how can we continue to make our tax system fairer and more competitive while still providing the services Tasmanians expect and need?

Making changes to our tax system is never easy.

There are always winners and losers.

There is always the chance to play politics.

In this new era in Tasmanian politics its time to take a new approach to tax reform.

An approach that makes all political parties part of the solution and not part of the problem.

Today, I announce that the Government will establish an across party state taxation review.

It will be chaired by myself as Treasurer and I will be inviting both the Liberal and Green Treasury spokespersons to be part of the review group.

It will take into account the recent work undertaken by the Henry Review and we will engage with tax policy experts and consult with the business and broader community.

It will look at all aspects of state taxation, but most importantly, it will look to establish a competitive and sustainable tax system that will deliver a strong future for all Tasmanians.

Mr Speaker

The approach that I commit to today will no doubt have its challenges.

It is an approach that will require all parties to come to the table with the best interests of Tasmania's future at heart.

It is an important new approach to a complex and challenging issue.

Strong Financial and Economic Management Continues

Mr Speaker

The 2010-11 Budget is the first budget of a new era in Tasmanian politics.

It is a Budget that is both based on strong foundations but also includes new directions.

New directions that all in this Government believe are in the best interest of Tasmania.

It is a Budget that retains the unshakeable commitment to strong financial and economic management.

By 2012-13, Tasmania will be the only state to have an operating surplus and to be net debt free.

It is a Budget that delivers on our commitment to commence funding our election promises over this term of government.

It is a Budget that includes a massive investment in rail infrastructure, additional funding for health services, education, sustainable transport, renewable energy and support for our business community.

Mr Speaker

Most importantly of all.

The Government is committed to a target of 15 000 new jobs over this term of Government.

The 2010-11 Budget commences the task of delivering on this commitment for all Tasmanians.