

2004-05

TASMANIAN BUDGET

Presented by the Honourable Paul Lennon MHA, Premier and Treasurer



Investing for people

WITH BUSINESS



Tasmania



Seize the Opportunities

Over the past few years, the State has invested heavily in infrastructure – in

natural gas, in wind energy, in Basslink, and in the three new ships across Bass Strait.

All of these infrastructure projects have or will create enormous opportunity.

Now is the time to seize the opportunities that are with us.

If we are to take advantage of these opportunities, we must invest in people.

We must give people the skills necessary to fill emerging jobs and to enable business to seize the opportunities.

Paul Lennon
Premier and Treasurer

With unemployment at a 23-year low, the pool of available skilled workers is shrinking.

Surveys by both Government and TCCI show that a lack of skilled workers is a major impediment to business growth.

To address the skills shortage:

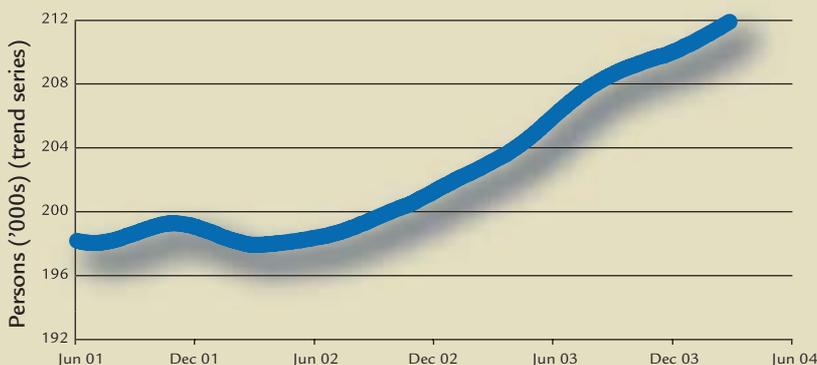
- **\$21 million** will be spent over four years to lift participation in education and training, improve adult literacy and build a skilled workforce for specific industries.
- **\$1.2 million** will be spent over four years to extend the start@TAFE pilot to provide flexible training opportunities for early school leavers.

A **'Fast-Track Skills Development'** package:

- A **\$1 million Workforce Development Fund** to link business planning with skill development for small to medium-sized businesses.
- **Business Skills Development Initiative** to provide training for business managers to improve competitiveness and profitability.
- **Business Planning** for Registered Training Organisations and community groups.
- **Work Futures** to promote occupations and trades that have struggled to attract enough young people.
- **Phased-in Retirement Programs** to encourage older workers to move into retirement gradually while mentoring young people into work.
- **Seasonal Work Program** to address transport and accommodation problems faced by farmers and seasonal workers.

For any of the initiatives, just ring Business Point on **1800 440 026**.

Total Tasmanian Employment



In the 12 months to March, 8,800 more jobs were created bringing the number of Tasmanians in work to an all-time high of 211,800.

By June 2007, the Tasmanian Government will be **Net Debt Free** – a year ahead of schedule.

By dramatically reducing State debt over recent Budgets, the Tasmanian Government has been able to provide significant tax relief.

In addition to the \$75 million in annual tax relief that the Government has provided to date, the abolition of debts duty from 1 July 2005 will bring the total benefit to the community from tax relief provided by the Government to over **\$100 million per annum.**

General Government Net Debt (1998 to 2008)



Tax Relief

(\$m per annum)

State-Initiative Tax Relief

Payroll Tax relief – 2001-02 and 2002-03	19.2
Abolition of Electricity Levy – 1 July 2001	15.5
Abolition of a number of Stamp Duties – 1 July 2002	7.4
Land Tax relief – 1 July 2002	2.0
Abolition of Minor Gaming Taxes – 1 July 2004	0.3
Abolition of a number of concessional duties – 1 July 2004	0.1

Total State-Initiative Tax Relief 44.5

Intergovernmental Agreement Tax Relief

Abolition of Financial Institutions Duty – 1 July 2001	28.1
Abolition of Marketable Securities Duty – 1 July 2001	2.4

Total IGA Tax Relief 30.5

Total Tax Relief 75.0

By maintaining strict fiscal discipline, the Government has:

- Wiped \$1.3 billion off State debt since 1998.
- Delivered a \$15.2 million fiscal surplus in 2004-05 Budget.
- Redirected \$129 million a year from debt servicing into government services.



Investing FOR PEOPLE WITH BUSINESS

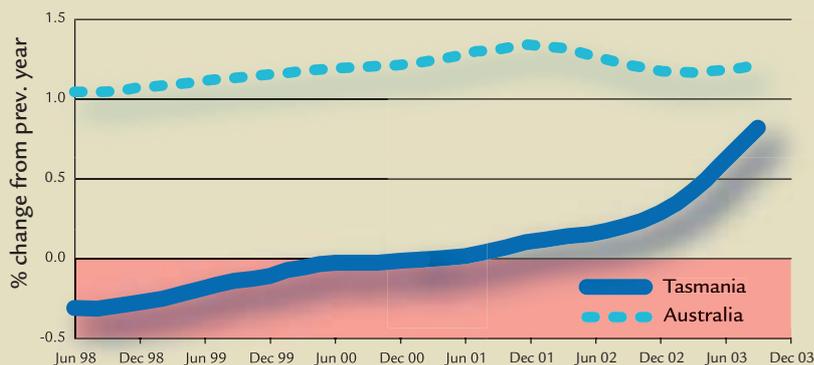


- **\$18 million** extra will be spent on roads and bridges over the next three years bringing the State's three-year roads program to **\$185 million**.
- **\$56.4 million** building program.
- **\$40 million** has been allocated towards the cost of the Bass Strait ferries, which are now contributing to the State's tourism boom.
- **\$7 million** is available for Economic Development Projects and Industry Assistance.
- **\$11 million** is set aside for Community Infrastructure Projects, including money to ease pressure on essential services as a result of record visitor numbers.
- **\$4 million** extra over the next two years for tourism marketing.
- **\$6 million** extra over three years for tourism infrastructure.
- **\$1 million** extra for the *Partnership to Jobs* program.
- **\$1.2 million** over four years for increased quarantine inspections to keep pace with growing passenger numbers on the Bass Strait ferries.
- **\$1.3 million** extra over four years for Business Enterprise Centres.
- **\$465,000** extra to facilitate mineral research.

The 2004-05 Budget includes:

- **\$156 million** agency capital investment programs.
- **\$225 million** roads program.
- **\$212 million** Economic and Social Infrastructure Fund.

Population Growth - Annual



The latest Bureau of Statistics figures show Tasmania's population is growing at a rate of more than 400 a month, fuelling increased demand for goods and services.