

## *Contents*

Budget Highlights	2
Industry Development Plan Initiatives	4
Fiscal Strategy Achievements	7
Fiscal Strategy Targets and Progress	9
2000-01 Budget Overview	11
Consolidated Fund - Expenditure	20
Consolidated Fund - Receipts	21

## *Budget Highlights*

- 2000-01 Budgeted Consolidated Fund surplus of \$2.580 million.
- Budgeted Consolidated Fund surpluses for 2001-02 to 2003-04.
- No new taxes and no increase in the rate of any State tax.
- The payroll tax rate will be reduced and the exemption threshold increased to ensure that Tasmanian businesses do not face increased payroll tax as a result of the increase in the Commonwealth's Superannuation Guarantee Charge.
- Amendments are also to be made to ensure that the payroll tax liability of employees engaging contractors will not increase as a result of the implementation of the GST by the Commonwealth.
- General Government net debt to be eliminated in 15 years and unfunded superannuation liabilities to be eliminated in 25 years.



## *Budget Highlights*

- The Social Package launched, providing additional funding of more than \$30 million on an ongoing basis to improve health, police, justice, transport and education services.
- The Industry Development Plan will continue to build upon its foundations, through genuine engagement between government, business and the broader community.



## *Industry Development Initiatives*

### **Tourism Development**

- \$2 million per annum has been allocated for four years for major maintenance and upgrading of tracks and facilities in national parks.
- A total of \$1.373 million will be spent on capital works at the Hastings Cave State Reserve, at the Mt Field Visitor Centre and at Cradle Mountain in 2000-01.
- Funding totalling \$10 million over five years is provided for major conservation work at the Port Arthur Historic Site.
- \$2 million has been allocated over two years to supplement Commonwealth funding for the restoration of the ABT railway and \$1.1 million towards the completion of the Inveresk Rail Yard development.



## *Industry Development Initiatives (cont.)*

### **Information Technology**

- Call centre employment has doubled from 1 367 in August 1998 to 2 700 now. A total of \$4 million will be available for assistance packages for new call centres in 2000-01.
- There has been extraordinary world class software and computer generated imaging developments over the past 12 months by local firms.
- Schools, TAFE and registered training organisations have developed strategic alliances to ensure growth in this sector is sustained.
- The Government is directly assisting the industry by working in partnership with local development and design companies.
- The Government is providing increased resources for training and infrastructure, and has removed payroll tax from IT development businesses.



## *Industry Development Plan Initiatives (cont.)*

### **Property Market**

- The 2000-01 Budget will provide a major stimulus to home ownership and the property market in Tasmania, with \$14.8 million available to first home owners.
- From 1 July 2000, first home owners will receive a grant of \$7 000.
- Housing Tasmania is developing a number of initiatives, offering incentives valued at around \$6 500, to encourage people to buy surplus public housing stock.
- All proceeds from the sale of public housing in areas where it is no longer required will be fully reinvested in more appropriate public housing accommodation in higher demand areas for the benefit of low income earners.



## *Fiscal Strategy Achievements*

- Several elements of the five year Fiscal Strategy enunciated in the 1998-99 Budget are well in advance of anticipated progress :
  - ◇ General Government net debt as a percentage of GSP is projected to be less than the Fiscal Strategy target of 10 per cent of GSP by June 2000, four years ahead of schedule.
  - ◇ Total State Sector net debt as a percentage of GSP is projected to be less than 20 per cent of net debt by June 2001, three years ahead of schedule.
  - ◇ General Government surpluses for 2000-01 and the Forward Estimate period are all in excess of Fiscal Strategy targets.
  - ◇ Net interest cost ratio, projected to be 5.9 per cent by June 2001, is on track to be less than five per cent well ahead of the target date.



## *Fiscal Strategy Achievements (cont.)*

- ✧ There are no new taxes or increases in existing taxes in the 2000-01 Budget.
- ✧ The unfunded public sector superannuation liability will be eliminated within 25 years, well in advance of the 45 year projection in the 1999-00 Budget.



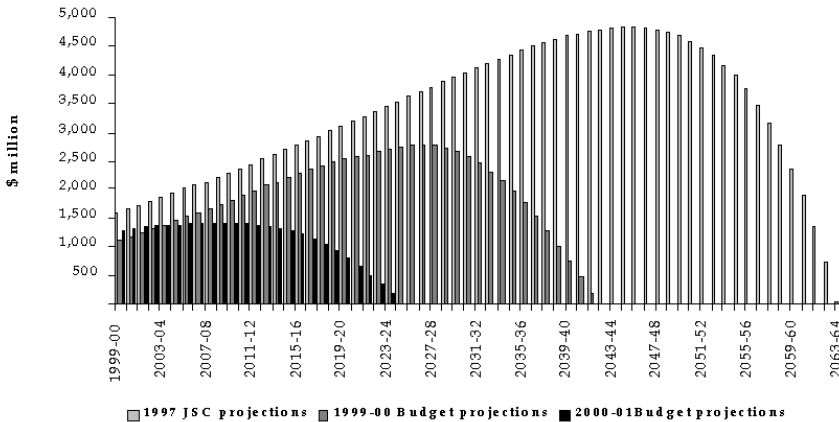


## *Fiscal Strategy Targets and Progress*

Tactical target	1997-98 Actuals	1998-99 Actuals	1999-00 Estimate	2000-01 Estimate	Targets
<b>Consolidated Fund Budget to be maintained in surplus from 1999-00 (\$ million)</b>	(37.1)	(15.2)	1.2	2.6	> 0
<b>General Government surplus as a proportion of General Government revenue on average from 1999-00 to 2003-04 (%)</b>	0.4	1.1	2.9	3.0	>2.5
<b>Total State Government net debt as a percentage of GSP by 2003-04 (%)</b>	24.5	23.9	21.0	18.9	<20.0
<b>General Government net debt as a percentage of GSP by 2003-04 (%)</b>	12.2	11.4	9.3	8.2	<10.0
<b>Net interest cost ratio by 2003-04 (%)</b>	7.1	6.9	6.3	5.9	<5.0



## Projected Unfunded Superannuation Liability

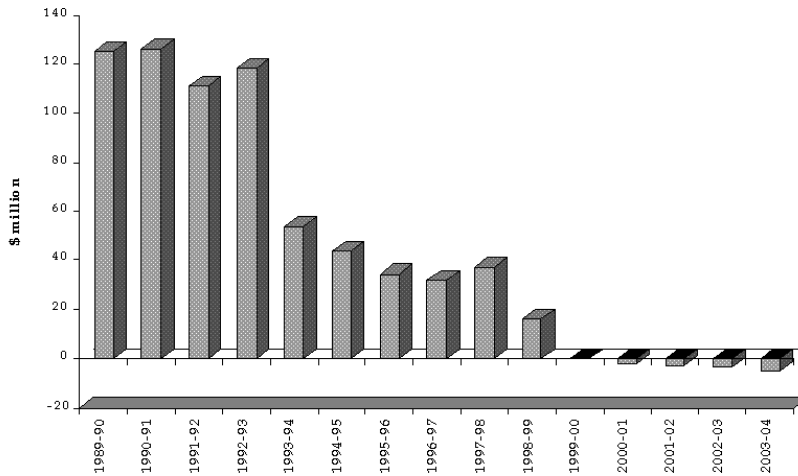


## *2000-01 Budget Overview*

- *Net Financing Requirement (NFR)*
  - ◇ The 2000-01 Budget NFR is a surplus of \$2.580 million. This compares to the 1999-00 Budget surplus of \$544 000 and estimated outcome of a surplus of \$1.2 million.
  - ◇ A projected NFR surplus of \$3.0 million in 2001-02 and increasing thereafter, ensuring a balanced Budget is maintained.
- *Receipts*
  - ◇ Total receipts, including loan repayments, are estimated to be \$2 198.7 million, an increase of \$80.0 million or 3.8 per cent on 1999-00 budgeted receipts of \$2 118.7 million.
- *Outlays*
  - ◇ Consolidated Fund outlays are estimated at \$2 196.1 million, an increase of \$78.0 million or 3.7 per cent over budgeted outlays in 1999-00.



## Net Financing Requirement 1989-90 to 2003-04



## 2000-01 Budget Overview (cont.)

### ● *Health and Human Services*

- ◇ In addition to \$64 million per annum committed previously, a further \$13.3 million in recurrent funding will be provided, to increase Health Budget base funding in 2000-01 by \$77.3 million.
- ◇ New policies such as the *Youth Justice Act* and the *Children, Young Persons and their Families Act* will be properly funded with ongoing funding of \$2.3 million.
- ◇ \$4.7 million to be spent on Royal Derwent Hospital/Willow Court redevelopment.
- ◇ \$594 000 to be spent on redevelopment of Day Surgery and Outpatient facilities at Launceston General Hospital.
- ◇ \$3.5 million for the second stage of the \$7.5 million upgrade of the ambulance fleet.
- ◇ Additional funding of \$758 000 to employ 15 more ambulance officers across the State.



## 2000-01 Budget Overview (cont.)

- *Health and Human Services (cont.)*
  - ◇ \$450 000 per annum in additional funding to the State Fire Commission.
  - ◇ \$2 million in 2000-01 and future years to Community organisations.
  - ◇ \$4 million per annum available through the Tasmanian Community Fund for worthwhile community purposes.
  - ◇ \$1.8 million allocated to exempt all Health Care Card holders from the Electricity Entities Levy.
- *Education*
  - ◇ Additional funding of \$8.6 million in 2000-01, increasing significantly in future years, to fund the Government's commitment to a teachers' wage nexus.
  - ◇ \$1.3 million per annum to implement the recommendations of the *Report on the Review of the Policy on Inclusion of Students with Disabilities*.



## *2000-01 Budget Overview (cont.)*

- *Education (cont.)*
  - ◇ \$100 000 per annum to commence an Enterprise Education program.
  - ◇ Funding for information technology in schools to total \$15 million in 2000-01.
- *Law and Order*
  - ◇ \$1.2 million per annum to be provided to achieve target of 1 100 police during 2000-01.
  - ◇ Total of \$5.6 million to be provided over three years to implement the DNA and National Automated Fingerprint ID systems.
  - ◇ Additional funding for new equipment, equipment replacement, road safety strategies, and in recognition of the high usage and special requirements of police vehicles.
  - ◇ Search and rescue helicopter to be upgraded to a twin engine helicopter, to commence operation on 1 August 2000.



## *2000-01 Budget Overview (cont.)*

- *Law and Order (cont.)*

- ◇ Demand based prison funding model, to match funding with prisoner numbers.
- ◇ Additional recurrent funding of more than \$2.0 million to be provided for prison services in 2000-01.
- ◇ \$300 000 allocated for a detailed examination of options for development of prison infrastructure.
- ◇ \$5.095 million of a total \$7.395 million to be provided to redevelop existing facilities at Ashley Youth Detention Centre.

- *Primary Industries*

- ◇ Facilitation of planning and approval for major developments, such as Basslink and the Duke Natural Gas Project.
- ◇ Establish an integrated system for ensuring safe, quality food from the State's primary industries.





## *2000-01 Budget Overview (cont.)*

- *Primary Industries (cont.)*
  - ◇ Develop a regulatory framework to control and regulate genetically modified organisms that allows for implementation of a Government policy on genetically modified organisms.
  - ◇ Assist the dairy industry in readjustment in order to meet deregulated market arrangements.
- *Infrastructure, Energy and Resources*
  - ◇ Funding of \$80.3 million for the Roads Program.
  - ◇ \$5.0 million of a total project cost of \$15.0 million has been allocated in 2000-01 to commence upgrading of the Sorell Causeway.
  - ◇ Additional funding of \$1.9 million per annum to be provided for public and student transport services, including the Devonport Urban Bus Service. \$850 000 for a planning study into a single track railway line from Wiltshire to Smithton.



## *2000-01 Budget Overview (cont.)*

- *Infrastructure, Energy and Resources (cont.)*
  - ◇ \$400 000 for facilitation of development of gas reticulation and retailing in Tasmania, and the development of Gas Legislation.
- *Environment*
  - ◇ An additional \$95 000, for a total of \$395 000 in 2000-01, has been allocated to fund the carp eradication program in Lakes Sorell and Crescent.
- *State Capital Program*
  - ◇ The 2000-01 State Capital Program totals \$411.7 million, an increase of \$25.1 million on 1999-00.
  - ◇ The 2000-01 Capital Investment Program (CIP) reflects the continuing emphasis on the maintenance of the State's capital stock through smaller, labour intensive projects.



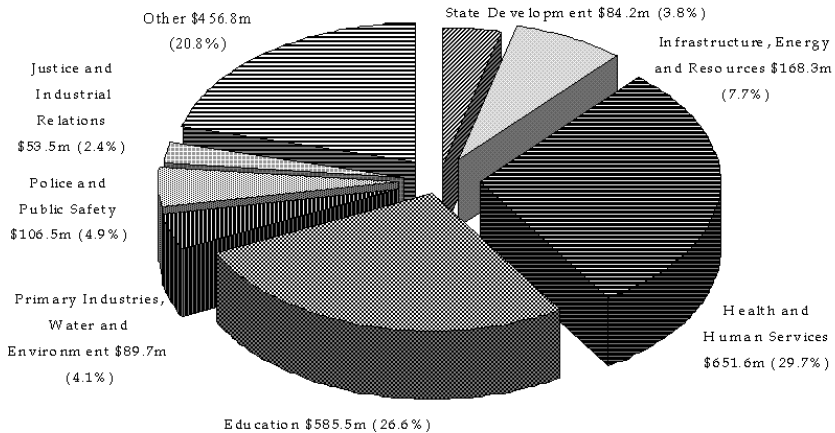
## *2000-01 Budget Overview (cont.)*

- *State Capital Program (cont.)*
  - ◇ The Budget includes funding of:
    - \$80.3 million on the State's roads;
    - \$30.2 million on public housing;
    - \$21.7 million for schools and colleges; and
    - \$18.2 million on hospitals and other human service facilities.
  - ◇ Government businesses and authorities will spend an estimated \$248.1 million on capital works in 2000-01.



## Consolidated Fund Expenditure

Expenditure from the Consolidated Fund will be \$2 196.1 million



## Consolidated Fund Receipts

Receipts to the Consolidated Fund will be \$2 198.7 million

