



## **2010 State Budget Wrap**

Well if you were looking for excitement in this State Budget, you will be sadly disappointed. However, to give the State Government its due, it delivered on most of its election promises while also appearing to appease its minority partners the Tasmanian Greens at a fairly cheap price.

Low on new initiatives and striking for the absence of the delivery of a southern hospital plan, a new road in the Tarkine and a full \$100 rebate on cost of living, the State Government appears to have given the community nothing more or less than what it said it would during the lead up to the State election.

While like all State Budgets, the devil will be in the detail, a strategic leak to The Mercury newspaper on Budget day saying, 'don't get your hopes up about our promises to redevelop the Royal Hobart Hospital' probably means the reaction to the document will be fairly benign.

However, at least the Government promise of additional funding to the LGH has been honoured with an injection of \$61 m. over four years for staffing and services.

That is because, while the Budget talks a lot about billions of dollars being spent on infrastructure over the forward estimates, there is little, if any, new funding initiatives to crow about and much of this cash is compliments of the Australian Government.

In addition to delivering on significant land tax (probably the most significant tax reform the State has seen since the introduction of the GST), the Government has also pledged to a review of the taxation system and invited the Greens and Liberals to join them in that discussion.

Whether this discussion will come to much more than a talkfest of competing concerns, it is an acknowledgement that the current system of taxation, which is dependent on stamp duties, gambling, motor and land tax as well as payroll tax, vehicle registration fees and the fire service levy, is creaking under the load.

This is probably partly explained by low receipts from Government Businesses – in particular Aurora, which is unlikely to return too much to State coffers over the next four years. The lion's share of Government Business Enterprise income will come from the MAIB again, which will deliver \$27.1 m. – nearly half of the \$65.1 m. estimated general income.

Overall, the Treasurer predicts a respectable 2.25 per cent growth rate, and unemployment will increase before it gets better – rising from 5.25 per cent to 5.5 per cent before returning to current levels.

While there will be a surplus of \$24 m. in 2009-10, in terms of expenditure, this year's Budget will deliver a deficit of \$65 m., but the Government is confident this will turn into a surplus by 2012-13.

Interestingly, in his speech the Treasurer talks about being able to pay additional wage rises to the public sector, when last year it was all about cut the fat. Surprisingly, things must have turned round significantly or perhaps there may be another election in the wind.

In terms of major initiatives, the Government points to:

- \$6.45 m. for high value agriculture;
- \$30 m. for the establishment of a renewable energy development loan fund;
- \$5.85 m. for initiatives to make the most of the digital economy;
- \$12.8 m. investment on the Three Capes Walk on the Tasman Peninsula;
- \$12 m. to establish an integrity commission;
- \$5.9 m. in road safety initiatives;
- \$20 m. in tourism marketing;
- \$3.5 m. for the State's ailing forest industry;
- \$30 m. for the new Tasmanian helicopter emergency service and;
- \$24 m. to a new cancer program.

All good stuff, but nothing to set the world on fire.

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## **Energy and Resources**

- o \$2 million to implement initiatives in the forest industry plan launched in February
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## **Sustainable Transport and Alternative Energy**

- o \$250,000 for a study into how Tasmania can overcome the challenge of peak oil and oil price fluctuations
- o \$3.25 million for Metro Tasmania to improve its passenger bus services
- o \$750,000 in ongoing funding for the rollout of the state-wide Park and Ride initiative
- o Creation of a new Climate Change Adaptation Unit, funded from ongoing funding of \$500,000 a year

- o \$350,000 to fund a business case for a light rail service linking the northern suburbs and central Hobart
  - o \$750,000 over three years to develop King and Flinders Islands renewable energy usage
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## **Arts and Environment**

- A four year funding package of \$200,000 for community broadcaster Edge Radio
  - \$12.8 million for the development of the Three Capes Track on the Tasman Peninsula
  - Additional \$16 million over four years for the Parks and Wildlife Service with specific allocations outlined for the Bay of Fires and Mt William National Parks, 10 new field staff, Marine Protected Area Assessments, Aboriginal heritage management and Regional Forest Agreement Commitments
  - \$1 million commitment towards art and disability funding to improve access and participation in the arts for all Tasmanians.
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## **Community Development**

- \$1.075 million to implement Tasmania's Social Inclusion Strategy, including \$75,000 to develop a Cost of Living Strategy
  - \$1 million for the Tasmanian Food Security Fund to improve access to nutritious food
  - \$180,000 for a 10-year review of Tasmania Together
  - \$8.87 million over three years for public sector information technology
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## **Justice and Police**

- \$11 million over four years for 30 additional police officers
- \$14.6 million for new equipment for Tasmania Police
- \$6.5 million for the Police Connectivity Program, incorporating the Automatic Vehicle Location (AVL) Project and the IT15 technology systems upgrade

- \$4.4 million over four years to upgrade police traffic equipment including speed detection devices, fixed site cameras, drug detection equipment and breathalysers
  - Funding will also provide for purchase of Automated Number Plate Recognition technology for every police district
  - \$120,000 for marking of 20 existing police vehicles with high visibility livery
  - \$1.1 million to fund recommendations from the 'Breaking the Cycle' discussion paper for corrective services in Tasmania
  - Approximately \$12 million over four years for the new Tasmanian Integrity Commission, whose activities will include investigating allegations of misconduct against public officers, and assisting authorities to deal with misconduct
  - \$200,000 a year for more legal aid
  - \$1.6 million a year for the Office of the Director of Public Prosecutions, primarily for more staff
  - \$200,000 annually over four years for the newly established Asbestos Unit within Workplace Standards
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### **Primary Industries and Water**

- o Continuation of existing funding of \$38 million for major irrigation projects
  - o \$500,000 for the ongoing promotion of Tasmania to mining companies via a marketing campaign
  - o \$1.5 million for a geoscience project on the West Coast of the State and a \$250,000 commitment for the Western Tasmanian industry corridor study
  - o \$400,000 to eradicate carp, which are threatening Tasmania's fresh water ecosystems, in particular in Lake Sorell
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### **Health and Human Services**

- Total budget of \$312 million for Human Services
- \$16.2 million package to support Tasmanians living with disabilities, including \$8.6 million over four years to establishment the Disability Gateway
- \$2.6 million to prevent elder abuse

- \$1 million over four years for additional early intervention and support for children and their families living with autism
- \$4 million towards a community equipment scheme to support Tasmanians with needs related disability, ageing or hospital discharge to access equipment
- Confirmed commitment of \$112 million in capital works funding to improve or replace health facilities, equipment and services for the future.
- \$61 million over four years for new staff facilities and services as part of the redevelopment of the Launceston General Hospital
- \$6.8 million to improve access to elective surgery in public hospitals
- \$37.3 million over four years for new sub-acute beds
- \$30.9 million over four years for a new helicopter ambulance to be based in Hobart
- \$24 million over four years to go towards the joint Commonwealth State funding commitment to improve cancer services across Tasmania
- \$2.5 million over four years to fund improvements in palliative care services in the north
- Confirmation of more than \$283 million in 2010-11 for social housing services and construction of new affordable homes and public housing

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## **Education and Skills**

- o Total State Education Budget is \$1.236 billion, up from \$1.164 billion in 2009-10
- o \$10 million to extend the Raising the Bar and Closing the Gap literacy and numeracy program into Government high schools
- o \$8.36 million to improve education opportunities, including \$5.4 million to expand alternative education options for secondary school students, \$1.56 million for special needs children in non-government schools, and \$200,000 for school sports associations
- o \$6 million over four years to address bullying and employ additional school psychologists
- o \$13 million to build a new primary school at Port Sorell
- o \$18 million for a specialist sports school at Cosgrove High

- o \$3 million for a learn to swim pool for the Bridgewater community
  - o \$372,000 to provide year 10 students with access to the Rotary Youth Driver Awareness Program
  - o \$11 million to implement a Tasmanian Adult Literacy Action Plan
  - o \$1.6 million over four years to support apprentices and trainees with travel and accommodation allowances
  - o \$3.5 million over three years to appoint centre leaders to Child and Family Centres to coordinate services for children and their families
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### **Economic Development and Infrastructure**

- o Infrastructure planning will get an overhaul with a new \$12.5 million planning system
  - o Additional \$1.5 million for Tasmanian road safety initiatives
  - o \$200 million for Tasmania's rail network over the next four years to improve transport infrastructure, which is also supported financially by the federal Nation Building Program
  - o \$225 million for the Tasmanian road and bridge network, which includes \$122.9 million in State funds and \$101.7 million of federal funding
  - o \$3.3 million over the next two years to support small business with continuation of existing programs including the October 2010 Tasmanian Chamber of Commerce Expo
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### **Sport and Recreation**

- o Total budget of \$9.7 million for sport and recreation
- o \$1 million will support infrastructure updates for football stadiums in Glenorchy, Creswell and North Hobart
- o \$243,000 to fund repairs on the Rosebery Sports Stadium and the Elphin Sports Centre
- o \$800,000 over the next four years to support the development of grassroots and elite soccer in Tasmania
- o Surf Life Saving Tasmania will receive \$2.4 million for capital works improvements throughout the State