



11 June 2009

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## **Government Media Statement**

**MICHAEL AIRD**  
Treasurer

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### **A Responsible Budget for the Future**

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The Treasurer, Michael Aird, said today that the 2009-10 Budget was a responsible budget prepared with a strong eye to the future.

“This is a balanced budget which takes decisive action to address the dramatic impact of the global financial crisis while ensuring that we are well positioned for the future,” Mr Aird said.

“We are not prepared to lose the gains of recent years and we are not prepared to be distracted from our task.

Mr Aird said the key elements of the 2009-10 Budget were:

- A \$3.9 billion infrastructure program which will support 6,000 jobs in 2009-10;
- Strong action to deliver \$760 million in savings over the next four years.
- The maintenance of frontline government services in health, education and public safety.
- No increase in taxes, fees, charges or licences
- No return to net debt
- A return to budget surpluses in 2012-13
- No cuts to vital concessions for low income Tasmanians

“By 2012-13 Tasmania will be the only State or Territory that is net debt free and with a budget surplus,” Mr Aird said.

“There is still much work to be done but, in challenging times, we are laying a strong foundation for the future.

“The 2009-10 Budget proves yet again the Government’s commitment to supporting jobs and building new infrastructure.

“Supporting the jobs of Tasmanians is the number one priority of this Government in the good times and the bad.

“This budget allocates a record \$746 million for infrastructure investment in 2009-10 which is estimated to support 6000 Tasmanian jobs.

The Budget also provides:

- \$456 million for Tasmanian schools and other education infrastructure
- \$756 million for roads
- \$197 million for rail infrastructure
- \$400 million for major irrigation projects
- \$130 million for affordable housing in 2009-10
- \$73 million for the Brighton Transport Hub
- \$27 million to begin construction of a network of Child and Family Centres
- \$18 million for police headquarters

“Hundreds of millions of dollars will also be invested in Tasmania as part of the National Broadband Network project in Tasmania.

“This initiative will see Tasmanian broadband lead the nation.

“This is about supporting Tasmanian jobs today, through investing in the projects that are building the Tasmania of tomorrow.

Mr Aird said that the 2009-10 budget also included a number of other important initiatives which would support Tasmanian jobs.

“We will be providing a new payroll tax rebate that will be payable where a business creates new jobs between 1 July 2009 and 30 June 2010 and maintains them at least until June 2011.

“Not only will this initiative support jobs, but it will also be of particular benefit to small businesses approaching the payroll tax threshold.

“Treasury estimates that this initiative could support up to 500 jobs.

“The Government is also committed to supporting jobs in our regional areas.

“The State Government will pay the interest costs of any borrowings which local government undertakes to build new infrastructure in our regional areas.

“I am pleased to announce that the West Coast Council will be the first Council to benefit from this initiative with assistance provided to undertake important projects identified by the West Coast Economic Development Group.

“The State Government has always been a strong supporter of the tourism industry.

“This Budget continues to support tourism jobs by quarantining government tourism and marketing expenditure from budget savings measures.

“This Government is committed to improving Tasmania’s ambulance and patient transport services.

“Today I announce that the State Government will allocate an additional \$48 million to fund these vital services over the next four years.”

Mr Aird said that the 2009-10 Budget delivered on the Government’s commitment to quarantine frontline services.

“Now is not the time to be cutting these vital services to the Tasmanian community.

“We will continue to implement major reforms in disability services, family support services, primary and clinical health services and alcohol and drug support.

“We will also be continuing to implement the most far-reaching package of reforms to education in Tasmania’s history.

“The global financial crisis has had a dramatic impact on the State Budget with the State facing the loss of \$1.5 billion in GST revenues and state taxation receipts.

“No Tasmanian Government has ever had to deal with such a dramatic reduction in budget receipts.

“In this budget the State Government delivers \$760 million in savings over the next four years.

“Today, I announce further measures that will contribute to the savings targets and the establishment of the Employment Management Program.

“To show that MPs and senior public servants will take the lead in making the savings that need to be made, the Government will freeze the wages and allowances of all Members of the Tasmanian Parliament for one year from 1 July this year.

“Employees of the Tasmanian Senior Executive Service also will have their wages frozen for a year from 1 July.

“The Premier has also decided to forego the \$13,000 allowance he receives in support of his official duties.”

“This package will also seek to minimise the impact on public sector jobs and ensure the provision of core government services.

Mr Aird said the Employment Management Program will also see the achievement of further savings through the implementation of a range of measures including:

- Targeted voluntary redundancies;
- Vacancy control;
- Early retirement;
- Phased-in retirement;
- Leave-without-pay;
- Changes in working hours, such as a move to part-time work
- Secondment to the private sector; and
- A review of middle management positions

“This will be a targeted voluntary redundancy program and not a state-service-wide program.

“It will specifically exclude those areas of the State Service where the Government has quarantined frontline service delivery expenditure from savings measures.

“State Service employees within these targeted areas will have the opportunity to submit an expression of interest for a voluntary redundancy.

“We will honour existing wage agreements.

“When existing wage agreements expire, the State Government will implement a wages policy that will provide agencies with funding for wage increases of 1 per cent in 2009-10 and 2010-11 and 2.5 per cent per annum from 2011-12 onwards.

“The new wages policy will provide a saving to the budget of \$100 million over the course of the forward estimates.

“The State Government has estimated that the savings to be achieved under these measures is equivalent to approximately 800 state service positions.

“We cannot escape the fact that we are living in challenging times and hard decisions must be made.”