

## **Barton Deakin Brief: Tasmanian State Budget 2014-15**

**28 August 2014**

The Tasmanian Treasurer, the Hon Peter Gutwein MP, has delivered the Hodgman Government's first State Budget.

Presented under the theme of 'Laying the foundations for the future', the Budget has placed an emphasis on improving the state's fiscal position and capitalising on Tasmania's competitive strengths such as tourism, agriculture, energy and resources. The Government has also allocated funding to meet each of its 2014 election commitments.

The Government will record a deficit of \$285 million in 2014-15, which is projected to decrease to \$118 million by 2017-18.

Net debt will be \$188 million in 2014-15.

Government expenditure will grow by 0.8 per cent per annum over the forward estimates.

The Budget projects economic growth of 1.5 per cent in 2014-15.

Unemployment (7.7 per cent at the end of the last financial year) is forecast to be 7.25 per cent in 2014-15.

### **Key Budget measures**

#### *Investment in key Tasmanian industries*

The Government will invest in initiatives aimed at boosting the capacity of major local industries.

Highlights include:

- An additional \$16 million over four years for tourism marketing;
- \$24 million over four years for agriculture irrigation schemes in Circular Head, Evandale, Scottsdale, Swan Valley and the Southern Highlands;
- An additional \$900,000 for biosecurity in the agriculture, marine and aquaculture sectors;
- \$500,000 to investigate commercial uses of forest residues including biofuels and biomass;
- Encouraging growth in the building and construction sector by extending the First Home Builder Boost – previously due to expire at the end of this year – by an extra six months at the rate of \$20,000. The scheme will then be maintained at the rate of \$10,000.

The Budget also includes:

- A payroll tax rebate worth \$4 million;
- \$2 million to fund a small business jobs bonus for newly created employee positions;



- \$10 million to fund a water and sewerage headworks holiday on new developments;
- A \$12 million Regional Revival Fund to support projects in regional areas.

### *Health and Human Services*

The Government has committed to achieve savings in the health portfolio and reinvest these savings in frontline services. Funding commitments outlined in the Budget include:

- An additional \$76 million over four years for elective surgery;
- \$5.4 million for additional nurse graduates;
- \$3 million for Hospital in the Home and other community health care options;
- \$4.4 million to reinstate school nurses;
- \$3 million for the St Helens Hospital;

### *Education*

The Budget contains record funding of \$5.8 billion over four years for education. Initiatives include:

- \$45 million to expand 21 high schools to Year 12 by 2018;
- \$8 million to employ specialist literacy and numeracy teachers;
- \$4.4 million to fund an extra week's paid work for teacher assistants and support staff.

### *Infrastructure*

The Government will invest funding of \$1.6 billion over four years in infrastructure. Highlights include:

- Completion of the Royal Hobart Hospital rebuild;
- Completion of the Three Capes Track;
- Road and bridge upgrades across Tasmania;
- Reinstating an international shipping service;
- Establishing a new body, Infrastructure Tasmania, to provide independent expert advice on the state's infrastructure needs.

### *Police and Emergency Services*

To improve public safety the Government will boost total funding for police by more than 10 per cent to \$225 million by 2017-18.

An additional \$33 million over four years will be provided to boost frontline police services by an additional 108 officers.

The Public Order Response Team will be reinstated, and a Serious and Organised Crime Capability will be established to investigate cold cases.

The Budget also allocates \$5 million to enable police to purchase a new offshore rescue vessel.



## Further information

Further detailed information on the 2014-15 State Budget can be found online:

- [Full transcript](#) of the Treasurer's Budget Speech.
- [Budget overview](#): key economic figures and background.
- [Budget media releases](#): portfolio-specific media releases issued by Government Ministers.

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