

GETTING THE BALANCE RIGHT – LABOR COSTINGS CONFIRM LABOR FISCAL STRATEGY

Labor's complete costing of its election policies and priorities has confirmed the core commitments made in the Labor Fiscal Statement released last week.

Under a Rebecca White Labor Government:

- The Budget will have a surplus of \$14.1 million (0.2% of revenues) in 2022-23, \$43.7 million (0.6%) in 2023-24 and \$157 million (2.0%) in 2024-25
- Labor will spend an additional \$1.4 billion until 2024-25 with key priorities being health (47%), jobs and industry support (13%), education (9%), and support for the homeless (6%)
- By prioritising more than 75% of our new spending in these areas, Labor will be able to deliver bigger budget surpluses than the Government while taking real action to address Tasmania's biggest challenges
- By 2025 Labor will invest \$544 million in health infrastructure, \$239 million in new housing construction and \$323 million on improved port and road infrastructure
- Net debt will be lower under Labor than under the Liberals, and will remain amongst the lowest of any jurisdiction in Australia at 10.2% of Gross State Product (GSP) in 2021-22, 12.5% of GSP in 2023-24 and 14.9% of GSP in 2024-25.

We have struck the right balance in the current economic climate given the serious challenges facing Tasmania in health, housing and education.

Labor's spending program will lift public and private investment to drive economic and productivity growth through upgrading skills, rebuilding TAFE, supporting small businesses and encouraging medium-scale manufacturing to innovate and expand.

Our social investments will tackle the ongoing health crisis, housing shortages and homelessness, low educational attainment and regional disadvantage.

Our balanced approach will create 35,000 new jobs and close the gap between Tasmania and the rest of Australia on key social indicators.

Our practical approach to Budget management strikes the right balance between returning to surplus and providing continuing economic stimulus in uncertain economic conditions. Our new capital and infrastructure commitments provide the best balance between manageable debt and improving the scale and quality of Tasmania's roads, schools, hospitals, ports, agriculture, tourism and natural environment. Our infrastructure program will boost productivity and the debt incurred is sustainable, particularly given the low interest rate environment and Reserve Bank support for growth-inducing Government debt.

Alternative policies may produce modestly smaller debt and perhaps slightly larger surpluses but this will be at the expense of much needed social and infrastructure investments – ultimately leading to lower growth and productivity. This unbalanced approach cannot, and does not, properly balance economic growth and social equity.

Labor will achieve these budget outcomes without new taxes, asset sales, or by making cuts to health, education, housing or other essential public services.

Key Labor Budget Aggregates

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
GENERAL GOVERNMENT					
Revenue	6,502.40	6,940.20	7,299.10	7,578.70	7843.955
Expenses	7,461.20	7,165.70	7,106.70	7,348.40	7,495.37
Less Redirected Spending/Additional Revenue*	-27.75	-74.28	-72.28	-72.28	-72.28
Add Labor policies					
Health	6.50	159.08	139.43	138.98	138.98
Jobs and industry support	94.15	67.93	36.18	30.86	14.59
Education	5.02	15.07	25.41	39.24	49.86
Housing	65.95	18.40	3.15	3.15	3.15
TAFE	4.31	15.61	17.41	19.21	19.21
Primary industries and fishing	16.43	4.38	4.36	4.31	2.83
Emergency services	3.17	5.62	2.67	2.67	17.27
Community support	17.34	10.15	8.35	6.59	5.65
Infrastructure and transport	42.05	3.85	0.50	0.50	0.50
Sport and arts	48.53	6.71	4.61	4.85	4.22
Tax changes and other expenses	8.50	8.50	8.50	8.50	7.50
Labor Net Operating Balance	-1,242.99	-466.50	14.13	43.74	157.12
Liberal Net Operating Balance	-1,039.60	-553.00	5.6	35.4	Not given

*Redirected Spending is outlined in Labor's Plan for Jobs. Addition revenue related to ABF and other Federal Government health revenue.

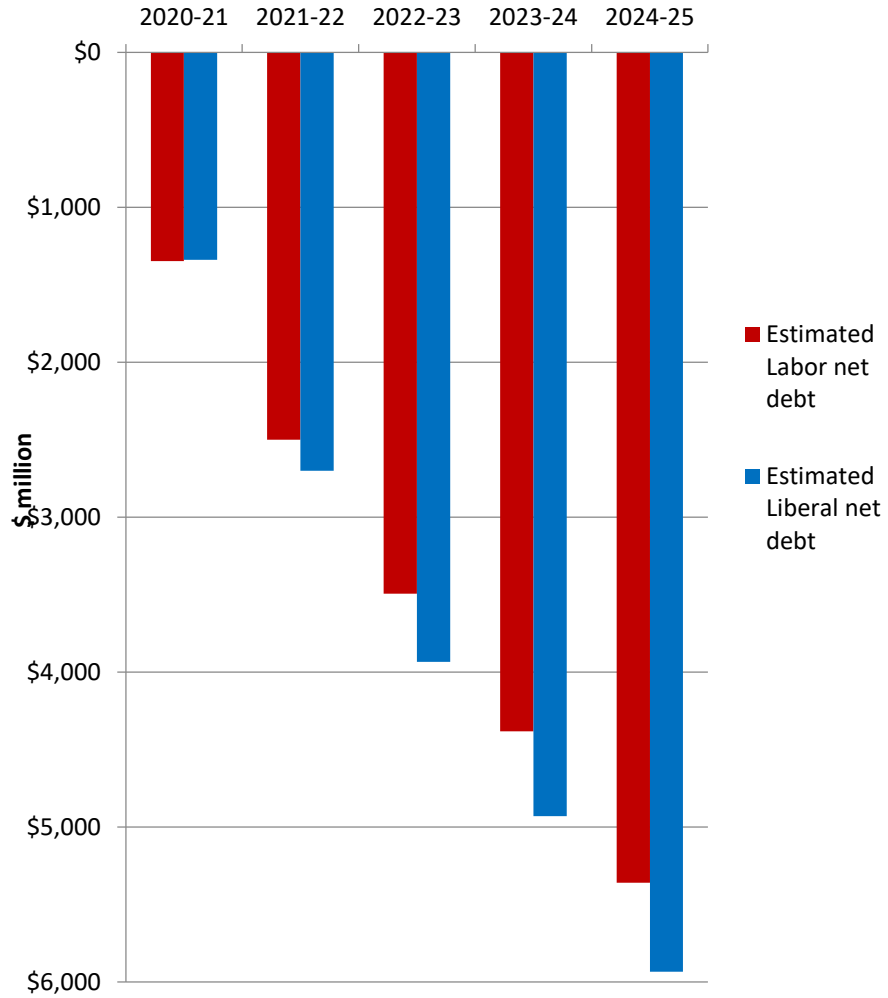
Infrastructure Investment

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
Health	0.00	61.00	193.50	76.00	213.50
Jobs, TAFE and industry support	19.00	30.00	10.00	10.00	0.00
Housing	0.00	43.50	0.00	0.00	0.00
Education	0	21	21	13.5	13.5
Primary industries and fishing	0.00	10.00	15.00	0.00	0.00
Emergency services	0.00	4.00	5.00	0.00	1.70
Infrastructure and transport	3.10	13.10	11.60	51.60	156.60
Liberal under-delivery estimated by Treasury	-220	-250.00	-250.00	-62.50	0.00
Total change	-197.90	-67.40	6.10	88.60	385.30

Net debt

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
PEFO net debt	1260.8	2240.9	3048.8	3663.3	4063.3
Estimated Labor net debt	1347	2501	3493	4383	5359
Estimated Labor net debt as a percentage of GSP	4.14%	7.51%	10.23%	12.52%	14.94%
Estimated Liberal net debt	1338.8	2699.8	3934.2	4930.6	5934
Estimated Liberal net debt as a percentage of GSP	4.12%	8.10%	11.52%	14.09%	16.54%

Debt will be lower under Labor



Labor will deliver bigger Budget surpluses

