

Media Release

11 February 2010

Tasmanian Budget Needs to Move to Surplus Faster

Statement by Robert Wallace – TCCI Chief Executive Officer

Tasmania's peak employer body, the Tasmanian Chamber of Commerce and Industry, has expressed concern that the State Budget bottom line has not materially improved despite an improving revenue situation.

Robert Wallace, TCCI Chief Executive, said that the updated 2009-10 Mid-Year Report shows an improvement to bottom line for current year, yet the overall picture shows deeper deficits and a smaller surplus.

"The Budget is currently in an unsustainable position. Net operating deficits mean that the day-to-day operations of Government are greater than their capacity to be funded.

"This compromises the Government's ability to invest funds into capital infrastructure, where they are badly needed," Mr Wallace said.

Mr Wallace said an operating surplus in the range of \$200-300 million is required just to support our basic infrastructure needs.

"On current projections, the State is unlikely to reach a healthy surplus until around 2018.

"The right balance between infrastructure investment and recurrent expenditure like public sector wages has not been struck.

"Again we see a blow out in employee wages and superannuation which now consume around half of the entire \$4.5 billion Budget," Mr Wallace said.

Mr Wallace said that recently the TCCI surveyed its members on their policy priorities for the State Election and responsible Budget management was their number one election priority.

"We will not support an expensive election campaign from any party. We expect that any election commitments be funded from savings within the existing Budget," Mr Wallace said.

For more information contact:

Robert Wallace – 0457 363 600

Richard Dowling - 0418 967 377

The TCCI is an independent and member funded not-for-profit organisation that represents 2,800 Tasmanian businesses and supporters who collectively employ 75,000 Tasmanians.

Registered Office

Industry House
30 Burnett Street
North Hobart, Tas 7000
GPO Box 793
Hobart, Tasmania 7001
Telephone: (03) 6236 3600
Facsimile: (03) 6231 1278
Email: admin@tcci.com.au

Northern Office

Industry House
68 -72 Cameron Street
Launceston, Tas 7250
PO Box 1490
Launceston, Tas 7250
Telephone: (03) 6331 1144
Facsimile: (03) 6334 6400
Email: laun@tcci.com.au

ACN 009 475 987

