



2013-14 BUDGET SPEECH

'Jobs, People, Opportunities.'

BY
THE TREASURER
HON LARA GIDDINGS MP

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Reading of the Consolidated Fund Appropriation Bill (No 1) 2013

Presented to both Houses of Parliament by the Governor's Command

Mr Speaker,

The 2013-14 State Budget is about supporting jobs, reducing inequality, looking after people and creating opportunities for the next generation of Tasmanians

In recent months Tasmania has suffered disastrous bushfires, continuing high unemployment, and further falls in Commonwealth revenue.

These challenges have put further pressure on the State Budget at a time when we are still feeling the effects of the \$1.8 billion in GST and state tax income that we lost two years ago.

We're not alone in facing difficult times, as we've seen recently in the Commonwealth and other State budgets.

But at the same time, we have seen dramatic progress on some of the most important and far-reaching reforms that this Nation and this State have ever seen.

The Gonski education reforms, the National Disability Insurance Scheme and the forest agreement are historic opportunities to deliver long-term benefits for Tasmanians for generations to come.

Our challenge, as a state and as a government, is to strike the right balance between addressing the problems we face today and investing to build a better Tasmania for tomorrow.

I believe we have achieved that balance in the 2013-14 State Budget.

We will continue the financial discipline that is returning our finances to a sustainable position and we will make further progress on the savings targets that we set two years ago.

But we will also invest in jobs, better education for our children, the bushfire recovery, the transformation of disability services, energy reform and the future sustainability of our forest industry.

2013-14 State Budget

Mr Speaker, for the first time, total budgeted expenditure on government services for the Tasmanian community will exceed \$5 billion in 2013-14.

However, just as our strong financial management reduced annual growth in expenditure from 8.8 per cent to just 1.8 per cent over the past two Budgets, in this Budget spending will grow at an annual average of just 1.9 per cent over the next four years.

As a result of our continuing financial discipline, Tasmania's net debt will remain the lowest in the country, expected to peak at \$440 per head of population compared with more than \$4 000 in Victoria.

The economic and financial pressures facing Tasmania are easing but they have not gone away.

The high Australian dollar continues to put pressure on both the national and Tasmanian economies.

As a result, last week's Federal Budget revealed a further fall in the GST pool which will cost Tasmania more than \$100 million over the next four years.

State taxation revenue will also decline by another \$200 million, largely due to a drop in conveyancing duty and payroll tax receipts.

Slowing national demand for electricity and a lower carbon price will see an average \$70 million fall in revenue from State electricity businesses over the next three years.

The cost of the January bushfires is expected to total some \$45 million for the emergency response and recovery process.

The combined impact of these pressures means our return to surplus and 'no net debt' will be delayed until 2016-17.

But, importantly, we will achieve this without imposing new savings targets on government services and with no new taxes or increases in existing taxes.

To cut harder and faster, or to increase the tax burden, would risk setting back the recovery we are seeing in our economy and in the State's finances.

Importantly, the 2013-14 Budget will see spending on health rise to \$1.4 billion, while education will receive \$1.35 billion.

Between them, these two critical areas will receive 54.3 per cent of all government spending.

We are also continuing our strong investment in infrastructure that will support future economic growth and provide better services for Tasmanians.

Over four years, our infrastructure investment will exceed \$1.4 billion, with the majority of the \$350 million allocated in 2013-14 earmarked for roads, health and education.

Across the Tasmanian Government, agencies will continue to work to the State wages policy and the savings targets we put in place two years ago, with the only significant new reduction in expenditure being the abolition of the First Home Owner Grant on established homes from 30 June 2014.

From that date, eligible first home buyers will only receive the grant if they're building a new home, providing an ongoing stimulus to the building industry and creating jobs in the process.

This change will bring Tasmania into line with other States such as Victoria, NSW and South Australia while saving an estimated \$11 million per annum, which will be used to fund job-creating changes to the payroll tax.

Revenue will also fall by \$4.1 million over the next four years following our decision to abolish motor vehicle duty on the transfer or registration of caravans or camper trailers from 1 July.

This measure will bring Tasmania into line with other States, supporting local jobs by making Tasmanian businesses more competitive.

We expect to see annual average growth in revenue of 3.5 per cent.

This will allow modest and responsible increases in expenditure to create jobs, strengthen our economy, and deliver major reforms to key services while also enabling a return to surplus and elimination of net debt by 2016-17.

I believe that in response to the challenges and opportunities we face, the 2013-14 Budget strikes the right balance between achieving a sustainable budget position and building a better future for Tasmanians.

The Tasmanian Economy

Mr Speaker, Tasmania's economy continues to face significant pressure as a result of the high exchange rate and global economic uncertainty.

The structure of our economy, with a heavier reliance on manufacturing, tourism and traditional agriculture, means we feel these pressures harder than most.

Yet our economy and our people remain resilient.

We have endured a global financial crisis.

And, as the Budget Papers clearly demonstrate, our performance remains stronger than at most times over the past three decades.

But we must continue to diversify our economy and build upon our competitive advantages.

Improving conditions for private investment is the best way to grow jobs for the future.

We have done this through immediate actions like the Tasmanian Jobs Package and longer term strategies including the Economic Development Plan and the Asian Century White Paper.

Our proximity to markets in countries like China, India and Malaysia has already allowed us to capture benefits of the mining boom, with 90 per cent of all Tasmanian mineral exports destined for Asia.

It is pleasing that Treasury is now forecasting a more positive economic outlook including a return to stronger dwelling investment, household spending, business investment and most importantly, a return to jobs growth.

It is estimated that an additional 1 400 jobs will be created in 2013-14 and a further 9 000 jobs across the Forward Estimates.

This will have the effect of bringing down the average unemployment rate to 6.75 per cent.

It is also anticipated that as the peak of the mining boom is reached, our population growth will improve and our economy will be supported by competitive advantages in aquaculture, food, dairy, specialised manufacturing, and international education and research.

Jobs, People, Opportunities.

Mr Speaker, I announced last December that my Government's priorities for this year would be Jobs, People and Opportunities.

The major reforms that have recently been progressed in education funding, disability services and forestry fit perfectly within that agenda.

Jobs

Mr Speaker, as I said earlier, the high Australian dollar and difficult market conditions overseas continue to have a negative effect on the Tasmanian economy.

Unemployment remains too high, although still well below the double-digit levels of the 1990s.

Creating jobs therefore remains my Government's number one priority.

The Jobs Package is helping to create more than 3 000 jobs and leverage \$375 million worth of private investment.

The 2013-14 Budget allocates funding for a number of initiatives in the Package, including \$11.5 million over the next two years for the First Home Builders Boost.

In addition a further \$2.5 million has been allocated for another round of the Tasmanian Government Innovation and Investment Fund.

Payroll Tax changes

Mr Speaker, one of the issues that Tasmanian business people frequently raise with me is the payroll tax and the opportunity for Government to help create jobs by reducing it.

One of the key planks of our Jobs Package is the reintroduction of Labor's successful payroll tax rebate.

This approach is already delivering results.

Our agreement to waive payroll tax revenue of \$14 million over five years was instrumental in Vodafone's decision to transfer 750 call centre jobs from India to Kingston.

Those jobs are already being filled as we speak, and the wages and job security they provide will have a direct flow-on to the local community, creating other jobs and economic activity in industries from housing to retail.

The 750 new Vodafone jobs are in addition to the 850 jobs expected to be created as a result of the rebate in Tasmanian Jobs Package.

Some 130 businesses have already registered to take advantage of this incentive.

Mr Speaker, today I announce a further change to payroll tax which will provide an even greater incentive for businesses to invest and create new jobs.

From 1 July, the payroll tax threshold will be raised from \$1 million to \$1.25 million, the first such increase since the year 2000.

This is the most generous of any State and more than double the level in Victoria.

This measure will provide direct tax relief to more than 2 250 businesses which between them employ around half of the Tasmanian workforce.

As a result of this change, around 130 Tasmanian businesses will no longer pay payroll tax at all.

Paid for by the abolition of the First Home Owner Grant, this measure is expected to reduce revenue by \$40.8 million over four years.

In doing so, it will encourage investment and create much needed jobs.

We know that small business is the engine room of our economy and that's why we will also continue to invest significant resources in our new online portal Business Tasmania, a one-stop-shop to help new and existing enterprises with business plans, access to finance and reducing the red tape burden.

Irrigation

Mr Speaker, one of the Government's biggest investments in creating jobs for the future is our \$400 million irrigation program.

In partnership with the Australian Government and the private sector we're developing a series of major irrigation schemes across the State that are underpinning a once in a generation transformation of Tasmania's agricultural sector.

In 2013-14, \$38.8 million will be provided to deliver the Midlands, Lower South Esk, Kindred North Motton, South East and Upper Ringarooma irrigation schemes.

These projects are laying the foundation for significant growth in high value food production to meet the growing demand from Asia and in the process creating jobs and prosperity for Tasmanians for generations to come.

To ensure we make the most of these opportunities, Tasmanian Irrigation Pty Ltd will receive \$750 000 in 2013-14 and \$300 000 in each of the following three years.

Asian Century Initiatives

Mr Speaker, my Government believes that in order to create jobs for the future it is critical that we take strong action to ensure Tasmania makes the most of our opportunities in the Asian Century.

The Asian White Paper released in March proposed a range of initiatives to improve our economic, social and cultural ties with Asia and particularly China.

A number of those initiatives will receive funding in 2013-14 and across the Forward Estimates.

The Department of Economic Development will receive \$1.3 million over the next four years to progress:

- establishing a Tasmanian trade representative within Austrade in Shanghai;
- improving signage at key arrival points and major attractions in Tasmania;
- working with industry and Brand Tasmania to develop 'Tasmanian Gourmet' food branding; and
- offering cultural awareness training for businesses.

In addition, the Department of Premier and Cabinet will receive funding of \$800 000 over four years to partner with the University of Tasmania in the establishment of a new 'Asia Institute'.

The Institute will help to address the State's relatively low cultural, language and economic awareness of Asia with the aim of improving ties with Asian businesses, societies and cultures.

Tourism

Mr Speaker, the Jobs Package also included an additional \$1 million in 2012-13 for tourism marketing to boost demand for airline seats into Tasmania.

Today, I can announce that a further \$1 million will be provided in 2013-14 to ensure the longer term sustainability of air access into Tasmania, at the same time boosting tourism numbers to this State.

My Government is also continuing to invest in tourism infrastructure that will attract visitors, create new jobs and boost economic activity in regional Tasmania.

Funding of \$13.7 million over two years is allocated for construction of the Tarkine Forest Drive, providing a major new attraction for the North West.

Work on the \$25 million Three Capes Track will also continue over the next two years, with \$18 million available for the upgrade of existing tracks and construction of new track sections on the eastern peninsula.

The restoration and reopening of the Abt Railway will provide crucial support for the West Coast community and the broader tourism industry, with the Commonwealth to contribute \$6 million for immediate maintenance needs.

The Tasmanian Government will provide operational support of up to \$1.5 million per year over the next four years to assist with the ongoing sustainability of this important tourism asset.

People

Mr Speaker, my Government's agenda for People is about reducing inequality and caring for people, particularly the most disadvantaged members of our community.

During my Premier's Address in March, I outlined our plans to:

- boost electricity concessions to help people on low incomes meet the additional energy costs resulting from an illness or chronic condition;
- increase funding to the social and community services industry, so workers in the sector can receive a fair and equal wage; and
- establish Tasmania as a launch site for the NDIS.

In this Budget, we are delivering on those commitments, and more.

We're funding new concessions for eligible Tasmanians with medical needs which result in higher electricity bills, as well as concessions previously provided by Aurora, as part of \$16.4 million over four years to cover the cost of our major electricity reforms.

For the first time, we will also extend access to our concessions system to asylum seekers who are on Bridging Visas or in community detention.

To enable the community sector to pay salary increases to more than 9 000 staff, who are mostly women, additional funding of \$16.3 million is provided over the next three years, bringing our overall allocation to \$58.3 million over the next five years.

Continuing our \$5 million investment in initiatives made possible by the sale of TOTE Tasmania, \$2 million is available in 2013-14 for emergency relief and strategies designed to help ease cost of living pressures for Tasmanians most in need.

National Disability Insurance Scheme

Mr Speaker, the National Disability Insurance Scheme is one of the most critical reforms we have seen in this country for decades.

The new DisabilityCare Australia will make a profound difference to people in our community who live with a disability, as well as to the lives of their families and carers.

Tasmania's role as a launch site, beginning on 1 July, will initially benefit 1 000 eligible young Tasmanians aged between 15 and 24.

The 2013-14 Budget provides \$5.2 million over the next three years for the initial phase.

The recent agreement which I signed with the Prime Minister, for Tasmania to participate in the full scheme, will see our funding rise to \$11.6 million in 2016-17.

By the time DisabilityCare Australia is fully rolled-out by July 2019, it will benefit around 10 600 Tasmanians with a disability.

When that happens we will be spending more than \$230 million per annum to help provide greater independence and dignity for some of the most vulnerable members of our community.

Neighbourhood Houses

Mr Speaker, building stronger and more supportive communities is vital if we are to reduce inequality and disadvantage in Tasmania.

Neighbourhood Houses play a key role by delivering important services and support that help to create more resilient communities, families and individuals.

In 2011-12 we provided an additional \$825 000 per annum to support Tasmania's network of 34 Neighbourhood and Community Houses.

In the Tasmanian Jobs Package, I announced further funding of \$2 million to help with the renovation and upgrade of properties across the State.

Today, I announce a further \$4 million will be available over the next two years to continue the current capital and maintenance program.

This program will further enhance community facilities while creating jobs.

Preventative health

Mr Speaker, Tasmania's rates of smoking, obesity and chronic disease remain higher than those in most other states, particularly in our more disadvantaged communities.

The Tasmanian Government already supports a range of programs to promote healthier lifestyles through local facilities such as Child and Family Centres and Neighbourhood Houses.

By doing more to improve the well-being of people, communities and population groups that are considered 'high-risk', we can also help to reduce the burden on our acute care hospitals.

To that end, over the next two years an additional \$1 million will be provided for targeted, evidence-based preventative health measures.

These will include further initiatives to reduce smoking and to better connect young parents with local support and programs that will help to improve their families' health and well-being.

Rural communities will also benefit from the Government's investment in mobile breast screening across the State.

Funding of \$1.74 million will cover additional recurrent costs and:

- establishment of a new dedicated mobile clinic for the North West;
- refurbishment of the existing mobile clinic; and
- establishment of a new clinic site and upgrades to existing sites.

Preventative health is a key focus of our additional funding for the Department of Health and Human Services.

Among other things, this funding will support the ongoing treatment and campaign programs run by Alcohol, Tobacco and Other Drug Services.

We are also helping Tasmanians to adopt healthier lifestyles by investing in better sporting and recreational facilities.

Over the next two years, for example, \$1 million is provided for the Trails and Bikeways program to encourage healthy, active lifestyles and better-connected communities.

Opportunities

Mr Speaker, my Government's Opportunities Agenda is about investing in the next generation.

It's about creating new opportunities for Tasmanian children and making sure they are ready for the new world being created by the digital economy and the Asian Century.

Gonski education reforms

We all agree that education is the key to a better future for our children.

There can be no better investment in the next generation than that which we make every day in schools and classrooms across Tasmania.

We know we need to do better to match other States in national measures of educational performance.

We need to ensure our children are ready for the new jobs and skills required in a rapidly changing global economy and for the opportunities created by the NBN.

That is why the Gonski education reforms are so critical.

They aim to deliver equitable, high quality education to students from all backgrounds.

They will help to ensure children meet their potential and gain the skills and knowledge they need to fully participate in the community.

While we are still negotiating the final details of our agreement with the Commonwealth, it is our intention that Tasmania will sign up to the Gonski reforms.

We have therefore allocated \$83 million in State Government funding across the Budget and Forward Estimates to improve educational outcomes and provide needs based funding to Tasmanian schools.

The funding will ensure that students who are falling behind have the support and resources they need to succeed.

While these funds will enable us to provide even more support for student literacy and numeracy development, they will also help us to provide:

- high quality teaching and learning;
- improved targeting of resources to where they are needed most; and
- more resources to broaden student choices in areas like music, the arts, languages and sport, and to take advantage of the educational potential of new technology and the National Broadband Network.

This funding will be provided regardless of whether or not agreement is reached with the Commonwealth over the Gonski reforms.

Infrastructure investment to create opportunities

Mr Speaker, improving educational outcomes is also about providing a better learning environment for our children.

Over the next four years \$38.6 million will be available for major upgrades to:

- primary schools in Glenorchy, Lauderdale and South Hobart; and
- high schools such as Parklands, Smithton, Brooks, Kings Meadows, New Town and Montrose Bay.

In 2013-14 we will also continue to build new Trade Training Centres in schools across the State as part of our national partnership with the Australian Government.

Funding of \$4.1 million will allow the completion of construction for centres in Huonville, St Helens and the Southern project involving Sorell and Triabunna.

A further \$2.8 million will be available for new projects that are currently being evaluated, while \$1.8 million has been allocated to continue support for staffing and management.

In partnership with the University of Tasmania and the Australian Government, we are also investing in the new Theatre Royal Performing Arts and Education Centre, which will enhance higher education and training, and create jobs.

Over the next two years \$13 million is provided towards construction of a new Conservatorium of Music, new theatre spaces, improved amenities, and an expanded foyer space.

Our \$31.1 million program to build 11 State Government-funded Child and Family Centres across Tasmania will also be completed in 2013-14 with the construction of the new George Town facility.

National Broadband Network

Mr Speaker, the roll-out of the National Broadband Network (NBN) represents a fantastic opportunity for Tasmania.

Becoming one of the most connected places on the planet is allowing us, for the first time in our history, to overcome Tasmania's relative geographical isolation.

We will be able to play an equal and unlimited role in the new global, digital economy, and my Government is committed to making the most of that opportunity.

In 2013-14 we will continue to help businesses and the community make the transition to a digital economy, and assist with the development of NBN-capable applications, services and technologies, through programs such as Digital Ready and the Retail Online Innovation Program.

The Digital Futures Advisory Panel has been charged with the task of developing the second phase of the Tasmanian Government's Digital Futures Strategy.

This will guide the State's engagement with the digital economy from 2013 to 2015, coinciding with the completion of the NBN rollout in Tasmania.

We are already seeing the benefits of the NBN through developments such as Medibank's innovative new Anywhere Healthcare virtual healthcare clinic, which the Prime Minister launched in Tasmania last week.

We are also continuing our support for the world-leading intelligent sensor network Sense T, being developed by the University of Tasmania which will, for example, collect real-time data about the conditions under which food is produced, processed and distributed to help improve production and quality.

Investing in Government Services and Infrastructure

Health

Mr Speaker, health remains the single biggest expense in the State Budget, with this year's allocation of almost \$1.4 billion accounting for 27.6 per cent of total expenditure.

We are spending more than ever on health, but we need to make sure we continue to get the best value from every dollar that we spend.

During the last year, we have seen the delivery of health services transformed in a way that will give Tasmania the best chance of achieving a sustainable health system into the future.

Grants and other funding from the Commonwealth are now paid directly to the three Tasmanian Health Organisations and that change is reflected in this year's Budget.

With a combined Budget of more than \$1.2 billion, the THOs are now directly responsible for managing public hospitals, Community and Aged Care Services, and Statewide and Mental Health Services.

The Australian Government's contribution of \$325 million over four years is also delivering significant benefits, including providing more elective surgery for Tasmanians who have been waiting the longest.

The Tasmanian Government has committed over half a billion dollars to health infrastructure over the coming four years.

This significant program of spending, includes:

- the redevelopment of the Royal Hobart Hospital, with \$40.6 million allocated in 2013-14 and \$148 million in 2014-15;
- completion of the \$100 million dollar upgrade of the LGH; and
- funding for statewide cancer services, community health centres and elective and emergency surgery infrastructure.

In addition, the refurbishment of the Latrobe Dental Clinic will support better dental health into the future for children and young people in the North West, and \$2.4 million has been allocated for the refurbishment of the Ravenswood Community Health Centre.

We have also put in place key service reforms across mental health, family support, and alcohol and drug services.

In this Budget, \$80 million over four years has been allocated to ensure these important service reforms continue.

While these reforms are anticipated to slow the growth in demand for Out of Home Care, \$37.6 million will be provided over the next four years to assist in managing the current demand pressure.

Human Services

Mr Speaker, I have already detailed a number of major projects that will be progressed through the Human Services portfolio in 2013-14.

In this Budget funding is also provided for the extension of background checks for people working with children and other vulnerable Tasmanians.

Over the next two years, \$900 000 will go to establishing a centralised unit to oversee background checks and risk management.

The Government's strong focus on increasing the range of affordable housing options for low income Tasmanians has helped to reduce Housing Tasmania's waiting list to its lowest level for more than 10 years.

That work will continue in 2013-14 with further implementation of the Better Housing Futures initiative, which will see the transfer of management of around 4 000 public housing properties to the community housing sector.

Funding of \$13.2 million is also provided for the Church Street Youth Accommodation project in North Hobart, a supported accommodation and training facility on the former Adult Learning site for young Tasmanians who are homeless or at risk.

Education

Mr Speaker, I have already spoken about the Gonski education reforms and our investment in school infrastructure.

But they are just one part of our overall funding of \$1.35 billion for an education system that includes more than 190 schools and 50 000 students.

Over the last 12 months we have seen a significant increase in professional learning for teachers and school leaders through the Professional Learning Institute.

The move to a four term year is further assisting improvement in educational outcomes.

We have put in place principal network leaders to provide more support for school principals in their challenging role.

And we now have every school involved in a school improvement framework, based on the work of Professor Geoff Masters from Queensland.

In 2013-14 we will build on these achievements.

Our nation-leading Launching into Learning Program is now available in every government primary school in the State, making a real difference to educational outcomes and attendance.

That work will continue with funding for Launching into Learning of \$5.9 million next year, and \$23.6 million over four years.

Our additional investment in literacy and numeracy is also delivering results, with a rise in the percentage of Tasmanian students at or above national minimum standard in 15 of the 20 NAPLAN assessments last year.

The Improving Literacy and Numeracy national partnership with the Australian Government will see a further \$5.6 million allocated in 2013-14 to help students who are falling behind.

And in order to help close the gap in literacy and numeracy between high and low achievers, the Raising the Bar strategy will receive \$11 million for each of the next four years.

Our efforts to improve student retention, especially in regional Tasmania, have been further strengthened with the release of the Minister's Action Plan.

Supported by funding of \$900 000, regional and district high schools will engage in a range of strategies to enhance local delivery of Year 11 and 12 programs.

We have listened to parents and students who said they wanted us to broaden access to the Year 11 and 12 curricula in their local communities, and this will happen in partnership with existing colleges and supported by the NBN.

This plan will make a real difference to the lives of young people in regional Tasmania without jeopardising our existing College system.

Mr Speaker, subject to the passage of legislation, on 1 July TasTAFE will commence as a statutory authority with the merging of the Tasmanian Polytechnic and the Tasmanian Skills Institute.

This will provide a first class VET system in Tasmania that helps individuals reach their career goals while also meeting the needs of employers and the State economy.

Over the Budget and Forward Estimates, TasTAFE will receive revenue in the form of government grants and student fees of around \$110 million per annum to help fund its operations.

Police and Emergency Management

Mr Speaker, my Government is committed to sustaining a highly visible police presence in Tasmania that will help to maintain some of the lowest crime rates in the country.

To ensure Tasmania Police can continue to provide an effective, timely and flexible 24-hour response, we will provide additional funding of \$31.9 million over the next four years.

The allocation of an extra \$4.5 million in 2013-14, rising to \$10.3 million in 2016-17, will meet the cost of maintaining police numbers at 1 120.

This investment will enable Tasmania Police to resume recruitment and employ additional front line officers, with the first recruit course of some 25 trainees to begin training early in the new financial year.

Corrections

Mr Speaker, the Government is making strong progress on the reform of Tasmania's corrections system.

We are helping to make our community safer by increasing security, supporting rehabilitation and working to break the cycle of crime.

Over the next four years, additional funding of \$10 million is provided to meet rising costs, including \$1.4 million in 2013-14 for Community Corrections to boost staffing and expand the delivery of programs aimed at reducing drink driving, family violence, sexual offending and substance abuse.

Other initiatives include:

- \$1 million to address security and safety issues at the Launceston Reception Prison; and
- \$11.2 million over the next four years for the operational cost of the upgraded Risdon prison complex.

These initiatives will improve outcomes for staff and inmates, as well as for the community at large.

Infrastructure, Energy and Resources

Mr Speaker, across Government agencies the Budget includes a total of \$350 million for infrastructure projects in 2013-14.

Over the four years of the Budget and Forward Estimates that total will reach \$1.4 billion.

In addition to the projects I've already spoken about in areas such as health and education, we will continue our strong investment in roads and transport infrastructure to create jobs, underpin economic growth and provide better services for Tasmanians.

Construction will begin on eight major road projects through our funding for the Community and West Coast roads packages this financial year.

As part of total roads expenditure of \$163.4 million, work will begin on upgrades for the Arthur, Murchison, Tasman, West Tamar and Huon highways, along with improvements to:

- Rokeby Main Road;
- Ferry Road in Kettering;
- Mudwalls Road; and
- North East Freight Roads.

The critical upgrade of the State's rail network and rolling stock will continue in 2013-14 with an equity contribution of \$21.4 million to TasRail.

We are also investing in our ports, with \$17.5 million over four years for remedial works at Sullivans Cove, Inspection Head, Stanley and Strahan, and \$3.6 million for the Bell Bay Intermodal Terminal.

Forestry

Mr Speaker, the passage of Tasmanian Forests Agreement legislation has unlocked more than \$220 million of additional Commonwealth and State funding for workers, businesses and communities affected by the downturn in the forest industry, and for the management of new reserves.

The 2013-14 State Budget provides an additional \$33 million over four years to support the implementation of the Agreement, including:

- rescheduled harvesting and the transition out of agreed new reserve areas;
- FSC certification, contractor accreditation and the operations of the Special Council, including durability monitoring and reporting; and
- innovation in manufacturing.

In addition, the Commonwealth is providing \$100 million of funding for further economic diversification and regional development projects, and \$94 million over five years to support industry adjustment, affected workers and the management of new reserves.

The funding provided through the State and Commonwealth Budgets for the Forests Agreement represents a long-term investment in Tasmania's future.

It will help to secure a sustainable forest industry that will create jobs for decades to come while protecting more of our iconic forests.

Conclusion

Mr Speaker, the challenges we have been facing as a government and as a state have not gone away.

Factors like the high Australian dollar and falling revenues continue to impact on the State Budget and the broader Tasmanian economy.

In the 2013-14 Budget, my Government has met these challenges in a responsible and balanced way while investing in Tasmania's future.

We are maintaining a path back towards a sustainable Budget position, but without having to impose further belt-tightening or tax rises.

To the contrary, we are now in a position to be able to invest in initiatives such as the Jobs Package and payroll tax cuts to help stimulate the local economy.

We are delivering projects and initiatives that will create jobs today and help to prepare our children for new jobs in the future.

At the same time, we are funding some of the most important reforms in this State's history.

The Gonski education reforms, the introduction of DisabilityCare Australia, and the Tasmanian Forests Agreement are watershed changes that will deliver benefits for individuals, for our community, and for our economy for decades to come.

I believe we have found the right balance between fiscal discipline and investing in Tasmania's future.

I commend the Bill to the House.