



# **2012-13 BUDGET SPEECH**

***'Strong decisions. Better future.'***

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BY  
THE TREASURER  
LARA GIDDINGS MP

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

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## Mr Speaker,

The 2012-13 Budget cares for people today while laying the foundations for greater prosperity tomorrow.

With basic household costs rising and many Tasmanians doing it tough in difficult times, this Budget delivers strong action to help the most vulnerable in our community.

We will help to ensure that Tasmanians most in need can put food on the table, have a roof over their heads and not go cold this winter.

We will also protect every Tasmanian household from excessive energy price rises.

And we will continue to invest in infrastructure and initiatives that will create jobs and economic growth, while building better services for all Tasmanians.

Mr Speaker, the Government's immediate financial situation has become more difficult.

Despite sticking to our \$1.4 billion savings target, Tasmania has suffered a further decline in revenues.

In this Budget we will therefore do the extra work needed to continue the task we began last year of returning the State's finances to a strong and sustainable position.

Importantly, we will do so without cutting deeper into frontline services.

The hard work that is being done to rein in our spending is having results, and the Budget projects a return to strong surpluses and growing cash reserves in 2014-15.

With a healthier financial position on the horizon we are continuing to lay the foundations for future prosperity.

This Budget commits \$4.4 billion to new economic and social infrastructure that will make us a more productive and healthy community.

This is a Budget in the finest Labor tradition, consistent with our core values of fairness and equity.

It makes sure we spend only what we can afford, and that we spend it in a way that will improve people's lives and grow our economy.

Despite the difficult challenges we currently face, Tasmanians have every reason to be optimistic and hopeful.

We are in the right part of the world at the right time.

We have unlimited potential and wonderful natural assets that can help us to create an even better lifestyle and greater prosperity.

I am confident that the strong decisions my Government is continuing to make in this Budget will help to realise a better future for Tasmania and for all Tasmanians.

## Helping Tasmanians in Need

Mr Speaker, as I have travelled around the State I have met and spoken to many Tasmanians on low incomes who are doing it tough.

I have also spoken to many in our small business sector who are worried about their rising costs.

Affording basic needs such as food and a warm home can be a daily struggle for those in need, and winter is a particular challenge.

An Anglicare report last year highlighted the plight of many low income Tasmanians struggling to deal with the rising cost of living.

Typical case studies included a mother of two on a parenting payment whose family watched TV under blankets because she could not afford heating.

Or aged pensioners who live in cold, uninsulated private rental homes that are too expensive to heat.

Or households forced to prioritise electricity bills over food.

One of the biggest issues worrying many Tasmanians right now is rising electricity prices, and it is always those most in need who are most vulnerable and hardest hit in difficult times.

That is why in the 2012-13 Budget we are funding a major package of measures to immediately limit electricity price rises for all Tasmanians, and particularly for those on the lowest incomes.

In response to the threat that prices could rise by up to 23 per cent this year, the range of actions we announced earlier this week will approximately halve the expected increase.

This is good news for small business as well as for every Tasmanian household, and it will mean we have the second lowest electricity price rises in the country.

In partnership with our State-owned energy companies, we have worked hard to limit the impact on customers.

I know all Tasmanians, particularly those with the least capacity to pay, would prefer there was no increase at all.

But it is important to bear in mind that for those on low incomes, around half of the remaining price rise will be directly offset by compensation from the Australian Government as part of its Clean Energy Future program.

The steps we have taken to limit price rises will come at a cost to the State Budget of around \$37 million per annum through reduced returns from the electricity businesses.

The Tasmanian Government already provides the most comprehensive and generous energy concession scheme in the nation.

As energy costs rise, the Aurora Pensioner Concession on Electricity will increase by \$11.7 million in 2012-13, and \$46.9 million over the next four years.

This will see a total of \$153 million in energy concessions provided to eligible Tasmanian pensioners and Health Care Card holders over the Budget and Forward Estimates period.

That's money that will go directly to Tasmanians in need to help with their daily living costs.

Mr Speaker, last year we allocated \$5 million over two years to reduce electricity bills for Housing Tasmania tenants by improving the energy efficiency of their homes.

In 2012-13 that funding will be supplemented with a further \$1 million to help more Tasmanians living in public housing to reduce their costs.

For people on low incomes who live in the private market, \$2 million will also be allocated to help them keep their homes warm and cut their energy bills through practical measures such as draught-proofing, better curtains and energy saving advice.

That \$2 million is part of a total package of \$5 million to assist Tasmanians in need which has been made possible by the sale of TOTE Tasmania.

Mr Speaker, acting to reduce energy bills is just one way in which we are helping Tasmanians on low incomes to deal with rising costs.

We have done a significant amount of planning to help those in need through the Social Inclusion, Cost of Living and Food Security strategies.

We have identified where the needs are and what the solutions should be, and now is the time to invest the funds needed to make a difference.

A further \$1 million will therefore be allocated to local partnerships that increase food security and build community-based food solutions for low income Tasmanians.

This will complement the \$2 million over two years allocated in last year's Budget for:

- an Emergency Relief Fund;
- food relief through community organisations such as Foodbank, Second Bite and Produce to the People; and
- the extension of the No Interest Loans Scheme to include the purchase of energy-efficient appliances, including heat pumps for winter.

The remainder of the \$5 million - \$2 million over the next two years - will be used to ensure Tasmanians on low incomes can access financial counselling and local assistance before their problems reach crisis point.

Mr Speaker, there are many expenses that state governments have little or no control over – the cost of food, clothing and petrol, for example.

Some of the factors driving increases in utility bills are also difficult to influence – such as the need for greater investment in energy and water infrastructure.

But where we can act to reduce cost pressures for Tasmanians we are doing so.

There is much more that needs to be done to support the people highlighted in the Anglicare report.

But I hope that the range of initiatives I have announced today, building on the additional funding provided last year, will help make this winter a little less difficult for many Tasmanians.

# Budget Overview

Mr Speaker, last year's Budget set us on the path to return our finances a sustainable position.

We had aimed to do so without going back into Net Debt, but further falls in our revenues mean that is not now possible.

Tasmania has now lost \$1.8 billion in GST and State tax revenue since the Global Financial Crisis began.

Despite the \$1.4 billion in savings we have announced since the 2010-11 Mid-Year Financial Report, the loss of another \$400 million in revenue means we will go into Net Debt.

However, the savings we have made mean we will do so briefly and to a limited extent.

Mr Speaker, we have done everything possible to try to avoid going into Net Debt.

We have cut our spending and increased our revenues.

We have made decisions that were not popular in the community.

Had we listened to those who urged us not to reduce our spending, and had we not made the strong decisions that we have, Tasmania would be heading for Net Debt of around \$4 billion and interest in the order of \$300 million per annum by 2016.

It is critical that we owe as little as possible, for the shortest time possible, in order to avoid spending money on interest instead of key services.

We could have chosen to cut even harder so we could claim that we had avoided Net Debt altogether.

But to do so would have put even more pressure on the services Tasmanians need and we were not prepared to do that.

By the same token, we could have gone even further into debt in order to protect services in the short term, but that would have meant even harsher cuts in the future.

I believe we have the balance about right.

Budget projections show that Net Debt will peak at \$134 million in 2012-13 and, importantly, will be eliminated in 2014-15.

As a result of the fiscal discipline we have imposed across government, and with our GST and State taxation revenues expected to rise, the Budget projects a return to savings in excess of \$500 million by 2016.

Our revenues will benefit from the emerging carbon economy, and over the Forward Estimates Tasmania's relative share of the GST is expected to increase considerably due to:

- revenue growth nationally from the mining boom; and
- the wind down of Federal stimulus funding and Royal Hobart Hospital upgrade payments to Tasmania.

Based on the methodology used by other states, including Victoria and Western Australia, the Budget projects that the net effect of these factors will be an increase in our GST payments of around 8 per cent per annum compared with national growth of around 5 per cent per annum.

This turnaround will help to reverse the heavy losses we have seen in GST revenue in recent years, and will help put our books back into the black.

We can expect a similar pattern of improvement in our Net Operating Balance.

In 2012-13, we expect a deficit of \$283 million.

But the following year, Budget projections show a modest surplus of \$53 million before a return to strong surpluses of over \$200 million for the remainder of the Forward Estimates.

In doing so, we will be putting the hay back in the barn to deal with future challenges.

Mr Speaker, Tasmania is enduring the biggest economic and financial upheaval since the 1930s.

Tasmania is not immune to the financial pressures that have affected every country, every economy around the world and every Australian state.

But as a Government we can show strong leadership to help Tasmania through the tough times, and that is what we are doing.

## Budget Savings Update

Mr Speaker, last year I detailed the Government's plan to cut spending by around \$1.4 billion over four years in response to the \$1.5 billion fall in GST and State tax revenue.

The latest update on our savings strategies released today, shows we are making strong progress.

Apart from areas highlighted in the 2011-12 Mid-Year Financial Report, Government agencies are achieving their targets.

I thank employees across the public sector for their efforts to meet these targets, and for their hard work to ensure there has been the least possible impact on services.

I also thank employees and unions for accepting new agreements within the parameters of the State Service Wages Policy.

The magnitude of the Budget challenge has made it impossible to quarantine frontline services, although we have always sought to minimise the impact on them.

Where possible, we have made savings by being more efficient and reducing spending in areas such as cars, travel and phones.

The Government's single biggest expense is staffing, and our Workforce Renewal and vacancy control programs have seen a reduction in public sector employment of around 1 100 full-time equivalent positions without the need for involuntary redundancies.

However, our income has continued to fall.

All agencies, with the exception of the Departments of Health and Human Services, Education, and Police and Emergency Management, have therefore been given additional savings targets on top of those set last year.

This will save a further \$8.4 million in 2012-13, and \$68.2 million over the next four years.

We cannot back away from our overall savings targets, but we do have some flexibility in how we achieve them.

That is why health, education and police will be exempt from the additional targets announced today.

These are the key frontline services that Tasmanians most value and rely on and, while they have taken their share of the burden, we are not prepared to ask any more of them than the savings announced last year.

In addition, in 2012-13 and across the Forward Estimates, the overall savings in health will be reduced.

Staff across our health system have worked hard to cut costs and improve efficiency without compromising patient care.

I acknowledge, however, that there has been an impact on patients.

Seeking a higher level of savings than those that we are requiring would unduly affect critical health services and that is something we are not prepared to do.

Accordingly, the savings target for Health will be reduced by \$27 million to \$100 million in 2012-13.

Over the Budget and Forward Estimates period the savings targets for the Department will be reduced by \$120 million.

## Additional Revenue Measures

Mr Speaker, we have moved to protect frontline services like hospitals, schools and police from cuts beyond those already announced.

But the overall Budget challenge remains.

Reducing the savings in Health, combined with the loss of more revenue and rising costs in other areas, means we must find further savings and revenue elsewhere.

The additional savings we are seeking across Government will help to make up some of the shortfall, but not all of it.

The Government has therefore decided to increase some taxes in four areas where Tasmania's rates are below those in other states and territories.

These measures, to apply from 1 October 2012, will raise an additional \$28.7 million in 2012-13, and \$39.4 million in a full year in 2013-14.

It is important to note that Tasmania's tax severity, as calculated by the Commonwealth Grants Commission, is the lowest of all States and these changes will not significantly impact on our overall tax competitiveness.

The taxation changes will apply to:

- Conveyance Duty - which will rise to a new top marginal rate of 4.5 per cent, still well below the average top marginal rate across other states of 5.5 per cent;
- Insurance Duty – where the rate charged on contracts of general insurance will rise from 8 per cent to 10 per cent of the premium paid, in line with the situation in most other states;
- Duty on Motor Accident Insurance Board premiums – which will increase from \$6 per registration to \$20 per registration, the first increase for a number of years; and



- Motor Tax – Tasmania currently has the second lowest tax severity of all states and territories for motor vehicle taxes and is expected to remain competitive despite a 20 per cent rise for light vehicles.

## Jobs and the Economy

Mr Speaker, Tasmania's economy continues to be structurally affected by the immense forces of the mining boom, record terms of trade and the high exchange rate.

The structure of Tasmania's economy, with our historical reliance on forestry, manufacturing and traditional agriculture, means that we are hurt more than others when the dollar is high.

Even against these odds it is testament to the resilience and strength of our local exporters that Tasmania's international exports continue to grow.

Over the past year our exports have exceeded \$3.2 billion and our trade has grown by almost 12 per cent over the past quarter.

The major growth factors have been minerals and mining related exports, while China has become our biggest market by a long way.

Knowing that Tasmania cannot possibly thrive on the production of lower value goods that depend on a low exchange rate, we must diversify our economy and adapt.

There is no denying that our rate of economic growth is not high enough and our unemployment rate is too high.

However, there is still good reason to be confident of a strong future for Tasmania.

We have had \$4.5 billion worth of private sector investment, growing at a faster rate than any other non-mining state.

Local businesses have invested more than \$1.4 billion in machinery and equipment over the past year at a growth rate more than double the rest of the nation.

Businesses are choosing to invest their scarce capital in Tasmania.

Take, for example, VDL Farms, which is investing \$180 million into our dairy industry.

Other companies like Fonterra, National Foods, Tasmanian Dairy Products, Ashgrove and Tamar Valley Dairy have demonstrated the same confidence in our dairy sector.

Indeed these confidence levels are shared widely across the agricultural sector, with 96 per cent of Tasmanian farmers intending to maintain or increase their current level of investment in their farm business.

We are also seeing strong confidence levels in our mining industry with exploration expenditure at record levels.

Miners know that Tasmania is open for business.

Similarly, Tasmania has now been ranked second only to China as the best wine investment location in the world.

In addition to this great potential, Tasmania already has major projects underway including:

- Hydro Tasmania's \$400 million Musselroe wind farm project;
- the \$300 million final stage rollout of the National Broadband Network;
- more than \$400 million in dairy investment; and
- the \$30 million West Coast aquaculture expansion.

We are also seeing residential and commercial property investment, including the \$100 million Myer redevelopment and the \$900 million ParanVille project.

However, we must recognise that other sectors in our economy are finding it difficult to see the positives, particularly many of our retailers, builders, manufacturers and tourism operators.

It is with these uneven patterns of growth in mind that the Budget projects some further easing of employment levels, before returning to trend growth in 2013-14.

So while we have further short-term challenges, the forecast is that Tasmania will see the creation of 8 000 new jobs over the next four years.

The Budget also projects estimated growth in Gross State Product to be 1¼ per cent, in both 2011-12 and 2012-13.

While this growth is modest compared to recent years, it still means our economy is expanding, not contracting.

Indeed, there is reason for optimism if consumer confidence recovers more quickly, along with an associated pick up in housing activity.

With an improvement in business confidence and the possible confirmation of some new large projects, this could see the potential for economic growth to improve by a further one per cent to 2¼ per cent in 2012-13.

## Initiatives to Grow the Tasmanian Economy

Mr Speaker, my Government believes in the importance of growing the economy and creating jobs.

That is why in this Budget, I announce that we will allocate \$5 million toward a Tasmanian Government Innovation and Investment Fund.

This Fund will be used to partner with the private sector to support investments that generate new economic activity and long term employment for Tasmanians.

It will adopt an approach similar to the recent round of the Tasmanian Innovation and Investment Fund, which is expected to generate more than \$20 million of private investment and create 260 new jobs across regional Tasmania.

I am confident that we can achieve similar success with our own Fund.

Mr Speaker, the Government is also making sure we do not turn our back on those regional economies that are hurting.

This is why we are investing \$950 000 over two years to bring the Sirolli Enterprise Facilitation model to the towns of Scottsdale, George Town and Smithton.

Dr Sirolli has already visited these communities and the reception has been overwhelmingly positive.

The Government is also doing its bit to make sure our retail sector and its 26 000 strong workforce is well positioned to take advantage of the trend toward internet shopping.

Online retail is growing at 30 per cent each year.

In this Budget, we will commit \$380 000 to provide specialist one-on-one coaching to help Tasmanian businesses boost their online presence and sales capacity so that they can take advantage of this boom.

This will bolster our existing Digital Ready Pilot Program to help Tasmanian small businesses embrace the digital economy.

Mr Speaker, our building and construction industry also stands to gain from the Government's ongoing infrastructure program.

This Budget provides for a \$1.5 billion General Government infrastructure program and a \$2.9 billion capital program across Government businesses.

While this program is not at the record levels of the economic stimulus years, it remains significantly above our pre-GFC infrastructure investment.

Mr Speaker, the Government will also be supporting our tourism industry through an additional \$5.2 million investment in major events funding, bringing the total events budget to \$18.3 million over the Forward Estimates.

This funding will ensure that we are in a strong position to maintain and enhance the existing events calendar, including the Women's International tennis, Targa Tasmania, V8s and MONA FOMA.

The overall events program brings more than 30 000 visitors to Tasmania with an estimated direct spend in excess of \$36 million.

The Budget also reaffirms our commitment to the \$25.3 million Three Capes Track and the \$19.2 million Tarkine Forest Drive.

Both of these are exciting investments in tourism infrastructure that will give people even more reason to come to our State and travel across regional Tasmania.

Our strong financial management has also meant that we can again ensure there are no cuts to our all-important tourism destination marketing program.

## Strong Government Services

Mr Speaker, despite the challenges we face, the Budget delivers record funding for services as well as continuing investment in new infrastructure and initiatives.

In 2012-13, we will spend very close to \$5 billion on services for the Tasmanian community.

At the same time we will invest \$438 million in capital works, from roads and schools, to hospitals and affordable housing.

## Health and Human Services

Mr Speaker, as I said earlier, recurrent savings for Health and Human Services will be reduced to \$100 million, a savings reduction of \$27 million in 2012-13 and \$120 million over the next four years.

As well as easing the savings pressure on Health we are also investing in improving our services.

The Government recognises that our waiting lists are too long in key areas such as bowel cancer screening, which is a growing need due to our ageing population.

In response, an additional \$4 million will be provided in 2012-13 to increase the number of endoscopy procedures being performed and relieve pressure on elective surgery.

These funds will be targeted in line with clinical decisions to ensure those who have waited longest, or whose clinical need is most urgent, receive appropriate treatment.

In addition, our partnership agreements with the Australian Government on National Health Reform will also deliver extra funding for our hospitals in 2012-13, with \$20 million from the Commonwealth to boost access to elective surgery, emergency department services and sub-acute care.

Mr Speaker, making our hospitals more efficient and cost-effective remains a critical task, and one from which my Government cannot, and does not, resilie.

On average, the costs of delivering hospital services in Tasmania are consistently higher than in other states.

To qualify for future growth funding from the Australian Government, the National Health Reforms that begin on 1 July will require Tasmania to reduce hospital costs to a level comparable with similar regions interstate.

Redesigning our hospital system is a critical challenge.

On the first of July, the three new Tasmanian Health Organisations will assume responsibility for running hospitals and delivering services across their local communities.

The new arrangements will give communities a greater say in how their hospitals are run.

But they will also allow greater scrutiny of costs and efficiencies.

There will be very real incentives for those that perform best, with Australian Government funding to favour those that achieve nationally efficient costs.

Mr Speaker, in partnership with the Australian Government we will continue our massive investment in better health and hospital infrastructure.

In 2012-13, a further \$113.8 million will be spent in State and Federal funding on the long-term redevelopment of the Royal Hobart Hospital.

We will also make significant progress on the \$31.6 million improvement of state-wide cancer services.

In 2012-13, \$17.4 million is allocated for the construction of Specialist Cancer Centres within the Royal Hobart Hospital and the Launceston General Hospital, with planning continuing for a new Cancer Centre in Burnie.

In addition, we will continue to invest in new models of care designed to relieve pressure on our acute hospitals and improve services in local communities.

More than \$27 million in State and Federal funding will be provided over the next four years for Integrated Care Centres and Community Health Facilities in Launceston, Clarence, Kingston and Glenorchy.

Mr Speaker, for a number of years, workers in the social and community services industry, such as those employed by non-government organisations in the disability sector, have fought for better wages.

This is a fundamental issue of equity and fairness, and the Tasmanian Government supported the equal pay case when it went before Fair Work Australia.

We welcome the decision granting equal pay, which is also vital for the sector to remain sustainable and attract staff.

To help NGOs funded by the State Government meet the extra salary costs, we will provide additional grant funding of \$3 million in 2012-13, rising to \$12 million in 2015-16.

I urge the Australian Government to at the very least match Tasmania's efforts in this important area.

## Education

Mr Speaker, raising and educating our children is the most important investment any government can make.

In 2012-13, my Government will continue to improve outcomes for young Tasmanians from early childhood to adulthood.

Our four-year program to build 11 Child and Family Centres around the State will be completed with construction of the final four centres at Chigwell, Derwent Valley, Burnie and George Town.

The CFCs already open are providing invaluable parental support and health and education services for young children.

Capital funding of \$10 million will be complemented by a further \$454 000 to employ staff in the final stages of what has been a \$34.5 million investment in Tasmanian children, families and stronger communities.

Improving literacy and numeracy of course remains a major focus for all schools.

In the early years, the successful 'Launching into Learning' initiative will continue with funding of \$5.9 million to ensure all schools with primary students are supported.

Full coverage of the 'Raising the Bar, Closing the Gap' program has now been achieved across all primary and secondary schools, and the initiative will receive funding of \$11 million in 2012-13 and \$44 million over the next four years.

The quality of our teachers is a key factor determining educational outcomes for our children.

Initiatives in 2012-13 to help support better teaching include:

- the Empowering Local Schools program, which will provide \$2 million for up to 22 schools so they can decide how best to improve teaching and learning; and

- a new Professional Learning Institute, at a cost of \$1.7 million in 2012-13, which will deliver high quality professional learning for school-based and departmental staff.

Mr Speaker, the debate over the viability of schools in the face of declining enrolments has been well documented over the past year.

School communities want a clear and transparent process that allows adequate time to voluntarily assess their needs and options.

Consistent with the Government's acceptance of the recommendations of the School Viability Reference Group, funding will be provided to support and further encourage school communities to move towards more viable outcomes for their children and young people.

A new School Transition Fund will be established with initial funding of \$3.5 million over two years to support capital works and improvements at school sites.

## Primary Industries, Parks, Water and Environment

Mr Speaker, my Government's massive investment in irrigation will continue in 2012-13 with a further \$52.1 million allocated in State and Australian Government funding.

Major works over the next 12-months will include irrigation schemes in the Midlands, the Lower South Esk, the South East and Upper Ringarooma.

When the program ends in 2015, \$220 million in public funds and \$100 million in private sector investment will have seen 11 schemes completed across the State, creating jobs and helping primary producers realise their vision of Tasmania as a food bowl.

To the same end, the Government will also support primary producers involved in intensive farming to transition out of sow stalls and battery hens, recognising growing consumer demand for products that are sensitive to animal welfare.

The Intensive Animal Farming Development program will provide \$2.5 million over two years to enable industry to transition and better respond to changes in market and consumer demand, with further details to be developed in consultation with industry in the coming months.

A number of other initiatives to be funded through the Department of Primary Industries, Parks, Water and Environment will help to protect and enhance Tasmania's unique environment, including:

- \$2.6 million over the next four years to develop and introduce new legislation to improve the protection and management of Aboriginal heritage, while providing clarity for landowners and developers;
- \$5.7 million in 2012-13 to bring together the fox eradication program, weed management and invasive animals resources into an integrated Invasive Species Branch;
- \$780 000 to implement the tripartite agreement to ban non-biodegradable plastic bags; and
- \$240 000 to support existing work to prepare a new framework that will provide certainty around planning, management and protection of Tasmania's coastline.

These initiatives are evidence of the benefits of co-operative government and I look forward to them being progressed in the coming months.

# Roads and Transport

Mr Speaker, improving our transport and road networks remains a key priority for my Government.

In 2012-13, we will complete or continue a number of major infrastructure projects that will provide better services for Tasmanians and pave the way for businesses to invest and create new jobs.

The ongoing upgrade of the Tasmanian rail network infrastructure and rolling stock will continue.

The Brighton Bypass, which is the largest infrastructure project undertaken in Tasmania, will be completed and opened early next year.

The Roads Program will see almost \$150 million spent on new works and the upgrade and maintenance of established roads.

This will include the start of construction on a number of projects in our Community Roads Package, including:

- the Bass and Stanley Highways junction upgrade;
- pavement improvement at the northern end of Mud Walls Road; and
- two projects on the West Tamar Highway.

In addition, upgrades of the Murchison Highway will improve safety and cater for increased freight traffic, and six projects in the North East will improve transport efficiency on key freight roads.

Improving passenger transport for Tasmanians is a key priority for my Government.

Funding of \$6.4 million over two years is available to implement programs under the Urban Passenger Transport Framework, including \$100 000 for a feasibility study into cycleways in the North West.

## Conclusion

Mr Speaker, returning the Budget to a sustainable position is not something that can be done overnight or in just one Budget.

But it can be done and we are doing it.

We are not yet out of the woods – but there is definitely light at the end of the tunnel.

Despite the difficult challenges we face, the 2012-13 Budget still has a heart and still reflects and advances the core values that we believe in as a Government.

Values like fairness and equity, and looking after the most vulnerable members of our community.

Mr Speaker, Tasmanians are tough and resilient.

We will get through the challenges we currently face, as we always do.

We should not fall into the trap of talking ourselves down, of making doom and gloom a self-fulfilling prophecy.

There are promising signs of resilience and recovery in both the State Budget and the Tasmanian economy.

We should look to the future with confidence and determination, not fear and negativity.

We should look at the positives while working to address the challenges we currently face.

That is the approach my Government will continue to take, and I believe the strong decisions we are making today will help lead Tasmania to better times tomorrow.

I commend the Bill to the House.