

The 2012-13 Tasmanian Budget

May 2012

On 17 May 2012 Tasmanian Premier and Treasurer Lara Giddings delivered the 2012-13 Tasmanian Budget. In her Budget speech, Ms. Giddings set the economic context by highlighting significant declines in revenue, particularly GST revenue, and the subsequent need for savings. The Health, Education and Police portfolios have been spared cuts, but other agencies must deliver \$68m in savings over four years.

Ms. Giddings outlined a budget that she said was in the “finest Labor tradition, consistent with our core values of fairness and equity”. Her speech focused on how this budget would help the most vulnerable in the community, delivering some relief to families struggling with rising energy prices. This was Ms. Giddings’ second budget as Premier and Treasurer.

Ms. Giddings’ Budget speech and the full budget are available [here](#).

Budget 2012-13 at a glance

- Revenue: \$4.6bn
- Expenditure: \$4.9bn
- Budget deficit: \$283m
- Net debt: \$134
- Economic growth: 1.25 per cent

The Government expect a budget deficit of \$428.6m in 2012-13, \$35.2m in 2013-14 and a surplus of \$202.7m in 2014-15 and \$162.2m in 2015-16. The net debt is estimated to peak in 2012-13 at \$134.2m and estimated to decrease across the Forward Estimates from \$44.5m in 2013-14 to a negative debt position of \$306.6m in 2014-2015 and \$576.5m in 2015-16.

General expenses

The 2012-13 budget continues to provide funding for the ongoing implementation of key Government services and initiatives. These include:

- The provision of \$791.5m for delivery of pre-compulsory and compulsory education in Tasmanian government and non-government schools.
- The provision of more than \$1bn for health services by Tasmanian major public hospitals.
- the provision of \$63.2m for corrective services, including \$55.6m for Tasmania's prison system.

- The provision of \$203.8m for police and emergency management to provide support to the community, investigate crime, and for traffic law enforcement and road safety.

Highlights of the 2012-13 Budget include:

Cost-of-living

- \$37m to limit electricity price rises in 2012-13 in response to a potential 23 per cent increase. These measures will approximately halve the expected increase.
- \$46.6m over four years to increase Aurora Energy Pensioner Concession in line with the estimated increases in energy prices.

Transport

- \$148.9m in total roads expenditure over 2012-13. This includes State Government funding of \$130.7m, and Australian Government funding of \$18.2m.
- The Australian Government will provide \$30.4m in 2012-13 as an equity contribution to Tasmanian Railway Pty Ltd for the critical upgrade of the Tasmanian rail network infrastructure and the Company's rolling stock assets.

Health

In 2012-13, the government total health infrastructure expenditure will be \$171.5m. The major projects include:

- \$43.8m for Royal Hobart Hospital Redevelopment
- \$21m for Glenorchy Tier Three Community Health Services
- \$10.6m for Launceston General Hospital Acute Medical and Surgical Unit

Tourism

In 2012-13, total tourism, recreation and cultural infrastructure expenditure is \$24.4m. The major projects include:

- \$11.3m for the Tasmanian Museum and Art Gallery (TMAG) Redevelopment Project.
- \$12.8m for the Three Capes Track, focusing on the upgrading of existing track and the construction of new track sections and the overnight hut nodes will be proceeding in earnest in 2012-13.

Primary Industries

- The Intensive Animal Farming Development program will provide \$2.5m over two years to enable 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. Further details to be developed in consultation with industry in the coming months.

Forestry Tasmania

- Funding of \$35m in 2012-13 and \$25m per annum from 2013-14 is provided to ensure the Forestry Tasmania can continue to operate, meet its contractual obligations and perform its non-commercial functions in the event that market conditions do not improve.

Key Budget and Forward Estimates

	2011-12 Budget	2011-12 Estimated Outcome	2012-13 Budget	2013-14 Forward Estimate	2014-15 Forward Estimate	2015-16 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
GENERAL GOVERNMENT						
Revenue	4 617.8	4 594.9	4 631.5	4 924.9	5 192.4	5 272.3
Expenses	4 731.6	4 884.1	4 914.5	4 872.1	4 951.7	5 012.8
Net Operating Surplus/(Deficit)	(113.8)	(289.2)	(283.0)	52.8	240.7	259.5
Fiscal Surplus/(Deficit)	(358.5)	(425.7)	(428.6)	(35.2)	202.7	162.2
Net Debt at 30 June	(53.0)	(201.8)	134.2	44.5	(306.6)	(576.5)
Infrastructure Investment	490.2	411.2	437.7	379.9	326.3	384.5

The total Government revenue is estimated to be \$4,631.5m in 2012-13, an increase of \$13.7m (0.3%) above the 2011-12 budgeted revenue of 4,617.8m.

On the expenditure side the Government anticipate total expenses to be \$4,914.5m which represents an increase of \$182.9m (3.9%) above the 2011-12 budgeted expenses of 4,731.6m.

