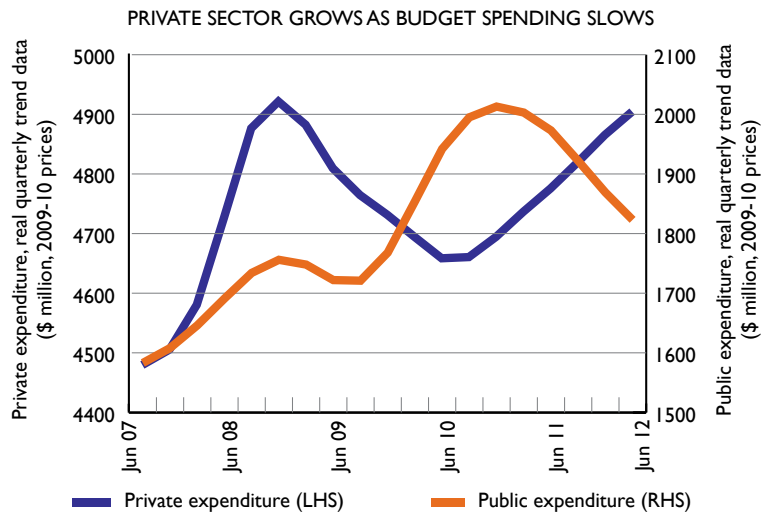


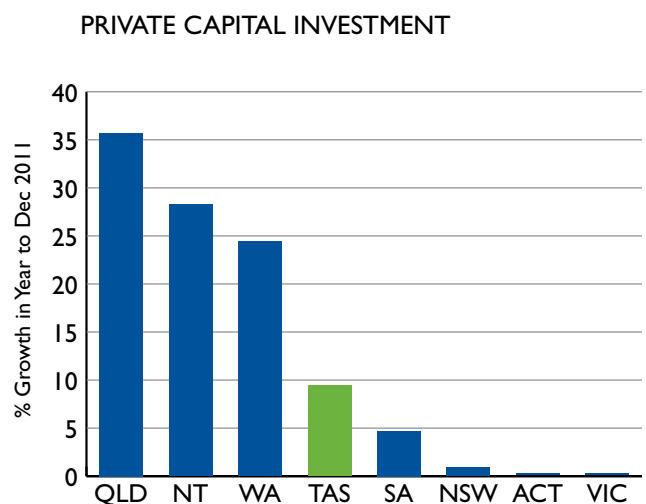
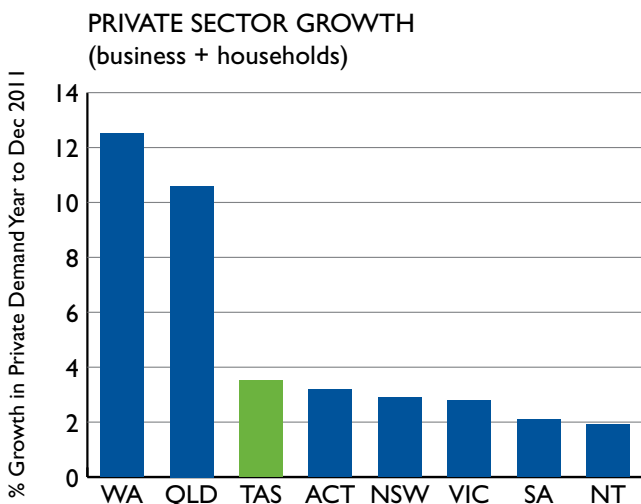
A growing and resilient private sector

- Tasmania's **private sector economy** remains the fastest growing performer of all the non-mining states and territories.
- Private spending by Tasmanian business and households** has grown for seven consecutive quarters and is recording an annual growth rate of 3.5%.
- Household consumption** is recovering and has grown for six consecutive quarters recording an annual growth rate of 1.7% to \$14.9 billion over the past year.
- Export sales worth \$3.24 billion** over the past year, with growth of 11.6% over the past quarter driven by demand for our mineral resources and rapid expansion of key Asian markets including China and India.
- Population still growing** – 2 780 persons over the past 12 months including 518 net arrivals from interstate and overseas to bring population to a record high 510 953.



A strong recovery in business investment

- Private capital investment** has grown for seven consecutive quarters to stand at \$4.5 billion over the past year – an annual growth rate of 10%, the fastest of the non-mining jurisdictions.
- \$1.4 billion worth of business investment in machinery and equipment** recorded over the past year, growing by 36%, which is more than double the national rate.
- Mining and agriculture have a strong investment outlook.** Mining exploration expenditure is up by 25% while Tasmanian farmers remain buoyant, with 96% expecting to increase or maintain their level of investment in their farm business.
- Tasmania's unemployment rate has increased; however, **total employment remains 2 600 persons above GFC lows** while **total hours worked in the economy has increased over the past year.**
- Bankruptcies down 7.2% for the year**, the lowest result in five years.



A Budget to grow the economy

- A massive \$1.5 billion general government infrastructure program and a \$2.9 billion capital program across government businesses to build the economic and social infrastructure of the future.
- An additional \$5.2 million towards major events funding to maintain and enhance the existing events calendar and ongoing funding support for tourism infrastructure including \$25.3 million for the Three Capes Track and the \$19.2 million Tarkine Forest Drive.
- A new focus on maximising trade and investment opportunities with Asia including the development of a White Paper on Tasmania's Place in the Asian Century and an industry trade delegation led by the Premier.
- Establishment of the Tasmanian Government Innovation and Investment Fund with \$5 million to support private sector investment that will broaden Tasmania's economy and deliver sustainable job creation.
- Major structural reform of Tasmania's energy supply industry with a focus on minimising price increases for customers.

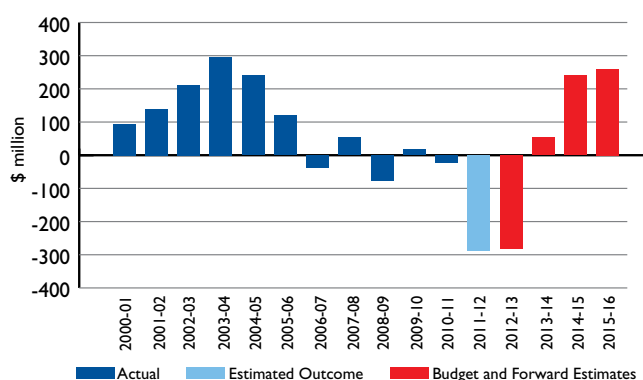
Getting our Budget back in the black

- Since the onset of the global financial crisis Tasmania's Budget has lost \$1.8 billion of expected GST and state tax revenue.
- Despite this we have a plan to bring the Budget back to surplus in 2013-14 and support stronger investment in economic and social infrastructure.
- A strategy that sees net debt peak at \$134.2 million but generating operating surpluses over the Forward Estimates which enable the debt to be paid down and eliminated by 2014-15.
- Supported by a long-term fiscal strategy that is on target and maintains Tasmania's status as a competitive tax environment.

Savings driven by productivity and priorities

- The Government is making strong progress towards its \$1.4 billion Budget savings target. Since the release of the 2011-12 Budget, public sector employment has been reduced by 1 098 full-time equivalents.
- The Government continues to apply a public sector wages policy of 2%, plus productivity benefits for public sector employees, and has already renegotiated the significant Tasmanian State Service Award, which covers 12 800 employees.
- Further savings measures have been applied to all agencies excluding Health, Education and Police to ensure that some pressure is relieved on frontline services.
- Further revenue measures have been required to raise \$28.7 million in 2012-13. While the overall rates of some taxes have been increased, no new taxes have been introduced and Tasmania's overall taxation competitiveness will remain strong.

RETURNING THE BUDGET TO SURPLUS



MINIMISING DEBT

