

2024/25 Budget Presentation

Public Accounts and Estimates Committee

Hon Jacinta Allan MP
Premier of Victoria



Victoria's labour market is strong

Unemployment remains historically low at around 4 per cent – near the lowest it has been in 50 years

- Strong labour market recovery since the pandemic
- The number of working-age women in employment is at a record high
- Since September 2020, more than 560,000 new jobs have been created in Victoria
- Regional unemployment rate is historically low at 3.7 per cent



Victoria's economy continues to grow

Most major components of Victoria's GSP are forecast to contribute to growth in 2024-25 – despite cost-of-living and interest rate pressures

- Solid pipeline of private and public construction projects
- Dwellings investment and demand for new housing to increase
- Household incomes to improve and wage growth remains solid
- Agricultural sector shows growth in Victorian goods exports



Being realistic about the challenges

Just as inflation has impacted families, it's also impacted the Victorian economy – inflation remains high, but is expected to ease

Pressures include:

- Cost increases to infrastructure projects, materials, labour and transportation
- Cost of construction in Victoria has been pushed up by around 22 per cent since 2021



Not only are we facing cost pressures – we’re facing workforce pressures too

We are constrained by limited workforce capacity, especially in our services sector

Advertised vacancies across service sectors such as mental health, early childhood and nursing are at historically high levels

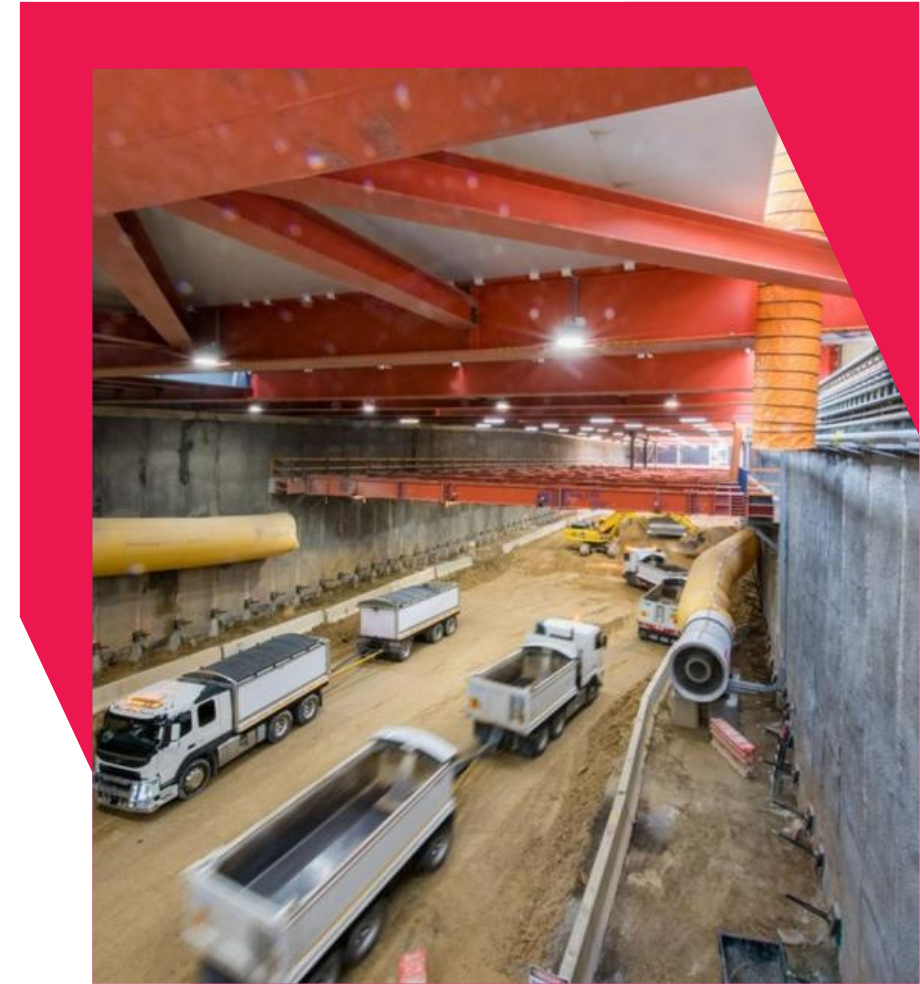
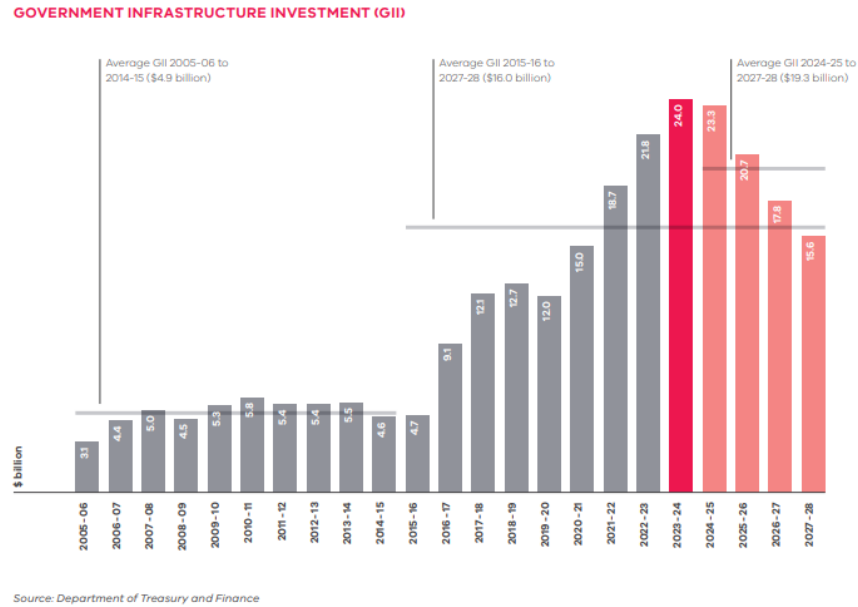
- **Mental health:** Psychiatrist vacancies are 2.5 times higher than in 2019, while psychologist vacancies are 2.6 times higher
- **Nurses:** Registered nurse vacancies are 2.2 times higher than they were in 2019 and vacancies for nursing support and personal care workers are 2.8 times higher.
- **Early childhood** teacher vacancies are 3.3 times higher than in 2019
- **Primary school** teacher vacancies are 4.5 times higher they were in 2019



A sustainable infrastructure pipeline

Sensible and disciplined decision making will help moderate the pace of some projects to pre-pandemic levels

- Allows supply chains to catch up
- Frees up tradies for residential projects
- Provides space to grow a strong and stable workforce



Delivering a stronger economy

The updated fiscal strategy focuses on driving net growth and progressively reducing net debt

1	Creating jobs, reducing unemployment and restoring growth	economic	✓
2	Returning to an operating cash surplus		✓
3	Returning to an operating surplus		<i>on track</i>
4	Stabilising debt levels as a proportion of GSP		<i>on track</i>
5	Beginning a progressive reduction of net debt to GSP levels		<i>new</i>



Helping families with the cost of living

School related expenses add up – our Budget is helping families to cover this cost

- **\$287 million** to provide a \$400 School Saving Bonus for every student enrolled at a government school and eligible families at non-government schools
 - **Triple** the Glasses for Kids program providing free screening and glasses for students who need them
 - **\$21.1 million** to expand the School Breakfast Clubs to all government schools, for the first time
 - **\$116 million** for the Active Schools Program
- to support schools to run sports, swimming and water safety programs for their students
- **\$6 million** to continue our Get Active Kids vouchers, providing up to \$200 to eligible families to help young Victorians play the sport they love



Investing in our children and young people

This Budget invests over \$3.7 billion to continue building the Education State

- **\$1 billion** to build 16 schools and deliver on the promise to Victorian families to build 100 new schools by 2026
- **\$753 million** for maintaining and upgrading schools, delivering first-rate classrooms in every corner of our state
- **\$139 million** to get more teachers into our schools, and to make sure they are supported
- **\$129 million** to continue delivering Free Kinder and Three-Year-Old kinder state-wide
- **\$71 million** to support young people who want to complete their secondary education at TAFE
- **\$22 million** for student support services – teams of psychologists, speech pathologists and social workers for kids who need it



A record investment in our health system

We're investing \$11 billion to ensure Victorian hospitals can focus on what matters most

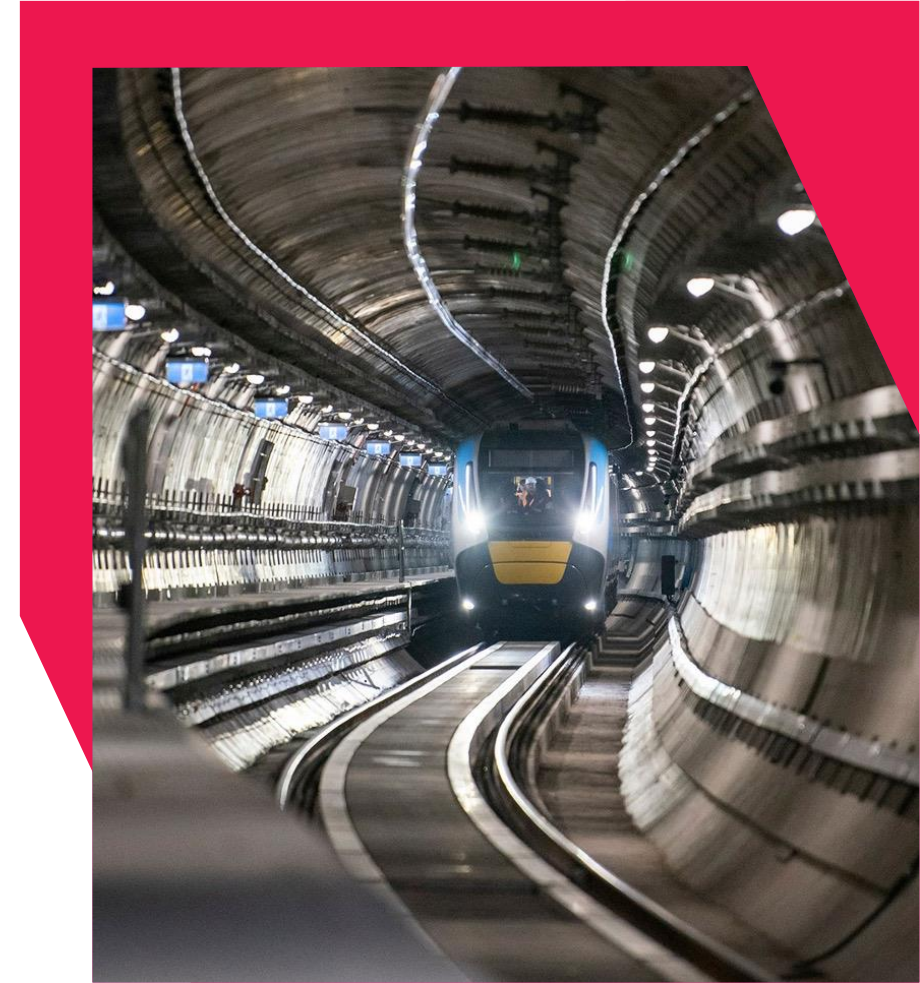
- **\$8.8 billion** long term funding for hospitals, providing certainty for future planning
- **\$1.7 billion** for hospital and health infrastructure, including upgrades for the Monash medical Centre, and Northern and Austin Hospitals
- **\$1.2 billion** to address the reduction in Commonwealth funding for Victoria's hospitals under the National Health Reform Agreement
- **\$755 million** to open and operationalise new hospital facilities, including supporting additional beds and services established during the pandemic
- **\$146 million** to support Ambulance Victoria to meet the needs of our growing state
- **\$109 million** to continue investing in Victoria's mental health system, including statewide community mental health programs



Our big build

Getting more Victorians into a home, and more Victorians home safer and sooner

- **\$752 million** for the operation of an expanded network, new train stations and network improvements
- **\$233 million** to ensure the Metro Tunnel is ready from Day 1, including recruiting and training drivers, timetabling and testing
- **\$700 million** to extend the Victorian Homebuyer Fund to accelerate more Victorians into home ownership
- **\$107 million** to continue the Big Housing Build and progress our ambitious housing agenda
- **\$19 million** investment in public housing, improving response times for repairs and maintenance
- **\$20 million** to build roads and unlock government-owned land in East Werribee, paving the way for future infrastructure such as schools



Roads and road maintenance

Improving and upgrading our state's roads

- **\$964 million** to maintain our state's road network this coming year alone – including extra funding to clean up the damage from flooding
- **\$100 million** to make our roads safer after flood damage including, pavements, infrastructure and fixing landslips, as well as immediate recovery works to roads within the Buchan Caves Reserve site
- **\$17 million** to improve metropolitan Melbourne roads and intersections
- **\$62 million** for upgrades to make regional roads safer and improve freight routes
- **\$5.2 million** for a closed-circuit track trial to study the effects of medicinal cannabis on driver impairment



Keeping Victorians safe

This budget invests \$269 million to prevent family violence and support women's safety

- **\$42 million** to prevent family and sexual violence by continuing to deliver timely and individualised interventions and continued support to prevent family violence
- **\$39 million** to support schools and early childhood services to continue delivering the Respectful Relationships program – a recommendation of the Royal Commission into Family Violence
- **\$24 million** to support information sharing between police, the courts and agencies to keep women and children safe through a key Central Information Point
- **\$16 million** to provide community-led and culturally safe responses to address family violence, recognising Aboriginal women are 45 times more likely to experience violence than non-Aboriginal women

