



Victorian Budget

Helping Families

Tim Pallas MP
Treasurer of Victoria
Public Accounts and Estimates Committee
16 May 2024

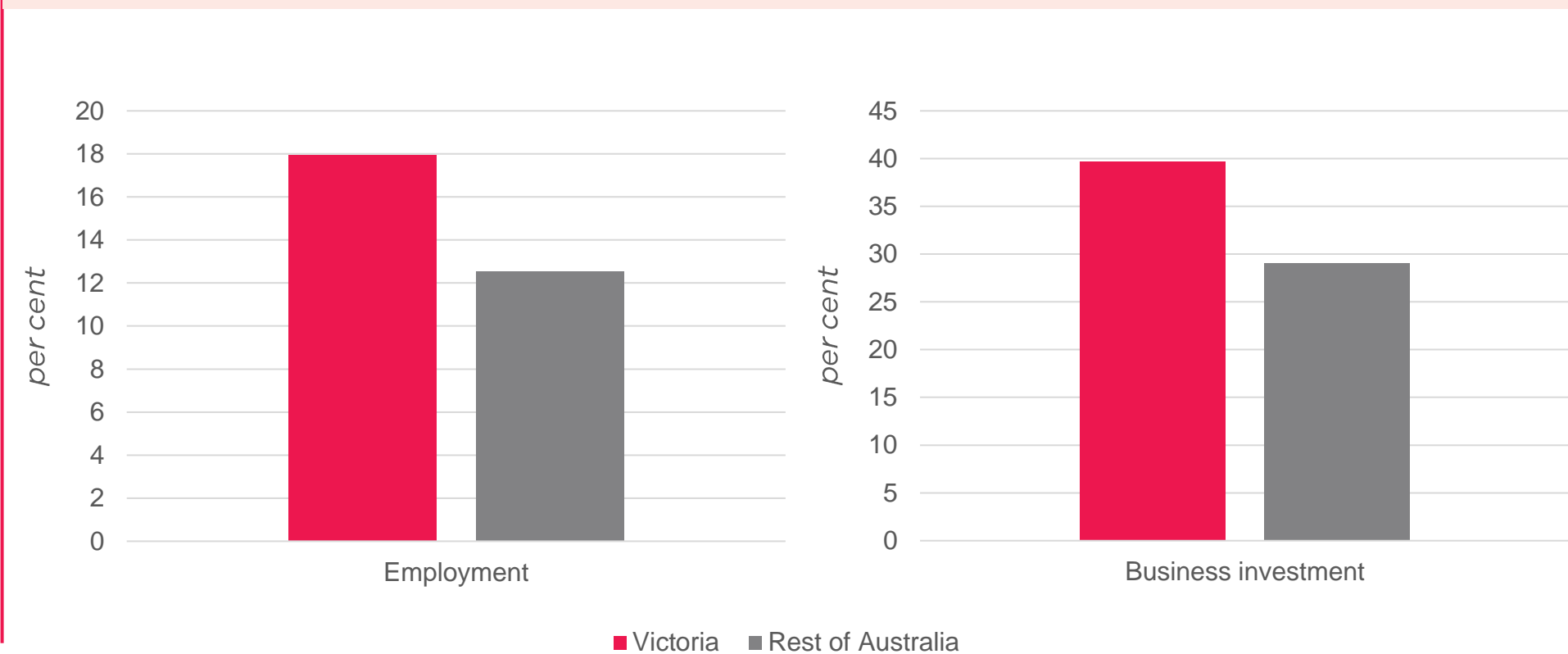




- Times are tough for many Australians.
- Inflation. Interest rates. Cost of groceries, petrol and bills.
- This Budget is focused on helping families with the cost of living and investments in education, healthcare, road and rail.
- This Budget is focused on sensible and disciplined decisions that reflect our economic reality – high inflation and workforce shortages.
- Victorians have good reason to feel optimistic about the future – our economy leads the nation in jobs, business investment and economic growth.
- This is a Budget for the future. We're helping families. And we're building a strong future for Victoria.

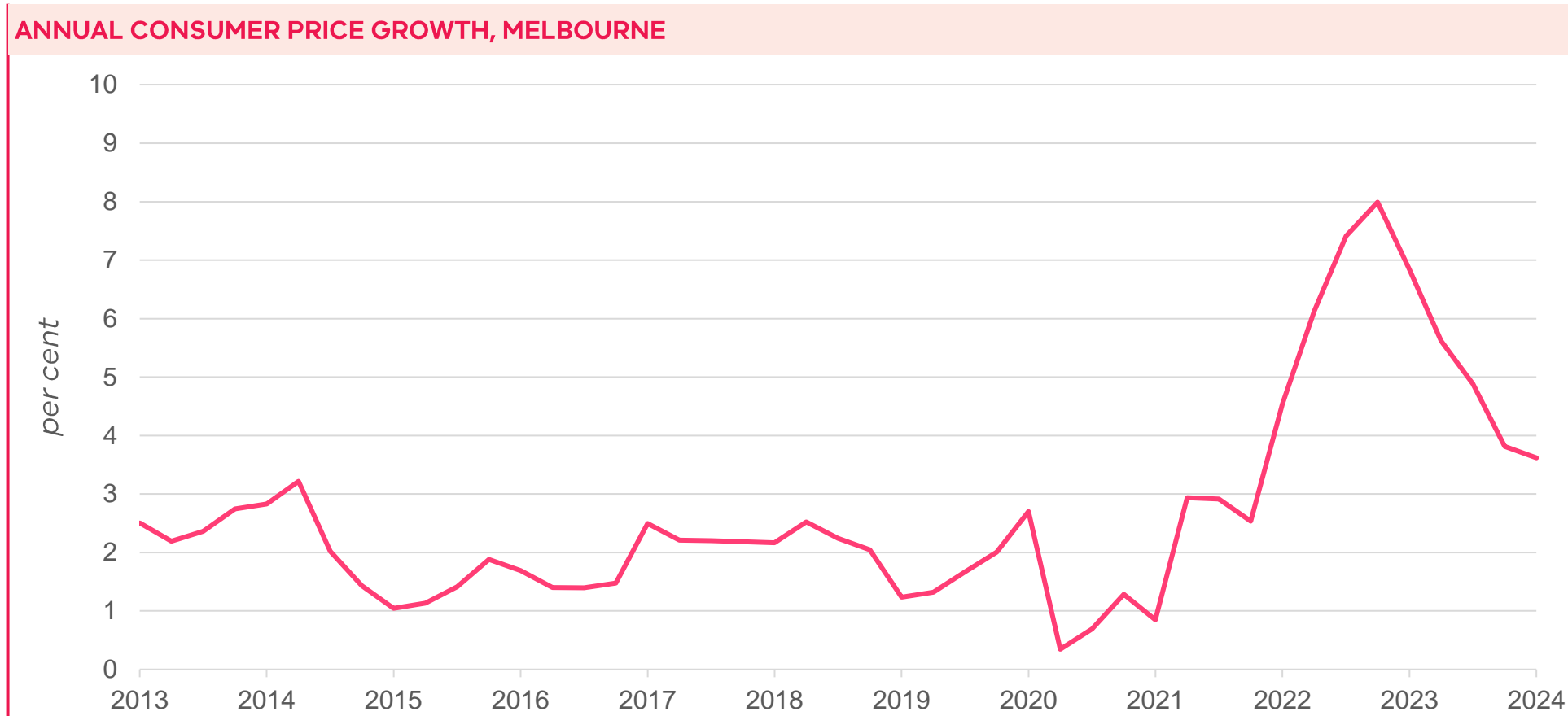
Victoria is leading the nation in both employment and investment

GROWTH IN EMPLOYMENT AND BUSINESS INVESTMENT SINCE SEPTEMBER 2020, VICTORIA AND THE REST OF AUSTRALIA



Source: Australian Bureau of Statistics

Cost of living pressures



Source: Australian Bureau of Statistics

\$400 School Saving Bonus

With the current cost of living uniforms, camps and other extracurriculars can really add up.

That's why we're helping families cover these costs, providing **\$280 million** to deliver our School Saving Bonus.

This bonus will give families with children at government schools, and eligible families at non-government schools, a **\$400** boost to help with uniforms, camps, excursions and sporting events.

Making sure it's available for families Term 1, 2025 – we'll work with our schools on the rollout.

We're also tripling the size of our Glasses for Kids program, helping more kids to be their best in the classroom.

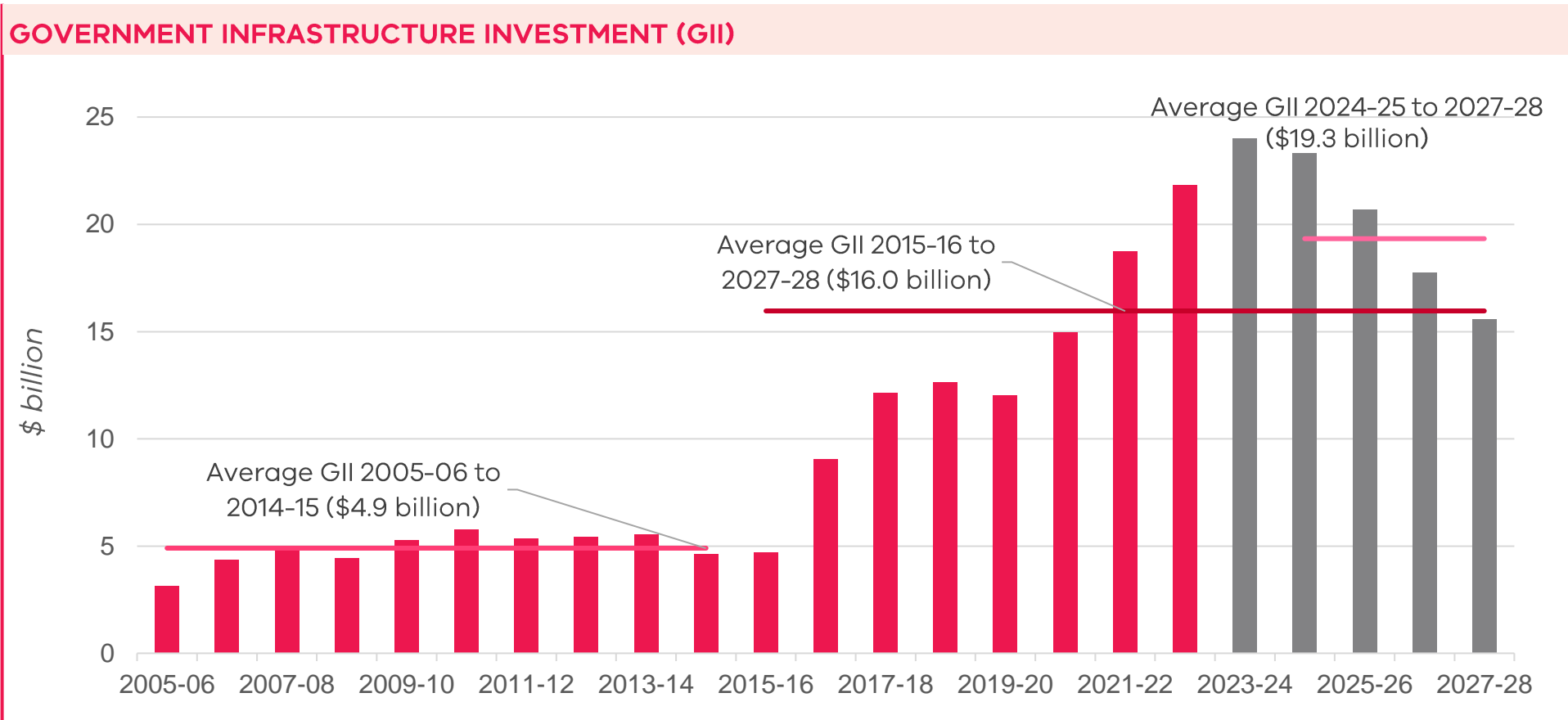
And we're making sure more young Victorians can enjoy getting active – with support to cover the cost of sports and recreation.



From help with the cost of living, to continuing our investments in education, healthcare, road and rail – this Budget is firmly focused on helping families.

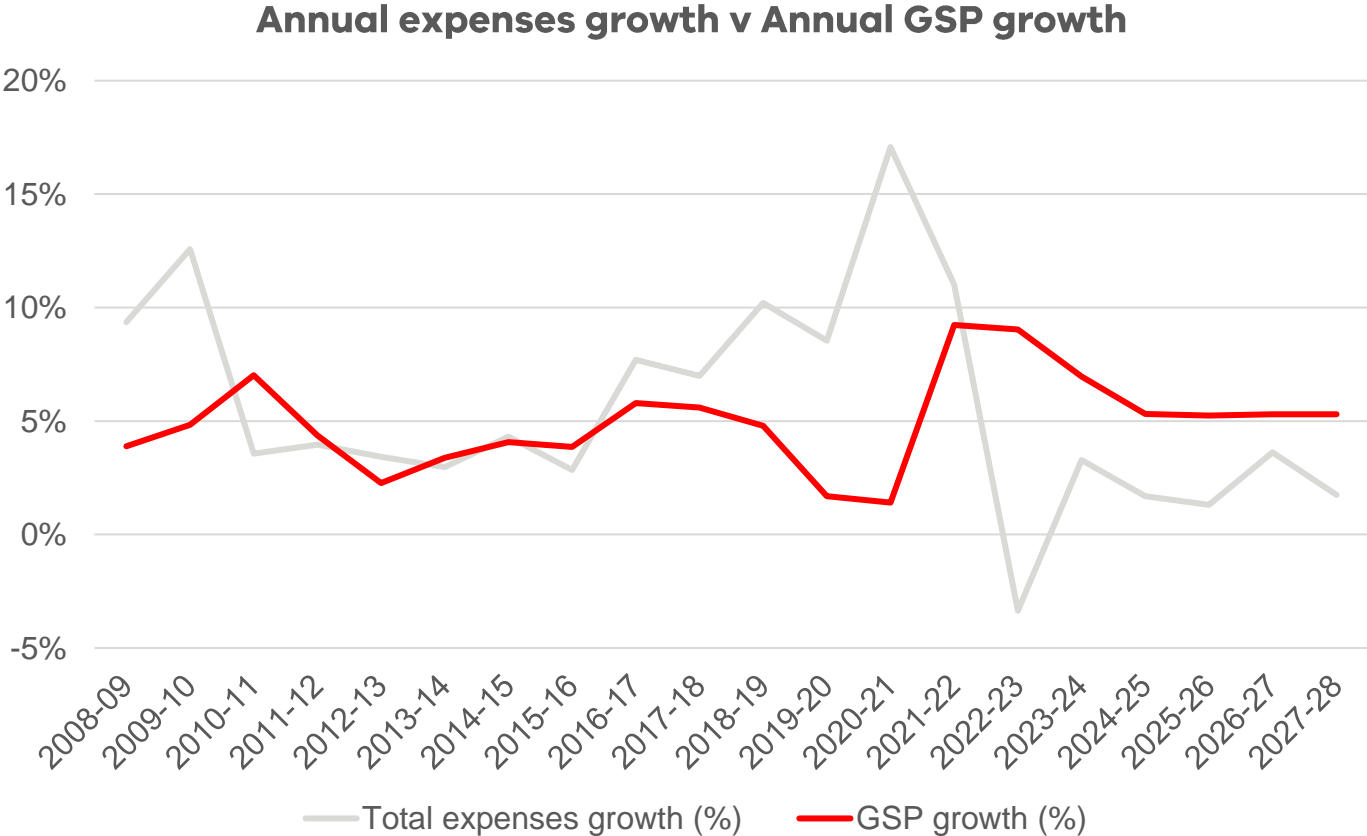
- **\$400 School Saving Bonus**
- **\$11 billion** for our healthcare system
- **\$1.8 billion** to build, maintain and upgrade schools across our state
- **\$1.7 billion** to build and improve our hospitals and health facilities
- **\$996 million** to switch on our Big Build transport projects, including the Metro Tunnel and West Gate Tunnel
- **\$700 million** to extend the Victorian Homebuyer Fund until *Help to Buy*
- **\$550 million** for Skills and TAFE
- **\$374 million** to protect children and support families
- **\$302 million** to support fire and flood impacted communities
- **\$273 million** for First People's self-determination and support including our nation-leading truth telling work
- **\$211 million** to keep women and children safe
- **\$208 million** to repair and improve our roads and intersections
- **\$156 million** to strengthen our state's emergency response
- **\$139 million** to back the work of our teachers
- **\$129 million** to continue the statewide rollout of the Best Start, Best Life reforms
- **\$41 million** to deliver maternal, child and fertility healthcare to more families and bubs
- **\$38 million** to continue the success of the energy efficient hot water rebate program
- **\$19 million** to help kinders renovate and upgrade their facilities
- **\$18 million** to build and upgrade community sport infrastructure
- **\$6.8 million** to triple our free Glasses for Kids program
- **\$6 million** to continue our Get Active Kids Voucher Program.

This Budget progressively returns the capital program towards pre-pandemic levels



Source: Department of Treasury and Finance

Expenditure restraint



Delivering on our fiscal strategy

Updated fiscal strategy

- **Step 1:** Creating jobs, reducing unemployment and restoring economic growth
- **Step 2:** Returning to an operating cash surplus
- **Step 3:** Returning to operating surpluses
- **Step 4:** Stabilising debt levels
- **Step 5:** Reducing net debt levels as a proportion of GSP



	Unit of measure	2022-23 actual	2023-24 revised	2024-25 budget	2025-26 estimate	2026-27 estimate	2027-28 estimate
Net result from transactions	\$ billion	(8.8)	(4.6)	(2.2)	1.5	1.6	1.9
Net cash flows from operating activities	\$ billion	4.2	0.4	1.8	6.9	6.8	6.1
Government infrastructure investment ^{(a)(b)}	\$ billion	21.8	24.0	23.3	20.7	17.8	15.6
Net debt	\$ billion	115.0	135.9	156.2	169.1	179.2	187.8
Net debt to GSP ^(c)	per cent	20.2	22.3	24.4	25.1	25.2	25.1

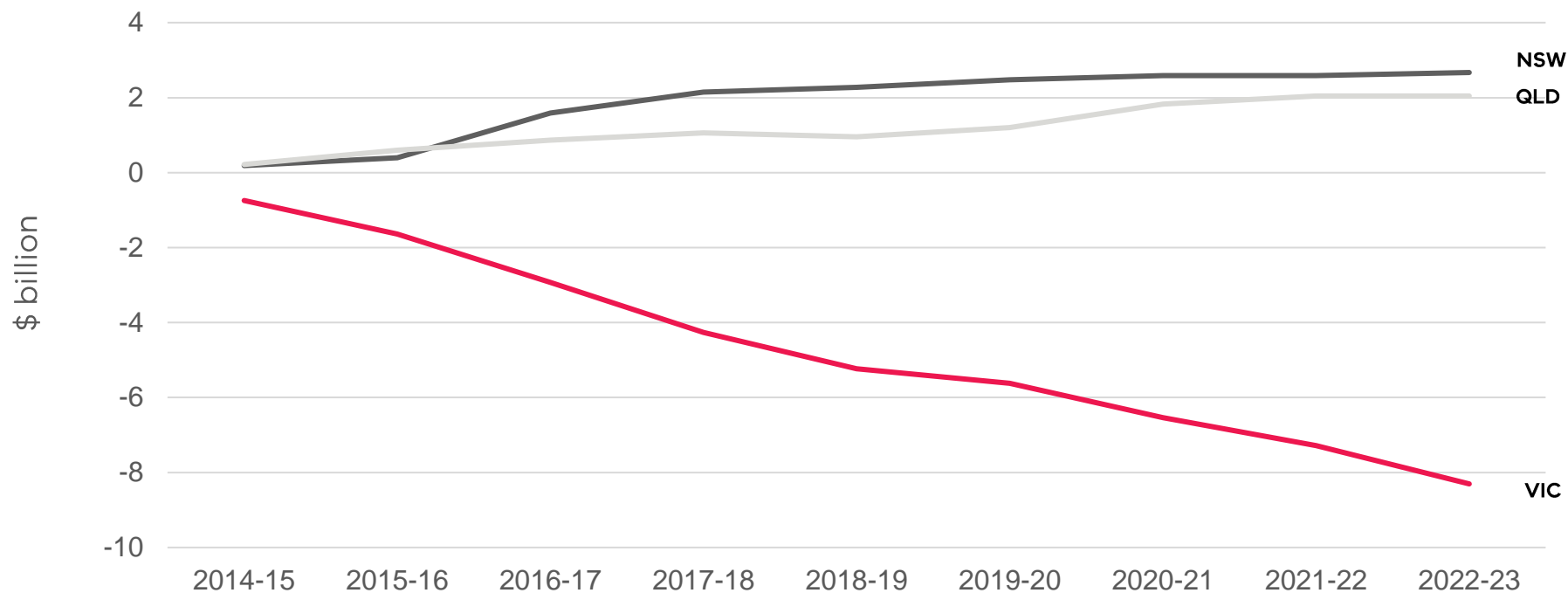
Source: Department of Treasury and Finance

Strong and stable financial management

	Step 1 – Jobs	Step 2 – cash surplus	Step 3 – operating surplus	Step 4 – stabilise debt as share of GSP	Step 5 – reduce debt as share of GSP
2020-21 Budget	✔ Forecast				
2021-22 Budget	✔ Achieved	✔ Forecast			
2022-23 Budget	✔ Achieved	✔ Forecast	✔ Forecast		
2023-24 Budget	✔ Achieved	✔ Achieved	✔ Forecast		
2024-25 Budget	✔ Achieved	✔ Achieved	✔ Forecast	✔ Forecast	✔ Forecast

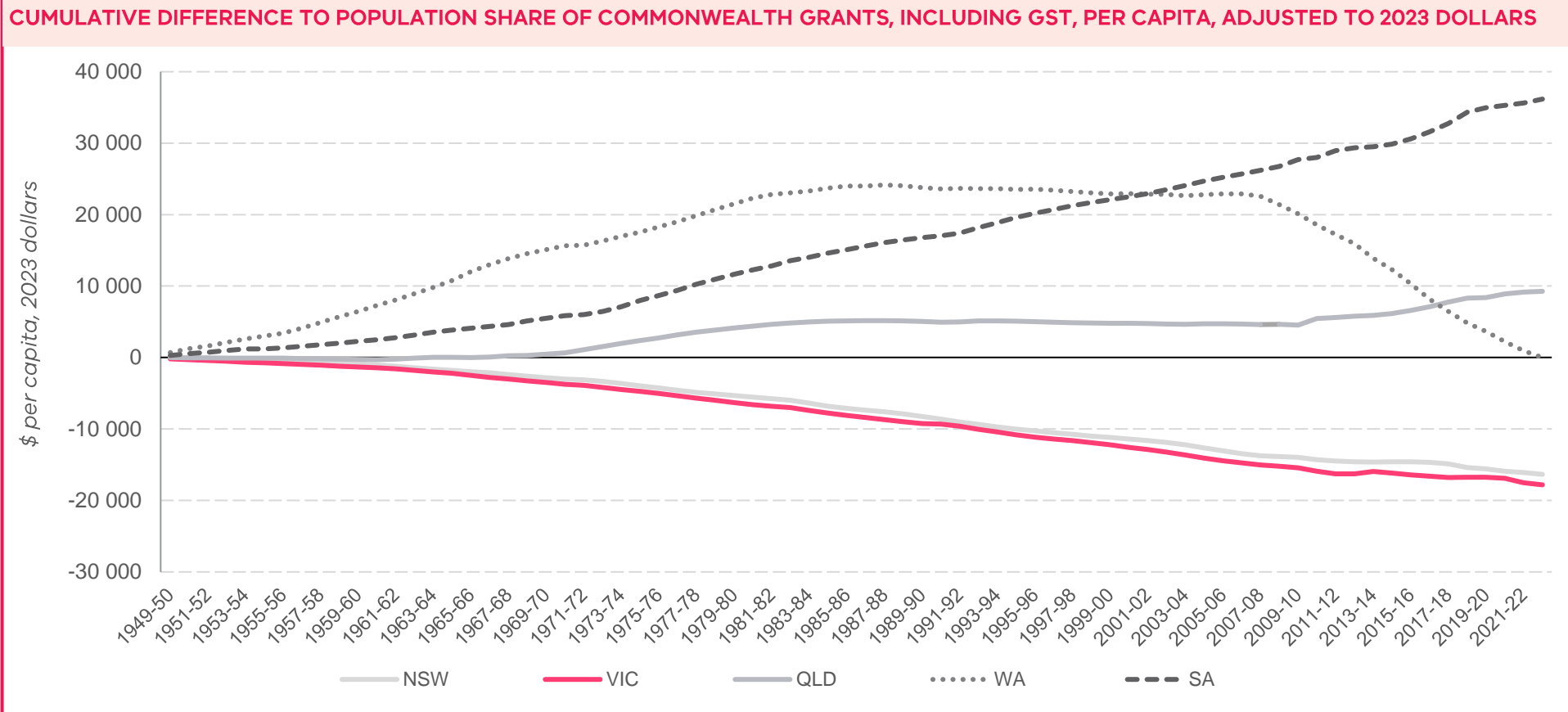
Victoria does not receive its fair share of Commonwealth infrastructure funding

CUMULATIVE DIFFERENCE SINCE 2014-15 BETWEEN ACTUAL AND POPULATION SHARE OF INFRASTRUCTURE FUNDING, (\$ BILLIONS) (A)



Sources: Commonwealth Treasury, Department of Treasury and Finance calculations
Note: (a) Includes estimated equity contributions for Western Sydney Airport and Melbourne Intermodal Terminal Package.

Victoria and New South Wales have consistently subsidised other states, even prior to GST



Source: Commonwealth Budget Papers, ABS and DTF calculations



Victorian Budget

Helping Families

Tim Pallas MP
Treasurer of Victoria
Public Accounts and Estimates Committee
16 May 2024

