

# **2018-19 Budget Estimates Hearing**

## **Public Accounts and Estimates Committee**

**The Hon Daniel Andrews MP**  
Premier of Victoria


**Tuesday 15 May 2018**



Premier  
and Cabinet



# 2018-19 BUDGET GETTING THINGS DONE

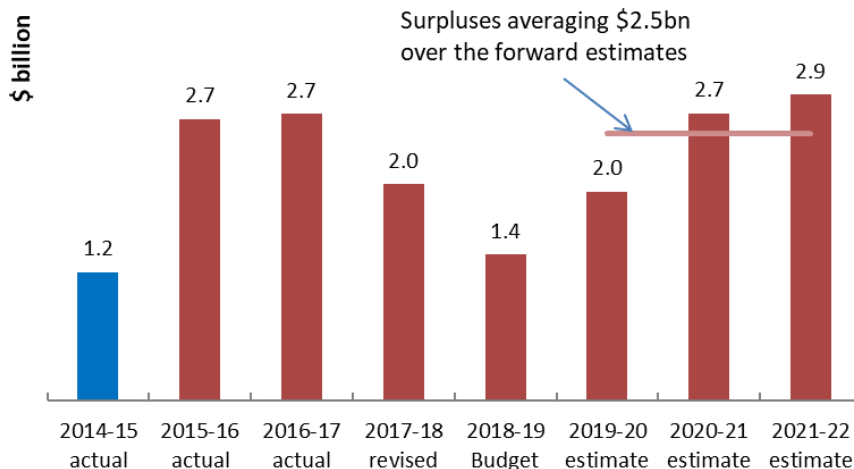
- Creating jobs and a strong economy
  - The right skills for the job
  - Historic action on mental health
  - Better roads to get you home sooner
  - Quality schools for every family
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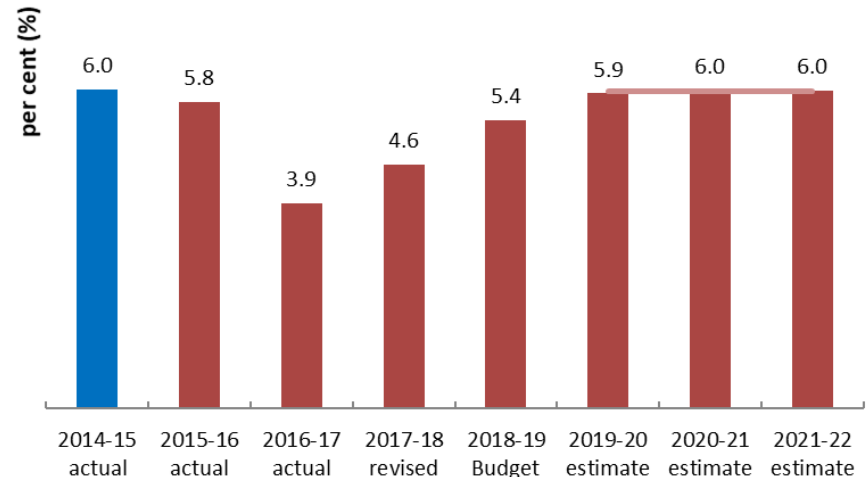
# Strong financial management

- The 2018-19 Budget is underpinned by strong economic and fiscal management:
  - 2018/19 operating surplus is estimated to \$1.4 billion, with surpluses averaging \$2.5 billion over the forward estimates
  - Net debt to remain at or below 6 per cent over the next four years, below the level of 6.3 per cent forecast in the 2014/15 Budget
  - Maintaining a AAA credit rating

## OPERATING SURPLUS



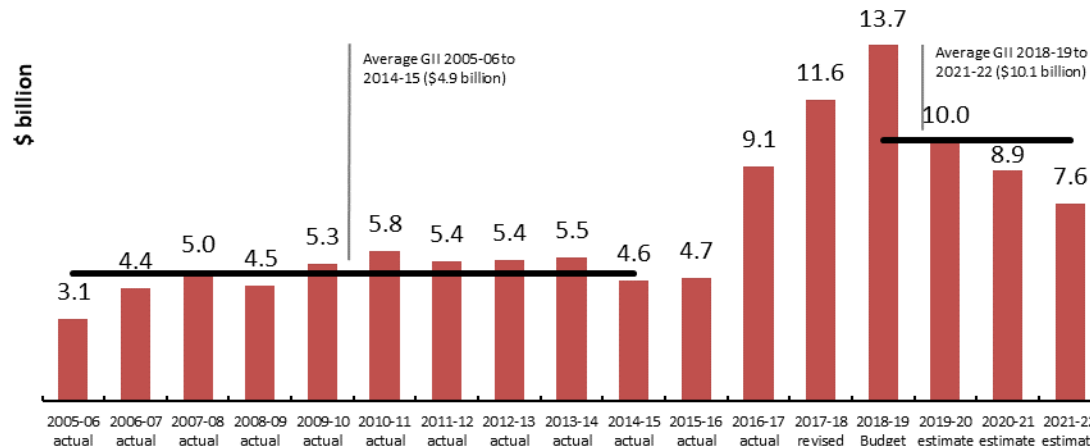
## NET DEBT TO GSP



# Creating and protecting jobs

- Victoria's economy grew by 3.3 per cent in 2016/17, well above national economic growth of 2.0 per cent.
- More than 117,000 new jobs were created in 2016/17, the highest of any state and equivalent to more than 70 per cent of new jobs created across Australia.
- Overall, government infrastructure investment is forecast to average \$10.1 billion per year over the next four years, more than double the average of \$4.9 billion per year from 2005/06 to 2014/15.

## GOVERNMENT INFRASTRUCTURE INVESTMENT



# The right skills for the job

- \$172 million to make TAFE free for 30 priority courses
- \$304 million to create more than 30,000 new TAFE and training places so more Victorians can access training
- \$109 million to make sure students get the right career advice so they can make the right choices early on
- \$49.8 million for Head Start Apprenticeships and Traineeships



# The big projects our state needs

- Almost \$4.3 billion for better roads around the state, including:
  - A \$2.2 billion Suburban Roads Upgrade, taking our total investment in suburban roads to over \$5 billion since coming to Government
  - \$110 million to fast track completion of detailed design and planning for the North East Link
  - \$712 million for the second stage of the upgrade to the Monash Freeway
- \$1.9 billion to continue our unprecedented overhaul of Victoria's public transport network, including:
  - \$572 million to upgrade the Cranbourne, Pakenham and Sunbury lines
  - \$104 million for five additional X'Trapolis trains





# Quality schools for every family

- \$353 million for new and planned school projects, and \$483 million to upgrade existing schools
- 28 new schools accommodating more than 15,000 students will be built and planned for
- A further \$126 million for the relocatable classrooms program, school pride and sport fund, and asbestos program
- \$288 million to support the education of students with disability
- \$135.9 million boost to early childhood education to make sure our kids are ready for kinder, ready for school and ready for life



# Better health care

- \$4.2 billion to make sure Victorians get the best care, from the best professionals, in the best facilities, including:
  - Historic action on mental illness – a record \$705 million investment
  - \$619 million in major metropolitan hospital upgrades and a new hospital
  - \$627 million invested in improving our regional hospitals
  - A further \$2.1 billion to support 1.96 million patient admissions and 1.84 million emergency department presentations
  - \$58.5 million to meet growing demand for ambulance services





# Keeping our state safe

- \$689.5 million to expand the Lara prison precinct
- \$226 million to expand the child protection workforce, and continuing after-hours emergency services and specialist intervention
- \$160 million to increase the number of secure custodial beds at the Malmsbury and Parkville youth justice centres
- \$129 million to introduce a new Bail and Remand Court
- \$49.9 million to ensure family violence victims have access to the support they need to recover



# Getting things done in regional Victoria

- Reducing the payroll tax rate to 2.425% for regional businesses – the lowest in the nation
- \$181 million to build and upgrade 60 regional schools
- \$941 million for better regional roads
- \$704 million for regional public transport
- \$120 million to upgrade three TAFE facilities and provide better facilities for students in Bendigo, Morwell and Sale
- \$462 million for Ballarat Base Hospital



# Stakeholder reactions

- VCOSS** “The 2018 Victorian Budget presents a pathway to a better and fairer Victoria...[and] has a significant focus on education, getting young people ‘job ready’ and helping people retrain for new and emerging professions.”
- AI Group** “The \$13.7 billion infrastructure program for 2018-19 is very welcome and particularly so given its underpinning of relative funding certainty. It will be critical in lifting Victoria's productive capacity as well as boosting local jobs and meeting the social needs of the State's growing population.”
- VECCI** “The pro-business initiatives provide a boost to Victoria’s 590,000 businesses and create new employment, investment and trade opportunities.”
- AEU** “Parents, teachers and school communities expect state governments to invest in public education. This budget delivers significant investment for Victoria’s future.”
- RACV** “In some of the outer suburbs, 95 per cent of people don't work in central Melbourne, their work commutes, as well as trips for education, recreation and shopping, are within the growth suburbs and to neighbouring council areas... That's why a good arterial road network, cross-town buses and safe bicycle routes are important.”
- VHA** “Today’s budget sees an historic increase in health funding overall and, crucially, in community and rural health”
- VFF** “...we are very pleased that the Government has listened and announced it will double the exemption to \$600,000... Thanks to this increased exemption, more young farmers will now be able to buy land to begin their farm businesses.”

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