



Tim Pallas MP

Treasurer

Thursday, 20 May 2021

BUILDING A BETTER VICTORIA, BACKING OUR ECONOMY

Victoria's economy is surging back to life with jobs and workforce participation recovering to pre-pandemic levels – especially for women – as the Andrews Labor Government's strong, balanced and responsible financial management secures our state's recovery.

Only six months ago, the Government set an ambitious *Jobs Plan* target to create 400,000 jobs by 2025 – 200,000 of them by 2022. In that same time, we've gone above and beyond our interim goal – already creating more than 200,000 jobs between September 2020 and April 2021.

This Budget continues to make the targeted investments Victoria – and Victorians – need.

In 2020, like all states and territories, the pandemic severely impacted Victoria's financial position and outlook. But we are well on the path to recovery.

Our forward estimates also show an operating cash surplus of \$1.1 billion now forecast in 2022-23, demonstrating significant progress in our four-step medium term fiscal strategy.

Net debt is projected to be \$156.3 billion by June 2025, lower in each year of the forward estimates than was forecast in the 2020-21 Budget.

The *Victorian Budget 2021/22* continues that effort, with a focus on achieving a 'double benefit' from every dollar of investment.

Creating Jobs, and Caring for Victorians delivers more than \$26 billion in initiatives, supporting an average of 38,000 jobs every year over the next four years.

That includes investing a record \$3.8 billion to build our broken mental health system from the ground up, while also creating 3,000 jobs.

This once-in-a-generation investment will transform the way mental health support is offered in Victoria, with early intervention, a dedicated stream of care for our kids, and the recruitment of thousands of new mental health workers.

We are investing a dedicated \$206 million in training support, delivering 120 graduate placements for nurses, 140 postgraduate mental health scholarships, 60 new graduate placements for allied health professionals.

This year's Budget invests in new child protection workers, the statewide roll-out of three-year-old kinder and new support in health, education and family violence – all made possible by our considered economic and financial approach.

We're working towards balancing the Budget by investing carefully, and by strengthening the state's revenue to ensure we can keep investing for the future.

We are already seeing our investments pay off, with our economy rapidly recovering and Victoria emerging from the pandemic even better than we could have hoped.

In 2020, like all states and territories, the pandemic severely impacted Victoria's financial position and outlook. But we are well on the path to recovery. Business and consumer confidence are both up, household balance sheets are strong, and interest rates remain low. The Victorian economy is recovering in an optimistic rush that shows genuine confidence in the future.

Victoria's finances have been managed responsibly to support communities throughout the pandemic and into our recovery.

Increased borrowing has supported households and businesses, while public infrastructure projects have powered on to create new opportunities for Victorian workers. Since 2014, the Labor Government has announced infrastructure investment that has supported, or will continue to support, more than 177,000 jobs.

This year's Budget will continue to drive our recovery – investing in the services Victoria needs, and the Victorians we need to deliver them.

Quotes attributable to Treasurer Tim Pallas

"We set ambitious goals to get through the pandemic – and to rebuild our state stronger and fairer. The Victorian economy has surpassed all of our projections, and is expected to be back at pre-COVID strength later this year."

"Bouncing back hasn't happened by chance – it's because this Government is investing in the plans and projects Victoria needs and the Victorians we need to deliver them."