



# 2013–14

PUBLIC ACCOUNTS  
AND ESTIMATES COMMITTEE  
2013–14 BUDGET ESTIMATES HEARING

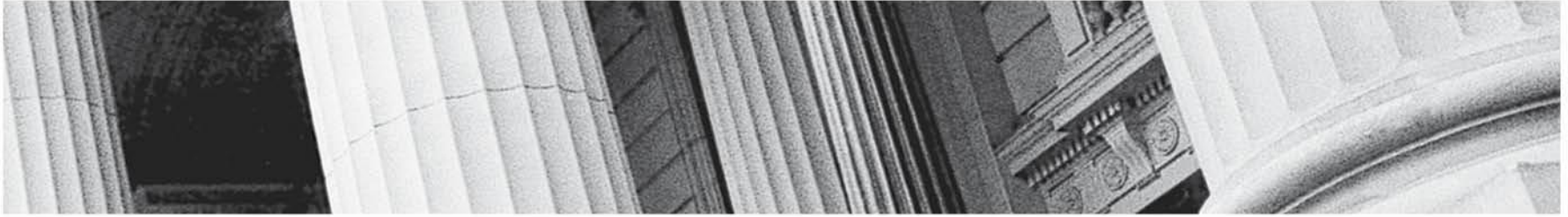
Friday 10 May 2013

## BUILDING FOR GROWTH

The Hon Dr Denis Napthine MP  
Premier of Victoria

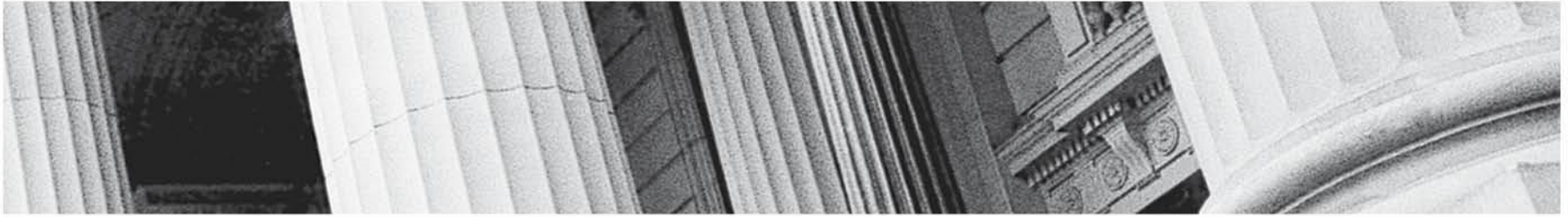
Department of  
Premier and Cabinet





## BUILDING FOR GROWTH

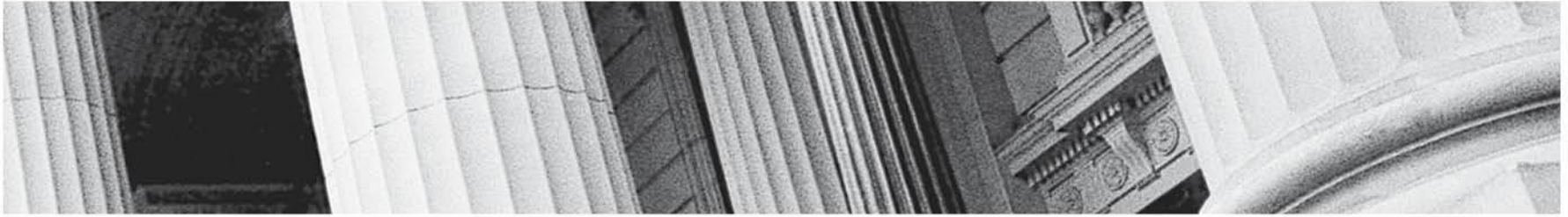
- Strong finances, sound economic management
- Generating investment and jobs
- Game-changing transport and roads
- Quality health and education
- Caring for the most vulnerable
- Boost for regional and rural Victoria



# BUILDING FOR GROWTH: STRONG FINANCES, SOUND ECONOMIC MANAGEMENT

## Budget aggregates

	Unit of measure	2013-14 Budget	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate
Operating surplus	\$ million	224.5	398.7	1 927.7	2 547.4
Gross State Product (GSP)	per cent	2.25%	2.75%	2.75%	2.75%
Net debt to GSP	per cent	6.4%	6.6%	6.1%	5.4%



# BUILDING FOR GROWTH: STRONG FINANCES, SOUND ECONOMIC MANAGEMENT

## **Responsible approach to debt**

- AAA / stable outlook rating affirmed by Moody's and S&P

*“In our opinion, despite further downward revisions of its revenues (from both its own-sources and GST transfers from the Commonwealth of Australia), the Victoria government's budgetary performance remains solid. ... In Standard & Poor's view, today's budget is consistent with our expectation that the government will continue to deliver its fiscal strategy”.*

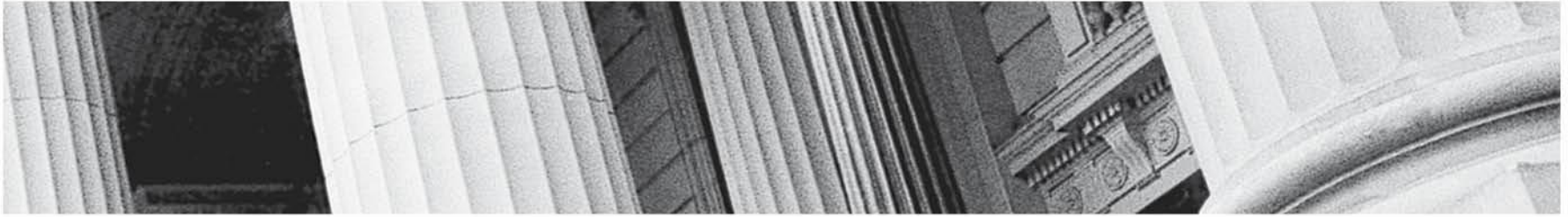
(Source: S&P press release, 7 May 2013)



## BUILDING FOR GROWTH: GENERATING INVESTMENT AND JOBS

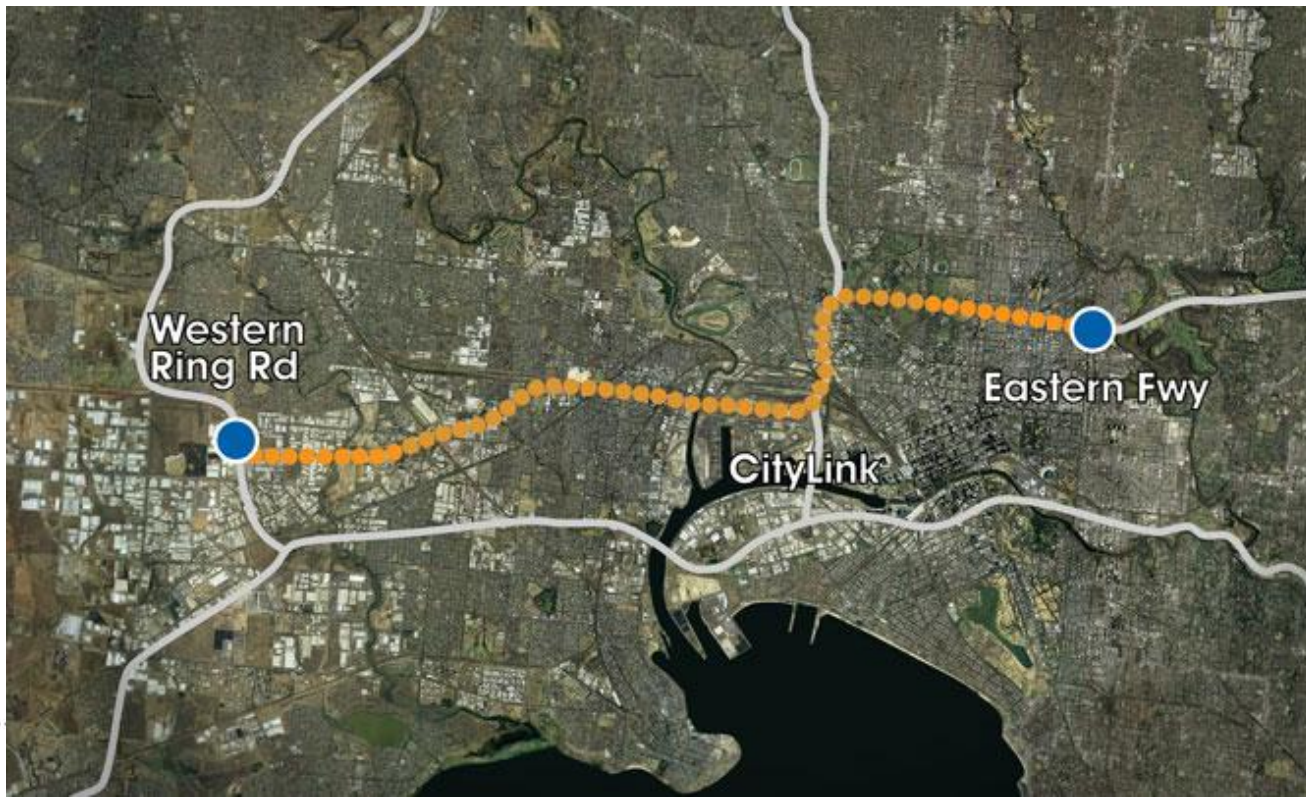
- Government infrastructure investment of \$6.1 billion in 2013-14 creates thousands of jobs
- New initiatives to support Victorian industries:
  - Stamp duty concessions / First Home Owner Grant focussed on construction
  - International education (\$18 million)
  - Victoria's tourism industry (\$24 million)
  - Other initiatives to benefit Victorian small businesses (\$48 million)
  - East Werribee Employment Precinct (\$33 million)
  - Development plans for E-Gate, Fed Square East and Fed Square (\$15 million)

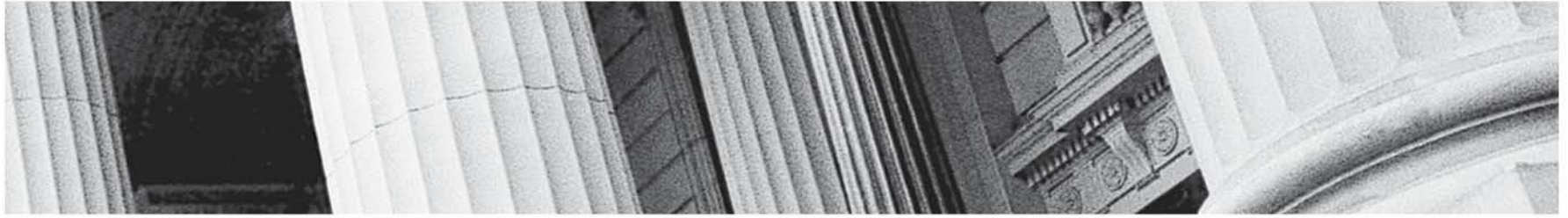




## BUILDING FOR GROWTH: GAME-CHANGING ROADS AND TRANSPORT

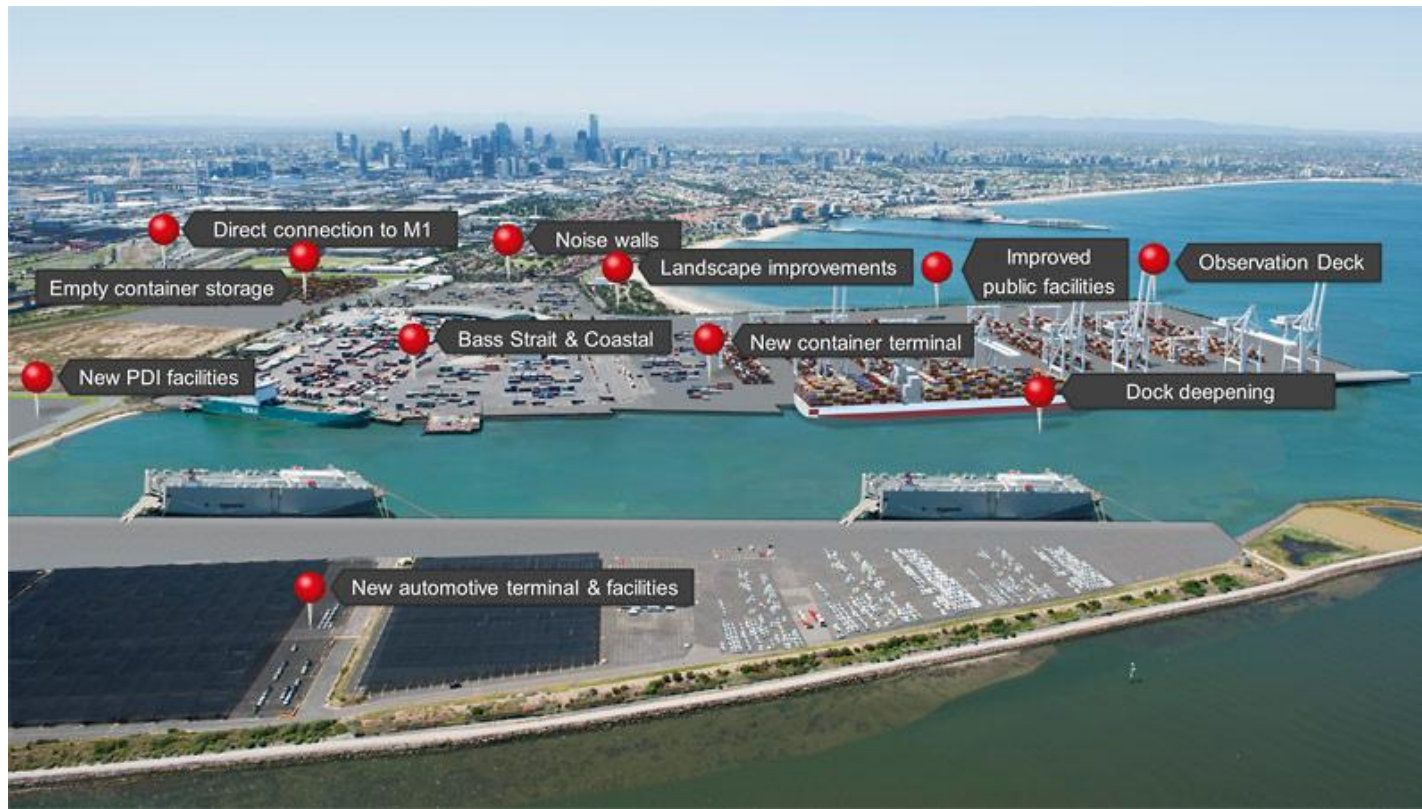
- Budget commits to constructing Stage 1 of East West Link (\$6-8 billion)



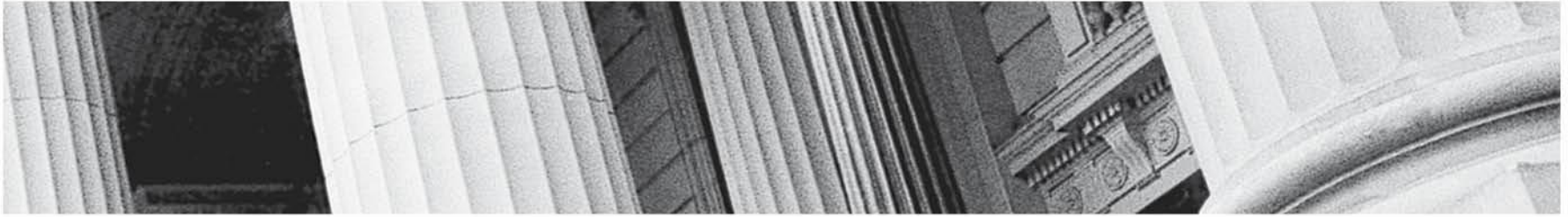


## BUILDING FOR GROWTH: GAME-CHANGING ROADS AND TRANSPORT

- Port of Melbourne expansion (\$1.6 billion)





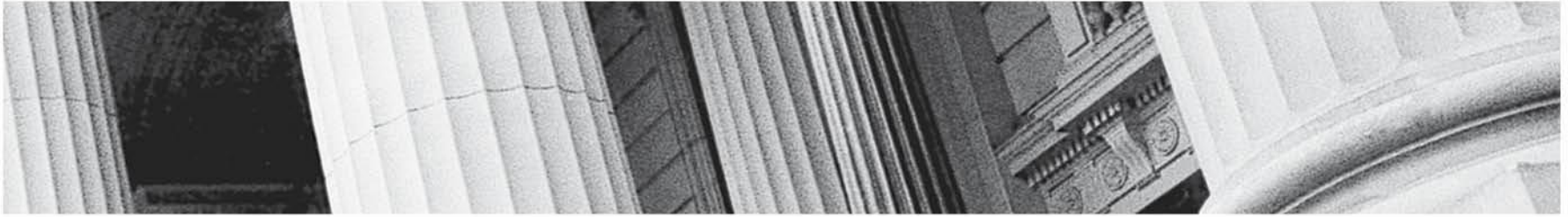


## BUILDING FOR GROWTH: GAME-CHANGING ROADS AND TRANSPORT

- Port of Hastings – planning/ environmental work (\$110 million)

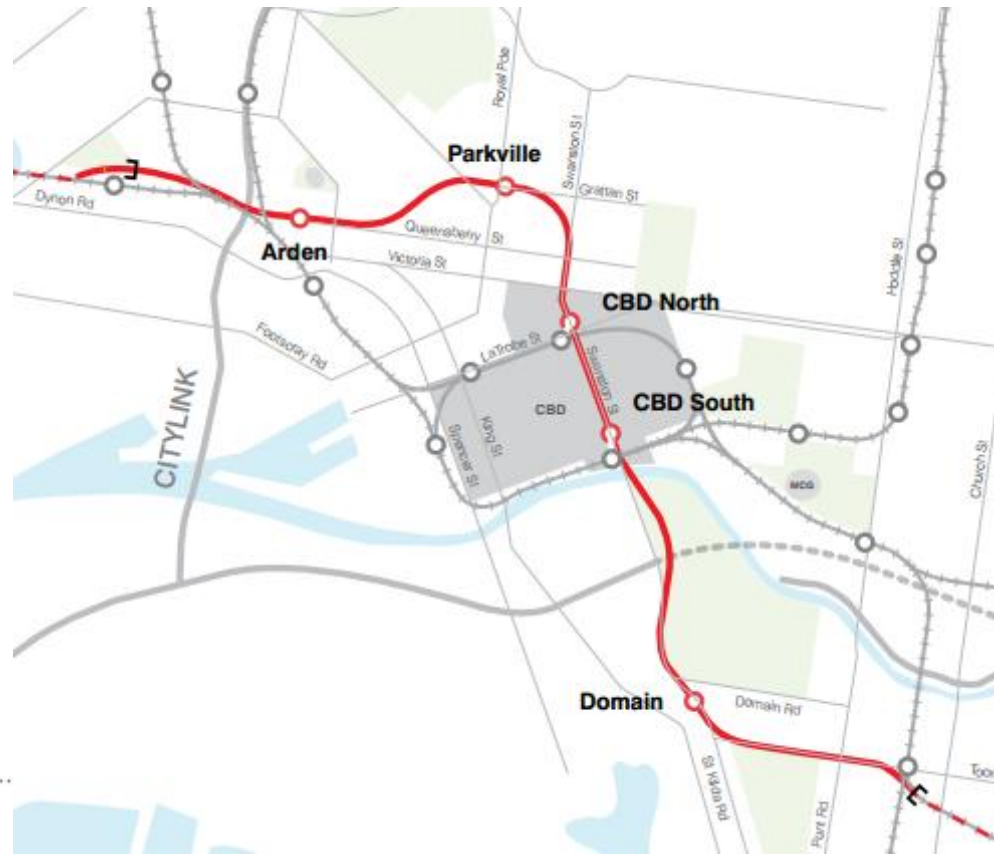


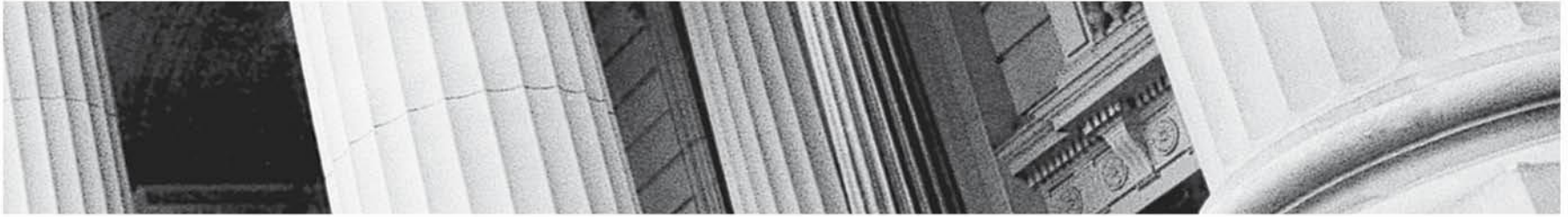




# BUILDING FOR GROWTH: GAME-CHANGING ROADS AND TRANSPORT

- Melbourne Metro Business Case being finalised
- \$50 million to continue planning and development to enable project to proceed to delivery.

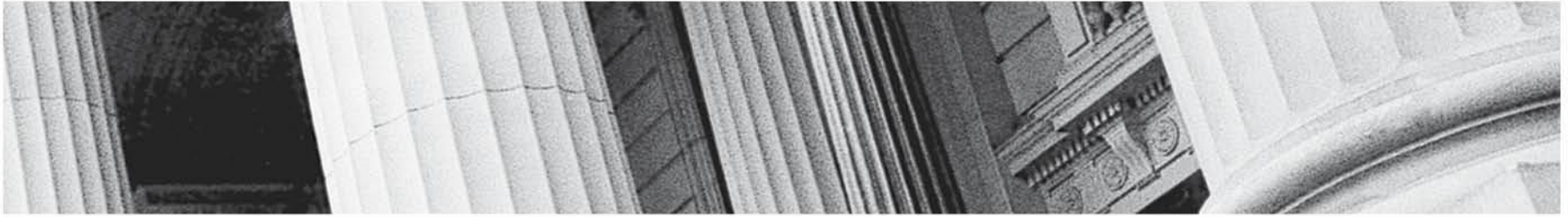




## BUILDING FOR GROWTH: GAME-CHANGING ROADS AND TRANSPORT

### **Delivering better roads and transport services**

- Additional \$280 m to maintain and upgrade the road network
- Regional Rail Link (\$4.8 b)
- Another eight X'Trapolis trains built in Ballarat (\$176 m)
- Forty regional rail carriages (more than \$200 m)
- Removing level crossings across Melbourne (\$419 m)
- Upgraded Frankston rail line (\$100 m)
- Ringwood Station (\$66 m to secure \$500 m private investment)
- New stations at Grovedale (\$26 m), Epsom (\$8 m) and Southland (\$tbd)

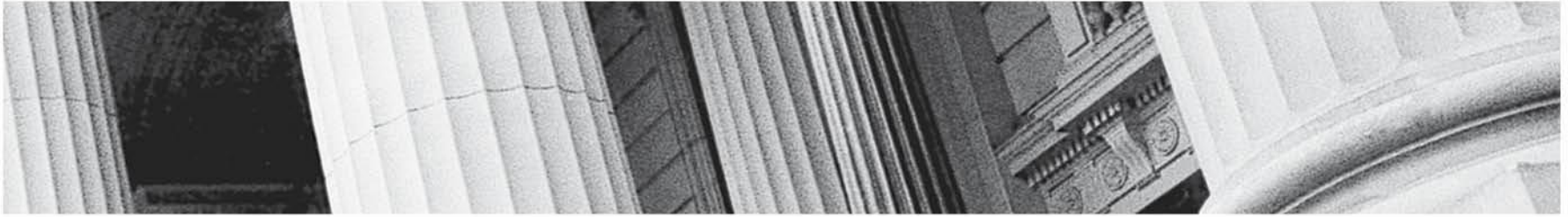


# BUILDING FOR GROWTH: GAME-CHANGING ROADS AND TRANSPORT

## Stakeholder views

- *“The Naphthine Government gets full marks for today’s budget, because it tackles waste and uses the savings to bring forward the massive East West road project”.*  
(Brendan Lyon, CEO, Infrastructure Partnerships Australia, 7 May 2013)
- *“VECCI says today’s state budget – with its focus on new investment in infrastructure – sets the foundations for economic and employment growth, while remaining fiscally responsible.”* (VECCI press release, 7 May 2013)
- *“The Government has listened to industry concerns and we particularly welcome the commitment to Stage 1 of the East West Link commencing before the end of 2014. The funding pledged to develop the Port of Hastings is also very important – particularly for the State’s trade capabilities. The commitment to such projects will help to keep skills in the economy and provide certainty to industry – particularly to the construction sector.”*  
(Tim Piper, Victorian Director, Australian Industry Group, 7 May 2013)



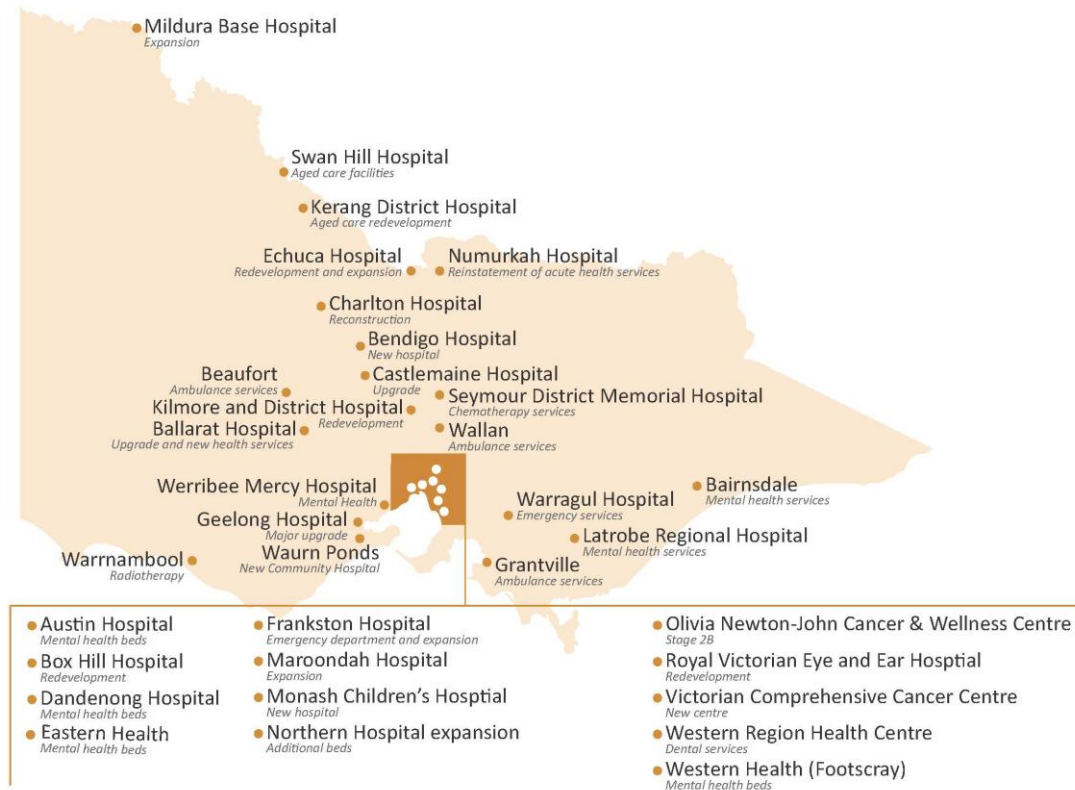


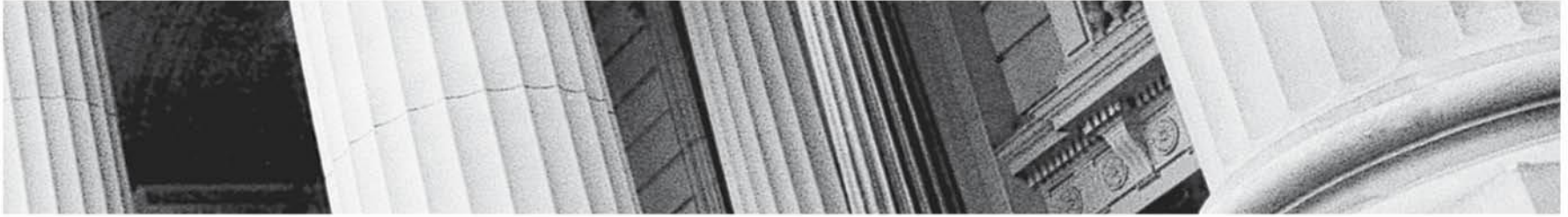
## BUILDING FOR GROWTH: QUALITY HEALTH AND EDUCATION

- Health (\$14.3 billion in 2012-13, \$2 billion or 14.6% more than 2010-11)
  - more elective surgery funds, more emergency inpatient services, dialysis, chemotherapy, radiotherapy, outpatients
  - most ambitious investment in hospitals in a century: Bendigo, Monash Children's, Eye & Ear, Waurn Ponds; Northern Hospital; Victorian Comprehensive Cancer Centre; Geelong; Werribee Mercy; South West radiotherapy; Box Hill



# BUILDING FOR GROWTH: QUALITY HEALTH AND EDUCATION

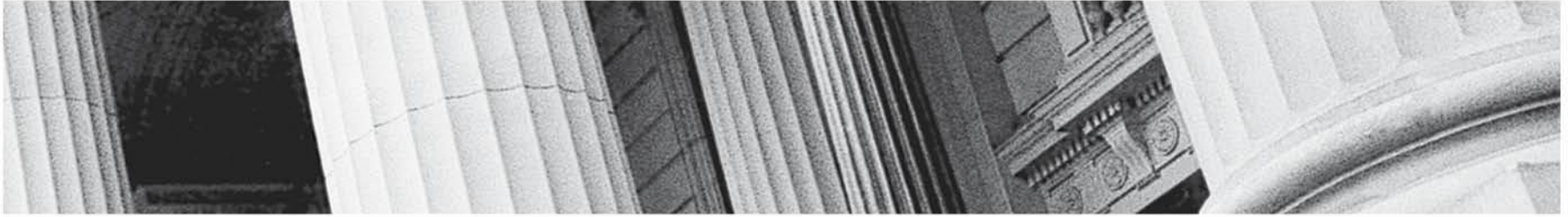




## BUILDING FOR GROWTH: QUALITY HEALTH AND EDUCATION

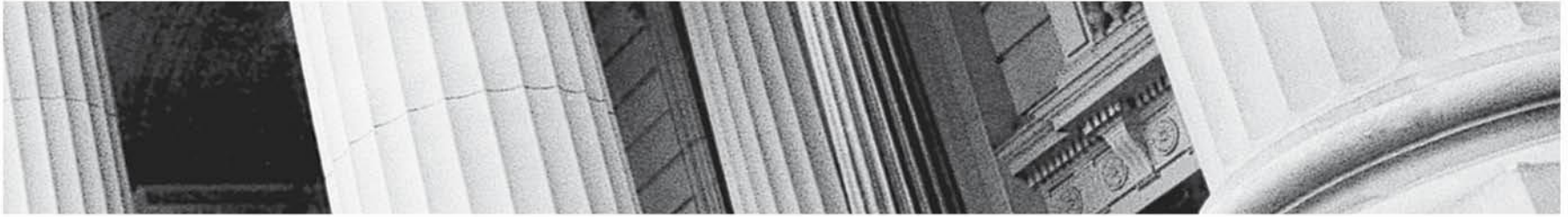
- Education (\$11.6 billion in 2012-13, \$900 million or 8.4% more than 2010-11)
  - \$203 million for new and rebuilt schools
  - \$200 million boost for TAFE





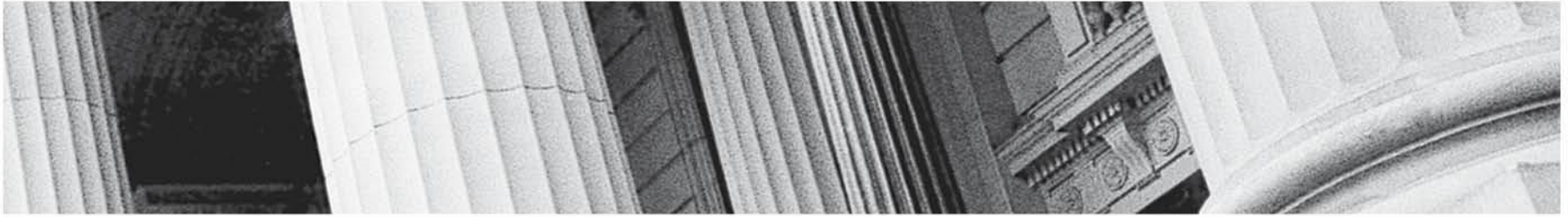
## BUILDING FOR GROWTH: CARING FOR THE MOST VULNERABLE

- Protecting Victoria's vulnerable children (\$152 m)
- Assisting families living with disabilities (\$266 m)
- Launching the National Disability Insurance Scheme (\$300 m)



## BUILDING FOR GROWTH: BOOST FOR REGIONAL AND RURAL VICTORIA

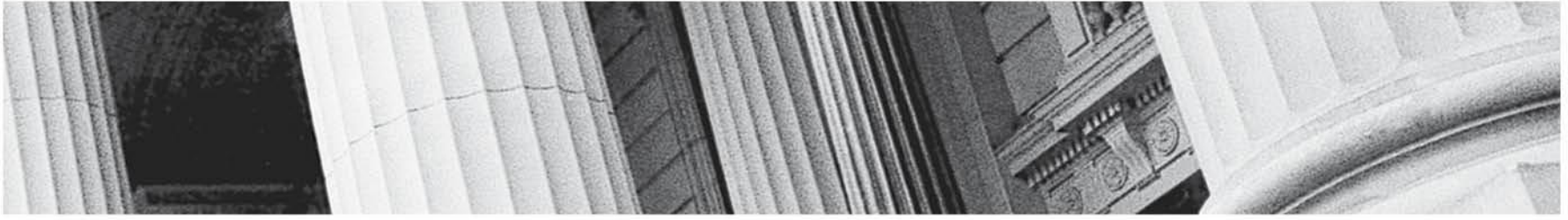
- Regional Victoria contributes one quarter of State's economic output, one third of State's exports
- Regional centres will play an increasingly prominent role in State's future
- \$1 billion Regional Growth Fund
- \$4.8 billion Regional Rail Link:
  - dedicated rail link from West Sunshine to Southern Cross Station, enabling streamlined journey for Ballarat, Bendigo and Geelong line passengers into metro system
  - country services no longer held up by metro services



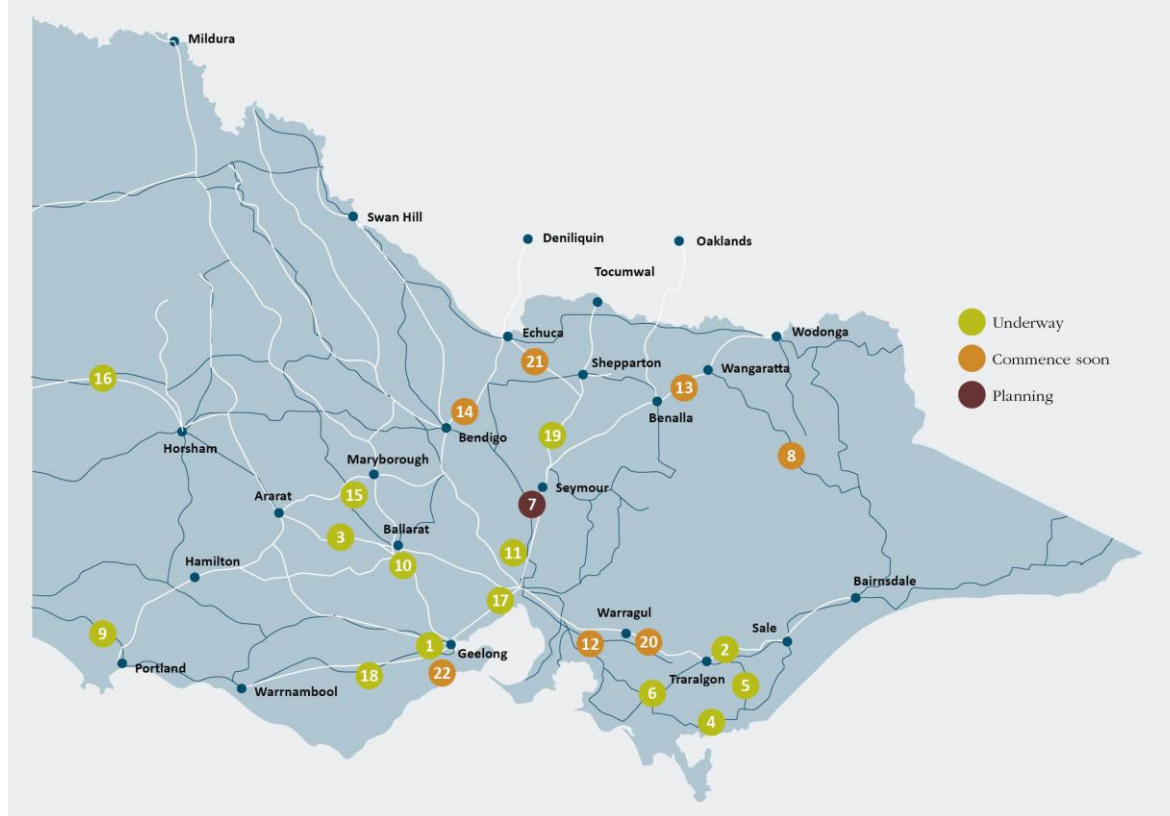
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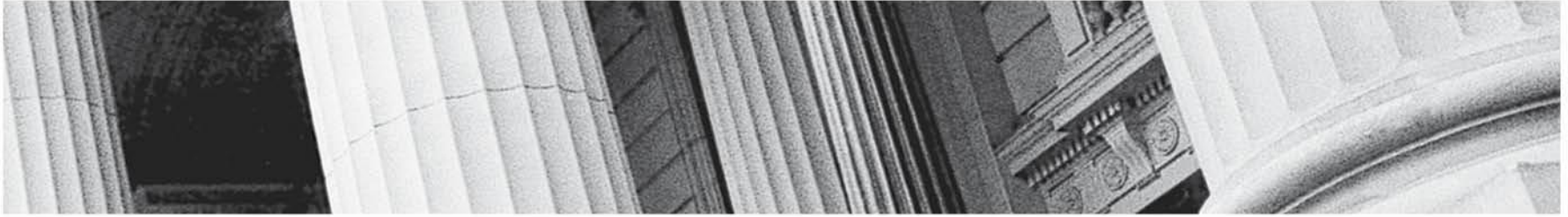
- Big benefits for regional Victoria in 2013-14 Budget:
  - upgrading transport infrastructure in regional Victoria (\$150 m)
  - improving waterways such as Macalister Irrigation District (\$16 m)
  - expansion of planned burning (\$34 m)
  - boost for regional tourism (\$8 m)
  - added funding for country schools (\$41 m)
  - fire services levy provides a fairer deal for regional Victorians
- As well as Bendigo Hospital (\$630 m)





# BUILDING FOR GROWTH: BOOST FOR REGIONAL AND RURAL VICTORIA





## BUILDING FOR GROWTH: KEY CONCLUSIONS

- Strong fiscal management delivering improvements for all Victorians
- Focus on investment, jobs and services for Victorians
- Record spending on health and education
- Game-changing infrastructure
- Better outcomes for families, businesses and communities