FROM THE OFFICE OF THE TREASURER

Tuesday, 5 May, 2009

2009 STATE BUDGET: BUILDING JOBS, BUILDING VICTORIA

Securing up to 35,000 jobs next financial year to fight the impact of the Global Financial Crisis is the focus of a record infrastructure investment in the 2009 State Budget, the Treasurer, John Lenders, said today.

Mr Lenders said the Brumby Labor Government was taking action by investing in infrastructure to secure jobs and stimulate the economy to support Victorian families in tough global economic times.

“The Brumby Labor Government is delivering strong leadership in tough global economic times to see Victoria through and build for the future,” Mr Lenders said.

Mr Lenders said highlights of the 2009 State Budget included:

- Investing a record $11.5 billion next financial year to fast-track job-creating infrastructure across the State;
- Investing almost $1 billion to help Victoria respond and recover from the worst bushfires in Australian history;
- Investing a record $1.71 billion in the State’s education system to prepare Victorians for the jobs of the future;
- Investing more than $3 billion to deliver the first four years of the Brumby Labor Government’s $38 billion *Victorian Transport Plan* to create a world-class transport system for Victorians;
- Investing $2.6 billion to boost Victoria’s hospital and health services; and
- Investing a record $1.9 billion to provide Victoria Police with the resources they need to keep Victorian families safe.

“The Brumby Labor Government is taking action to deliver jobs now and support Victorian families,” Mr Lenders said.

“The 2009 State Budget also builds on a decade of investment in social services, providing a strong safety net for all Victorians.”

Building Record Infrastructure to Secure up to 35,000 Victorian Jobs

The 2009 State Budget makes an unprecedented investment in boosting the State’s infrastructure including kick-starting the first four years of the 12 year $38 billion *Victorian Transport Plan*, building major hospital redevelopments and continuing the biggest school rebuilding program in Victoria’s history.

“Last month the International Monetary Fund said the best thing governments can do to respond to the Global Financial Crisis is to fast-track and invest in job-creating infrastructure,” Mr Lenders said.

“The Brumby Labor Government is taking this action – with $11.5 billion in infrastructure projects to get underway in the 2009-10 financial year, as well as working with the Rudd Federal Government on critical nation-building projects.

Media contact: Matt Nurse 9651 5799/0407 351 277
“These critical projects – in our schools, our hospitals, our roads, our rail system – are building for the future and securing jobs today.

“We are working shoulder to shoulder with the Rudd Federal Government to make the right investments to see Victorians through the Global Financial Crisis.”

**Rebuilding After the Bushfires**

The 2009 State Budget brings to book almost $1 billion the Brumby Labor Government committed, in partnership with the Rudd Federal Government, to respond and recover from the worst bushfires in Australia’s history. The fires claimed 173 lives, 2029 homes and 57 businesses in February this year.

Mr Lenders said every Victorian had been touched by the generosity of fellow Victorians and people across the globe who had donated more than $330 million for the Victorian Bushfire Appeal Fund.

In addition to the programs funded by the Appeal Fund, Mr Lenders said the Brumby Labor Government had committed $986 million towards the cost of fighting the bushfires, responding to the emergency and rebuilding the State afterwards in the 2009 State Budget.

Mr Lenders said the investments included:
- $344 million for fire suppression activities undertaken by DSE, CFA, MFB, VICSES and interstate and overseas fire-fighters;
- $167 million to maintain and improve emergency services communications for the public and between emergency services organisations;
- $70 million over two years for individual case managers to help Victorians affected by the bushfires;
- $40 million over two years to establish an independent Royal Commission into the bushfires; and
- $365 million for other bushfire-related initiatives.

“The Brumby Labor Government is working to help Victorian families and rebuild the State after the bushfires which devastated our state this summer,” Mr Lenders said.

“We stand ready to take further action when the Royal Commission delivers its interim findings.”

**A Record Education Budget for the Jobs of the Future**

The 2009 State Budget provides $1.71 billion to secure Victorian jobs and provide the State’s education system with new school buildings, the latest technology and more support for our teachers.

Mr Lenders said highlights of the education boost included $402.1 million to rebuild, renovate or extend 113 schools across the State and $13.6 million to respond to growth in demand for kindergarten places.

“Education is the Brumby Labor Government’s number one priority and we are delivering a record budget to our schools and education system to prepare young Victorians for the jobs of the future,” Mr Lenders said.

In addition to this, the 2009 State Budget invests $141 million in a skills and employment package, including $25 million to extend the successful Apprenticeship/Traineeship Completion Bonus.

“Every parent knows the path to a rewarding job is a good education,” Mr Lenders said.
Starting Work on the $38 billion Victorian Transport Plan

The 2009 State Budget provides funding for the first four years of the Victorian Transport Plan making an unprecedented investment of more than $3 billion in transport infrastructure which will secure thousands of Victorian jobs.

Mr Lenders said highlights of the record level of investment in the State’s transport system included $650.6 million for 20 new X’Trapolis trains, $562.3 million to extend the Epping line to the growth suburb of South Morang, $204.6 million to electrify the Sydenham line and $354.3 million for the 25 kilometre, toll-free Peninsula Link project from Carrum Downs to Mt Martha.

“The Brumby Labor Government’s 2009 State Budget starts the delivery of our $38 billion Victorian Transport Plan, which will create a world-class transport system for the State,” Mr Lenders said.

Building a Better Health System

The 2009 State Budget provides the State’s hospital and health services with a $2.6 billion boost to improve Victoria’s health system, help Victorian families and secure thousands of jobs.

Mr Lenders said highlights of the health funding boost included $780.9 million over five years to significantly boost cancer treatment, acute care and sub-acute services in Victorian hospitals and $281.3 million to build better hospitals and health, aged care and mental health services across the State.

The funding boost will pay for an additional 600,000 treatments including 350,000 admissions this year, than in 1999.

“Victoria has Australia’s best health system and we are taking further action to make our state’s hospitals even better to help Victorian families in tough times and for the future,” Mr Lenders said.

A Record Emergency Services Budget to Keep Victorians Safe

Victoria Police has been provided with a record $1.9 billion budget to keep Victorians safe in the 2009 State Budget.

Mr Lenders said a boost to the State’s emergency services resources included $48.5 million to replace various CFA and VICSES appliances, vehicles and equipment over the next four years. This is in addition to the $56.2 million provided to the Emergency Services Telecommunications Authority to improve its capacity to manage calls and dispatch units with the Country Fire Authority, Ambulance Victoria and the State Emergency Service.

“The Brumby Labor Government is making the right investments to keep Victorian families safe and rebuild after the bushfires,” Mr Lenders said.

Mr Lenders said the Brumby Labor Government would also provide funding later this year to implement recommendations of the 2009 Victorian Bushfires Royal Commission in their interim report due in August this year ahead of its final report due at the end of July next year.

Disciplined Financial Management

Mr Lenders said that in the 2009 State Budget the Brumby Labor Government had delivered the tenth budget surplus in a row since 1999, providing a $165 million buffer for the coming financial year and a surplus for each of the three following years averaging $349 million.
“The 2009 State Budget builds on a decade of disciplined financial management and lays the building blocks for Victoria to capitalise on the worldwide recovery from the Global Financial Crisis,” Mr Lenders said.

Mr Lenders said Victoria’s economic growth was predicted to be affected by the Global Financial Crisis next financial year with growth of 0.25 per cent followed by growth of 2.25 per cent as improvements in global economic conditions create a recovery in domestic business investment and consumption, which will drive economic growth in the 2010-11 financial year.

He said that unemployment would continue to be the world’s primary economic challenge with Victoria’s predicted unemployment rate reaching 7 per cent next financial year and 7.75 for the three years afterwards.

Mr Lenders said the Brumby Labor Government remained committed to having as competitive business environment as economic circumstances allow.

“The Brumby Labor Government is rebuilding after the bushfires and helping families through the Global Financial Crisis, while keeping the budget in surplus and delivering more jobs, world-class infrastructure and a strong safety net for Victorian families,” Mr Lenders said.