

# VICTORIA

## BUDGET SPEECH

*Delivered on 3 May 2005*

*by the Honourable John Brumby, MP*

*Treasurer of the State of Victoria*

---

Speaker

I move that this Bill be read a second time.

### INTRODUCTION

This budget is about opportunity and prosperity.

It is about using the proceeds of a strong and dynamic Victorian economy to invest for the future – generating new opportunities and greater prosperity across the State and making Victoria the best place in Australia to raise a family.

After five years of strong economic and employment growth, Victoria in 2005 is vital, energetic and optimistic about the future.

That confidence and optimism is attracting more people to our State.

In the past year, Victoria's population growth has exceeded the national average for the first time in 40 years – and Melbourne is now growing more rapidly than Sydney.

People want to live here. They want to work here. They want to invest here. They want to raise their families here.

They are coming here because they know that Victoria is driving ahead.

But more than that: they know that Victoria is a State of opportunity.

They know that this State aims to create as many new opportunities as we can for individuals, families and small businesses – from the inner suburbs of Melbourne to the smallest country town.

They know that we aim to give every child the best start in life.

We aim to give every young person the best shot at a first class education.

We aim to give our most disadvantaged people and places the support they need.

We aim to make sure that all Victorians live in clean, healthy and safe communities where their contribution is encouraged, valued and rewarded.

Speaker – the 2005-06 Budget continues to deliver the sound financial and economic management needed to meet these aims and aspirations. The budget continues to build a strong and secure economic future for Victoria, while making sure we go forward as a place of fairness, prosperity and opportunity.

## **A STRONG, GROWING AND DIVERSE ECONOMY**

Speaker – over the last five and a half years, the Government has delivered a forward-looking economic agenda that is building Victoria's reputation as a competitive, innovative and globally connected economy.

We have invested to record levels in education, innovation and infrastructure.

We have cut business costs.

And we lead Australia in competition policy, regulatory and taxation reform.

Unemployment is down and is expected to remain low.

More than 278 000 new jobs have been created and last year Victoria generated more jobs than any other Australian State or Territory.

There is more diversity in the range and type of jobs available, our workforce is more highly skilled and our labour force participation rate is the highest since 1990.

Victoria is also tackling the national skills shortage better than any other State – and last year, traineeship and apprenticeship completions in Victoria were the highest in Australia.

The great success story of Provincial Victoria also continues. In March, the Government achieved its target of facilitating \$600 million worth of investment in Provincial Victoria – three months ahead of schedule. Since 1999, we have helped attract more than \$4.3 billion in new regional investment.

More than 70 000 regional jobs have been created and regional population growth is now above 1 per cent per year – compared with the mid-1990s, when people were leaving our country cities and towns in droves.

In the past year, strong employment growth, business investment and consumer spending have driven Victoria's economic growth.

But there are challenges ahead.

Recent national accounts figures confirm that the Australian economy is slowing down.

On the international front, the rise in commodity prices is also putting upward pressure on business costs and the exchange rate, affecting Victoria's trade exposed sectors such as agriculture and manufacturing.























