



2023 VCOSS Treasurer's Breakfast

Full transcript

Look, I'd like to start by acknowledging the traditional owners of the land on which we are meeting, the Wurundjeri people, and I pay my respects to their elders past and present and the aboriginal elders of other communities who may be here today. So the Andrews Labor government is committed to truth, treaty and self-determination for Victoria's first peoples. Just as we support a Victorian voice, we support the establishment of a voice to our nation's parliament. And of course, thank you to VCOSS for having me back here. You are incredibly consistent in inviting me back. There are some places I think at the moment who are reconsidering their hospitality to me, but VCOSS have been consistent and it's great to be here again post-budget and might I say, great to be here for lunch. I get to sleep in this time and most times when I come here for breakfast, you have me for breakfast, I just sit here talking and I didn't get anything to eat. So I'm really thrilled to be with you today. I'd like to take a moment to thank everyone in this room for the important job that you did, you do in supporting Victorians in need. And of course given the circumstances, the existential threats that we as a community faced during the pandemic, you were the frontline in many respects. And can I tell you that there is enormous respect within the government for the work that you did. So this is a budget that looks after people and it also looks after the future. It's two budgets in one. We're paying off our COVID emergency debt, the credit card that we use to save livelihoods and keep businesses whole. We're ensuring that while our kids might well have quite vivid memories of COVID, that they won't have to be paying for it. These measures are temporary, they're targeted and above all they're responsible. That's the one side of the story. On the other side is continuing to invest in jobs and the projects that build our state. We're doing what matters. We are delivering the commitments that we took to the election six months ago, every one of them, every one of them fully provisioned for. We're building the hospitals, the schools, roads and rail that Victorians need not just now, but for the next 10, 20 and 30 years. We're investing to keep Victoria going and growing as fast as we can, and we are continuing to put jobs at the top of the tree. Let me take you through the key points of the budget. Last year we took a positive plan to the Victorian people. Now, it was a plan for better hospitals, world class schools and the road and rail that our growing state needs. It was a plan for cleaner, cheaper renewable energy, a plan for the very best start in life for our kids and a plan to help Victorians with the rising cost of living. It was a plan to keep doing what matters. This budget funds every election commitment we made. We do this because our

economy is strong. You'll remember that the first step of our fiscal strategy, you probably won't, not too many people do actually, but it's very exciting and I'll take you through all four steps. It was delivered in November, 2020, our first step of our fiscal strategy is to support jobs and we've delivered that in spades. The unemployment rate is below 4%, as it has been for the past year. Now, that's the first time that's happened in the last 50 years. So that's an incredible performance for the Victorian economy. And it really does tell us exactly how resilient the economy is. Since September, 2020, the Victorian labor market has added 440,000 jobs with four out of five of these being full-time positions. Now, if you think about that, since the low point of the economic cycle, September, 2020, that means that of all the jobs in the Victorian community today, one in eight of them didn't exist back in September, 2020. That's how fast our jobs growth has been. And that means that we've achieved the target that we outlined in our jobs plan back in November, 2020 when we said that it was our intention by 2025 to create 400,000 jobs. A lot of people just fell around the place laughing, saying, from the point of view of the place we're at the moment, that just can't be done. We backed ourselves and Victorians backed themselves and that's why we're in the position we are today, two years ahead of schedule, 444,000 jobs and they aren't of course just numbers on a page. Every single one is a story of hope, of opportunity and of progress. The underemployment rate is also around a 20 year low. This budget strengthens progress against our fiscal strategy. The first step is to create jobs and to restore economic growth. Given that we're running about 25% faster in economic growth, GSP versus GDP terms, the national average, we're doing exceptionally well, and I think we can put a tick in that box. The second step is to reach an operating cash surplus. We'll deliver a higher cash surplus in '22-'23 than predicted in the pre-election budget update of \$2.9 billion and continue to forecast operating cash surpluses right across the forward estimates period. That's in next four years, the budget in the next three years. The third step is to reach an operating surplus, and I'm pleased to say that the budget we are forecasting is producing an operating surplus of \$1 billion in 2025 and \$1.2 billion in '26-'27. The fourth step is to stabilize debt. Now we're making progress in this budget, but we're not quite there yet. You have to really deliver operating surpluses before you can hope to get to a point where you're stabilizing debt. But we're getting close. So this budget is in two parts, as I say, doing what we said we'd do and delivering on the COVID Debt Repayment Plan. When the pandemic hit Victoria, we acted quickly and decisively in order to keep the community safe and to invest in the long term resilience of our economy, to prevent economic scarring that would in effect have left a generation out of work. And it's not over-egging the situation to say that this was a very real possibility, when we look back. We know that after World War I, we saw an entire generation that were lost to the economic cycle. And we know that a failure to deal with countercyclical investment at that time led to a much longer term and worse position for that community, a lost generation. Then along came the Depression. And for the first half a dozen years of that Depression, the actions of governments were against the interests of the community but rather more concerned about their own balance sheets. Thank goodness, of course, along came the New Deal and things changed. As I say to many of my treasury colleagues, we're all Keynesians now, during the heat of the pandemic, we all had to rate the wellbeing of our communities above the wellbeing of our balance sheets. And Victoria did that, not because I enjoyed spending that money, but I knew it was our obligation not only to the community at the moment, but to the future. So we had to borrow \$31.5 billion to save jobs and to save lives and to get through. And we're not the only government in this position, but we are the only government with a plan to manage it with our COVID Debt Repayment Plan. With the economy strong, now is the time to confront the situation squarely to repay the COVID debt that kept victors going during that pandemic, and we'll repay that debt over the next 10 years by 2033. The plan is temporary, it's targeted and above all it's responsible. The repayment plan is structured in a way that, responsible and proportionate to ability to pay. We know some did better out of the pandemic than others and it's only fair really that those that did well contribute to the repayment effort. There are three parts to the plan: the COVID debt levy, the government rebalancing effort of the public service and the Victorian Future Fund. Before COVID, we had that sort of debt that you take on to build, to invest, to grow an economy for the future, but with the pandemic emergency additional to that we borrowed to keep Victorian safe. These two different reasons to borrow will be understood by any homeowner with both a mortgage and a credit card. We're not going to cut the mortgage that's building our big build, but we are going to pay off our COVID credit card. We're not the only government, as I say, in this position, and we are the only government with a plan to deal with that debt. This will ensure that we manage our finances responsibly so that we can keep investing in health, education, cost of living, transport and infrastructure and the things that matter to Victorians, the services that so many Victorians depend upon. After 10 years, the levy will end and the debt will be where it would've been without the pandemic, kicking the can down the road really is not an option for us. Now I'd like to take just a

moment to talk to you about tax reform because nothing could be more exciting on a Friday afternoon than to talk about tax reform. Yeah, I'm not a lot of fun to have a drink with it either, I can tell you that. So I'd like to take a moment really to highlight something that I'm really proud of in this budget, something that has been possibly missed in the news cycle. It might not make the front page of the tabloid press, but it's good policy that goes to the heart of why all of you are in the room here today. It's about fairness. This government is making changes to expand concessions to support families providing a home for a relative with a severe disability. At the start of the year, a middle-aged woman, I'll call her Janet, wrote to me, she told me how her parents had recently passed away and that they had left the modest house that they owned to her and her severely disabled brother. Her brother had lived in the house with their parents and continued to live there and Janet wanted to gift her inherited share of the house to her brother to give him a more secure future. However, such a gift would've given rise to stamp duty which she couldn't afford. She also looked into putting her share into a special disability trust, an invention of the Commonwealth government designed to deal with these kind of circumstances, but it was going to cost her thousands to set up and then thousands more each year in legal and accounting fees. So, to help Janet provide more security for her brother's future and to help other families in similar situations, in this budget we're expanding tax concessions from stamp duty and land tax for families providing a home for a close relative with a disability, including those for whom a special disability trust just doesn't work. While of course this is not an option for many families, where families want to help and have the capacity to do so, we want to help them. We're also making some land transfer duty changes to make it fairer for pensioners and concession card holders. The existing concession disadvantages pensioners or concession card holders who live alone. And single pensioners in particular are often women. The threshold applying to them are much lower than the thresholds applying to couples, even though singles have similar housing requirements and typically have lower incomes. Currently a single pensioner gets a stamp duty exemption only if the property they are purchasing is less than \$330,000. The thresholds for couples is double that. We are making the concessions fairer by increasing the threshold, applying to single pensioners and concession card holders and applying the same threshold to both singles and couples. Pensioners and concession card holders alone or in a couple will have access to the same threshold as first home buyers with a concession available for properties worth up to \$750,000. And we're also introducing waste levy relief for charitable recyclers. I can't believe it's taken this long for us finally to fix that up. It's been going on for well over a decade and a half. As I said, this is a budget in two parts and we're also delivering all of our election commitments and continuing to invest in the services Victorians need. I'll now take you through the top funding commitments over a handful of slides. I know you'll be keen to ask some questions, so I'll keep this section really just to the greatest hits and memories. This budget provides a further \$4.9 billion to help our health system emerge strongly from the pandemic. This brings our additional health investment to more than \$54 billion since coming into government in 2014. We're funding extra nurses for our hospitals as well as making it free to study nursing and we are strengthening nurse to patient ratios. We are doing design work to rebuild and upgrade several major hospitals, including the Northern Hospital and the West Gippsland Hospital. We're also delivering eight powerful PET scanners to health services across the state, including to Ballarat Base Hospital and of course Werribee Hospital. Women and girls everywhere are still not having their health issues taken seriously, which means that they wait too long for treatment. Often the health concerns are ignored, they're misdiagnosed, or they're diagnosed late. We'll give women's health the funding it deserves, with \$63 million for 20 new women's health clinics, a dedicated aboriginal-led women's health clinic and mobile clinics and we'll help more Victorian families access public fertility care with \$50 million to fund up to 3,375 treatment cycles per year. We'll fund thousands of extra surgeries to deal with endometriosis, which afflicts one in nine girls and women. These investments are part of our plan to transform women's healthcare, ensuring that Victorian women have access to the support and treatment that they need and deserve. This budget continues our important work of rebuilding the state's mental health system from the ground up. We're committing \$776 million to dedicated mental health services and better health in the workplace. We're implementing every recommendation from the Royal Commission into Victoria's Mental Health System just as we promised we would. This will take a decade or more. The Royal Commission found Victorians needed more mental health support closer to home. So we are delivering 50 new mental health and wellbeing locals across the state. 27 of these services are already underway and the budget delivers three more, and the plan's to deliver a further 20. And we know that the cost of living is tough and it's holding some families back. So we're helping where we can. For too long parents have sat around kitchen tables doing complicated sums about whether it's really worth both of them going back to work after starting a family, and that's if you can even find a childcare place. This has hurt family budgets, and it's hurt, might I say, our

state's bottom line as well. It's taken about 26,000 women completely out of our workforce and cost our economy billions a year in lost earnings alone. So we won't let this keep happening. I was asked a question recently about the impact that changes that the state was making around land tax and the impact that that might have on the Commonwealth's capacity because of course land tax is a claimable business claim against the Commonwealth. And I said, well, you know, we are making a very substantial investment in best art, best life as well. And guess who the principle beneficiaries of that are? 'Cause we all swim in the same economy. It's a Commonwealth government. As we are producing more taxpayers, women returning back into the workforce, we are bolstering the Commonwealth's capacity as well. And don't let me even get started on Early Intervention Investment Framework and how that takes welfare beneficiaries and drags on government services straight into the productive sector of the economy. Once again, a benefit for the Commonwealth. So this is I think one of the most, one of the biggest economic reforms this government will ever undertake. Getting women back into the workforce or at least giving them the choice to be able to do that, and also our capacity to connect with young people going through kindergarten for the first time and be able to monitor their progress and give them the support and as assistance as early as we can does in fact give, provide for the best start in life. So we are delivering an ambitious overhaul of early childhood education and care to help parents get back to work. We're giving more preschoolers access to early childhood education along with three and four year old kinder right across the state. Our free kinder will spread opportunity equally for kids. It'll save money for families up to about \$2,500 alone in this year. In other initiatives to ease cost of living, we are bringing in the fourth round of the Power Saving Bonus with \$250 to help households pay their bills. We're helping our service men and women with the cost of living by introducing the Victorian Veterans Card and that'll give vets discount on vehicle rego and free fishing and boating licenses. We've also slashed the cost of train travel across the state, bringing regional fairs into line with metro fairs, because of course a trip from Ballarat to central Melbourne is just as important as a trip from Hawthorne. And the list goes on really with, we've also invested \$17 million over four years to continue our Baby Bundle program, \$17 million to expand the Smile Squad Free Dental program to low fee, independent and Catholic schools, \$16 million for Solar Victoria to provide interest free loans to install solar batteries and storage systems to eligible households, \$10 million to deliver free car registration for our hardworking trade apprentices, \$16 million to provide pads and tampons in every government school free of charge. We're also delivering on our promise of free pads and tampons, 1500 dispensing machines, 700 locations. This is an Australian first and we're getting on and we are delivering it. I'm extremely proud to say that this budget delivers the biggest single investment in care services in Victoria's history. We're investing \$535 million towards giving children in residential care the support that they need. I know how important it is to this sector and I'm grateful for the work that you are doing, particularly with vulnerable kids. The budget also invests \$140 million to reduce Aboriginal overrepresentation in child protection and family services through culturally appropriate care led by the aboriginal community. \$11 million to continue trials to embedded family services in universal settings such as schools, early year services and community health hubs. We've implemented every one of the Royal Commission's into Family Violence's 227 recommendations and it's why we've invested \$3.7 billion over the past eight years to keep women and children safe, and why we're investing another \$117 million to support victim survivors of family violence and hold perpetrators to account, including Aboriginal-led services by delivering perpetrator intervention programs, keeping victim survivors safe in their homes, increasing sexual assault support services, and providing specialist family violence legal assistance at court. So every Victorian should have a place to call home. That's why we are investing in further initiatives to support those in need, including 68 million dollars to deliver a Housing First response, including housing and multidisciplinary support services for those rough sleeping and experiencing homelessness, \$33 million to support around 225 young people with complex needs leaving residential care and other settings, \$9.1 million dollars to Pathways to Home program to help people with disability make the transition out of hospital beds and into home-like settings equipped to meet their needs. And we'll also have more to say later in the year. And work is already underway with regard to housing and homes for particularly our most vulnerable Victorians. As this nation heads towards a referendum, there has never been, I think, a better time to reflect on how we can better respect the aspirations of first peoples. At close to half a billion dollars, this budget is the largest whole of government Aboriginal investment affairs investment on record both for the Andrews Labor government and might I say in our state's history. This includes funding for community control organizations because we know that the best solutions, of course, are community led. We'll also provide \$82 million for the First Peoples' Assembly of Victoria to enter historic treaty negotiations. And this investment is a statement really of the values of this government, one that has shown the nation what it truly means to listen to aboriginal people. Our world's first Early

Intervention Investment Framework embeds action that offers life-changing results. It's smart policy, it saves money, that helps people before they reach a crisis. This year we're investing \$677 million our largest package on record, which will return, we estimate, about a billion dollars worth of benefit to the budget over the next decade. Year by year, our cutting edge Early Intervention Investment Framework is growing, saving money for Victorians, but most importantly changing and saving lives. There are 22 Early Intervention Investment Framework initiatives in this budget. They include things like expanding the forensic community mental health workforce to support adults with serious mental health needs who are in contract or at risk of coming into contact with the justice system, delivering a housing first response along with multidisciplinary support for young people leaving residential care, addressing the causes of offending, reducing future justice demand, identifying supporting early school leavers who are lost or disengaged from education and the training system through enhancing pathways to complete year 12 and supporting data infrastructure. Now I know that indexation is a pretty hot topic in this room. This budget provides an increase in overall funding to the sector on top of last year's budget funding with the rate of indexation to funding for '23-'24 significantly higher than the historic rate of 2%, reflecting the wage and cost pressures that your organizations have experienced recently. So the budget provides an increase in indexation on last year's budget outcome. The funding over the forwards should give some certainty to your rules. So we are breaking the habit of a lifetime and starting to fund for the full four years of the forward estimates. But we've heard your concerns and we are listening. We'll continue to work with the sector, recognizing that we're probably not there yet in terms of issues around adequacy of the funding in the current year and beyond. And that means that we'll have to work together to find out what a fair and appropriate indexation rate is to make sure that you're appropriately funded to deliver the services that Victorians need. And I got to say, this is an open and ongoing conversation with you all and I want you to know that we'll always work with you in good faith. We value the critically important work that the community services organizations do. We deliver, who deliver of course critical services to some of our most vulnerable Victorians. I know everyone in this room believes that our society can be fairer and that's the work each of you recommit to every day that you turn up for your job. You support those in our society who need it the most, whether that's older Victorians, women and children, people with disabilities, or those who don't have a home. So I believe a continuation of that commitment from you all, which we're seeing in very tangible ways and have seen most recently, will ensure that Victorians are able to look after those most vulnerable in our community and can have the confidence that they're adequately provided for. That's why we've committed to a Fair Jobs Code for community service organizations and that's why we've put in this budget \$15 million to assist the sector to transition to the Code. We want to make sure that each of your organizations commit to standardized work practices and to secure work where possible. We are prepared to incentivize the transition to support your organizations to commit to this code through fair and appropriate rate of indexation. So our government will continue to support the important work that you all do and that support of course must extend to your workforce. We'll do this in close collaboration with the sector to ensure a code that works for all fairly. Of course we start that work with that \$15 million transition to the Fair Jobs Code, but I would be the first to acknowledge that that would be far from adequate to get to where we need to go. So this is an opportunity really for greater collaboration with the sector and I'm looking forward to working with you all. So, thanks for taking the time to listen to me. I know it was a bit of a long shopping list and I'm sure you have plenty of questions, so I'm happy to take any questions from you. Thanks.

- I've got a mic on stand here. That's why I kept my intro very brief. I know this is the bit that we're all excited for, the questions. What we'll do is we'll have some roving mics floating around. If you want to ask one, introduce yourself, try and keep the preamble short and I will kick things off. Critics have described this budget as mean and nasty. Some have been a little bit kinder and said it's difficult and tough. How would you describe the budget that you just handed down?

- Well, I'd describe some critics as mean are nasty too. Put that to one side. Look, this is a budget that really recognizes that we are looking after those in the community who continue to have long-term difficulties and we have to recognize that pandemic has left scarring in the community. Second thing we have to do is not lose the economic momentum that we've built up. So as a government, we continue the hard work of growing the economy, investing in the infrastructure for the future. And the final thing the budget does is it makes sure that we pay off the COVID debt. So the investment in productive growth of the economy, that's one thing and we can all have a debate about what constitutes appropriate levels of investment and appropriate debt levels. But

the one thing we can't take for granted is a dead weight of spent investment protecting the community doesn't generate growth going forward. So we have to red circle that and get rid of it as quick as we can.

- What do you make of some criticism that this budget is engaging in like class warfare or the politics of envy?

- Well, you know, I've been Treasurer of the State for nine years now and I don't know that I've ever been accused of being class warrior, but perhaps it's a title that just doesn't sit comfortably with me. The fact that as a government, we care about those who need assistance and who are most vulnerable, well, I'm proud to say I'm happy to wear that tag of a government that cares about the welfare of the most vulnerable. Secondly, we do recognize that there has been economic winners out of the pandemic. I mean, metropolitan Melbourne rents, advertised rents have risen by 25% in the last 12 months, and one in three households are rental households. So some people are bearing a burden as a consequence and others are doing reasonably well out of the event. We know also that corporate profits are about 25% above where they were three years ago, right across the nation, close to a trillion dollars of profit has been made over the last three years. So I don't begrudge a profit. In fact, it's pretty hard to tax people if they don't make a profit. So please, continue making profits where you can. But it's important that we all recognize that we have a collective responsibility to our welfare. So I believe this is a budget about fairness and making a contribution where we can.

- I've got a question over here. Do you want to introduce yourself? Tell us where you're from.

- Deborah Di Natale, CEO Council to Homeless Persons. The first thing I'd like to say, Treasurer, is congratulations to you and your government for what is an outstanding commitment of \$5.3 billion to the Big Housing Build. At Council to Homeless Persons we've often said we need 6,000 additional social housing dwellings in order to meet demand. So I'm keen to hear from you what the government's plan is post the Big Housing Build.

- Yeah, well, the Big Housing Build was big and I think it sort of shifted the dial in many ways. And importantly, I think, as a government, we've got to recognize that we are going to have to keep the investment up in this area. Now, we haven't made any decisions about what and how, but the Premier has made it clear that we are doing work at the moment and we expect to be able to produce strategies around what we'll be doing in this area around about September at the latest. So it's really about making sure that we can continue the momentum that the Big Housing Build has put in place, recognizing that we have to continue to commit ourselves to facilitating a multifaceted approach towards housing, recognizing that from all cohorts in that market, from the homeless, where we've put an enormous amount of investment over the last three years, and clearly we still need to do more. But looking at the fact that we don't have adequate means by which we facilitate more robust reflections of what a community should look like when we build housing, how do we reflect upon that and how do we incentivize developers to be able to get us to where we need to go? So we don't have any announcements to make at the moment, but I think if you could take one thought away, we are a government that is committed to social justice and fairness and housing is one area where I think it's starting to get away from the community and it will speak volumes about where our priorities lie as a community if we don't take action to redress the ever, the increasingly inequitable nature of our housing supply.

- So another one on table four, I think, it's a great table.

- Hello Treasurer, Emma Greeney from Mental Health Victoria. Obviously you referred earlier to the Early Intervention Investment Framework and it's been a few years now that the state government has utilized that initiative in the budgets. I'd be keen to hear your reflections on whether this has shifted the approach that Victorian departments take to their bids and their investments and whether it has resulted in an increase in, say, proposals in justice reinvestment or similar areas. Do you think it's having that desired effect on the way that our departments structure their bids?

- That's a really good question, Emma, and it's, I've got to say it's taken a while for my office to get my social conscience in alignment with my fiscal responsibilities, but they've converted me and there's nothing more exciting about something than a new convert. And I believe that Early Intervention Investment Framework does

open up enormous opportunities. It gets us to pick up that old adage of a stitch in time saves nine. That is, that if you identify a problem early, you don't have to deal with down the track acute presentations of the very same problem. So whether it be in our criminal justice system, you know, avoiding people getting into the justice roundabout or whether it's alcohol and drugs and early prevention of greater levels of addiction and harm... There are so many areas where we've seen, if governments just thought a little bit beyond, I've got to throw money at the acute presentation, but I'm not prepared to avoid the acute presentations because it's not as urgent. So I'm trying to remember the number, I think it's about \$675 million that we put in this budget for a variety of Early Intervention Investment Framework proposals. And what is really interesting about this is when we first started this about three years ago, we had to look long and hard and we actually had to construct with the department and Treasury what we call the EF proposals. What we've found in this budget is departments have finally twigged, hey, there's real money that we get out of this. Now the way it works, of course, is we'll give you money early, but we'll factor out over the forward estimates and beyond a return to the state by reducing the spend on some of your acute services, because the theory goes, I give it to you early, you avoid those acute presentations down the track. And a lot of departments are getting very excited about this and Treasury have massively got with the program. This is a world first in terms of the way that we as a government are budgeting. And I see great potential for it, and my hope is that I'll be able to extend it, because if we can get agencies to know that, you know, you can come to Treasury and Treasury will work with you to get up an Early Intervention Investment Framework proposal, we're starting to adopt the strategy, we are from Treasury, we are here to help. We've got a way to go yet before we'll convince everybody. But this is really groundbreaking stuff and a real credit to the people in Treasury who've been able to finally land this policy.

- Seeing one at number nine. Hi.

- Thank you, Ben Vasiliou, CEO at Youth Projects. Thank you, Treasurer. Good to see you. You acknowledge that we are currently experiencing quite a significant drop in unemployment, it's at the lowest rate it's been for quite some time, but when it comes to youth unemployment, the rate in Victoria is two and a half, three, in some regions, four times the adult rate. What is this government doing to invest in making sure that vulnerable young people get access to meaningful work and can sustain that meaningful work? And what does that mean for the funding over the forward forecast for Jobs Victoria?

- Yeah, well, Jobs Victoria's been on an interesting journey. I think it's true to say we invested something like \$600 million in Jobs Victoria in November, 2020. It was an enormous amount and you'd probably have to go back to that time when we were seeing so many people lining up the front of Centrelink on the evening news. We thought we were going to be in a position where the entire economy was going to be disabled, like nothing we'd seen since the Great Depression. Luckily our greatest fears didn't realize. But as part of our jobs plan to create over 400,000 jobs over four years, we put a lot of effort into cranking up the capability and capacity of Jobs Victoria. The fact that our greatest fears did not realize for the community at large, I think was a good thing. But we've done an amazing work contributing to that jobs plan through Jobs Victoria, that's helped tens of thousands of Victorians find work. What we are doing and of course with a community wide rate under 4% now, I think the idea of a mass produced Jobs Victoria is probably not required, but what is required is that we have to recognize that we will be making an ongoing and continuing investment in Jobs Victoria for those at risk and most vulnerable in the community. So we've made provision for that for Jobs Victoria. And I might also say that we've had some really useful conversations with the Commonwealth government about these matters. I've spoken to Julian Hill about it. They're very excited about what's been going on with Jobs Victoria, the idea of bespoke support for those most vulnerable in the community. So I'm rather hoping that we can see that the groundbreaking work we've done in this space will be picked up by the Commonwealth in their next budget. I'm hoping that, and we'll be advocating for it, because we basically stepped into the breach when we didn't think a Commonwealth government was really concerned about the sort of hardship community was going to face. Now we know that we've got a partner in the federal government and we'll see what part of that work they want to take on.

- Table 25.

- Kathleen Maltzahn from Sexual Assault Services Victoria. Treasurer, given the pleasure from being a new convert, I've got another area you might want to be converted on. We think that you can make many parallels around investment in intervention around sexual assault, obviously prevention and stopping it happening in the first place, but also fixing our court system so that when people are sexually assaulted, when we fail to prevent that, they get a good response and when they seek services, they get a good response. The Law Reform Commission handed down at, you know, the instigation of your government, a very, very good report. So my question is, what's your thinking about investing in that report? And if I can be a little bit techy, the other question is, can we come and talk to you about it? Because we'd love to talk the economics of it as well as the community care side of it.

- So the answer is, can you come and see me? Of course you can. I'm one of those politicians who likes to say my door is always open and I try to at least sound convincing when I say it, but I generally do mean it. I've found that if you want to be a good minister, listen to people, and I've become very good at letting people down if I don't see that we've got a capability to necessarily accommodate the things that you want, but good ideas are something that governments have to be alive to, otherwise effectively all you're doing is listening to yourself, and you marinate in your own ideology. So I'm more than happy to catch up with you at some time. But on the issue of sexual assault, family violence more broadly, as you know, we're got 227 recommendations out of the Royal Commission into family violence. We've made some significant progress in investing in services around family violence. And I'm sorry if I equate them as both because there were recommendations that went to both issues, sexual assault and family violence. But we are leading the nation in this area. It's why of course in the budget we've put \$3.8 billion over the last nine years into this area with another \$117 million being added to ending family violence and sexual assault through crisis management support and also behavioral change programs. And also there's specific support for aboriginal frontline family violence services and those with complex needs. Having said that, yeah, we'd like to talk, see if there's anything more that you think we should be doing or could be doing.

- There one, down table 13.

- Jayne Dullard from EACH Health and Support Services. Treasurer, there is overwhelming global evidence now that hospitals are dangerous places and that most people, particularly those from disadvantaged backgrounds, recover faster and better when they're cared for at home or close to home. This budget has put, I think, \$320 million into the Health Infrastructure Development Fund and taken money out of the already very small community health services budget. When will this government start to move in the other direction so that people can be cared for in the community and close to home?

- Yeah, look, I think firstly, \$320 million is in many ways of quitting what we said we would do in the budget. But there is a need for continuing work in this space and I commit as a government that we recognize those obligations and those responsibilities. With regard to the issues of community health, we are making particular contributions as I work my way through my speaking notes.

- Plenty of notes there, Treasurer.

- I do when I have a very shallow memory, but here we go. Regional community leadership investment is one of the areas where we see that there is an important opportunity to grow. Our regional health organizations in this year got essentially continuing funding, our biggest health pipeline in our history. And that 320 million dollars for that Infrastructure Delivery Fund, that'll undertake detailed design and planning work for seven new and upgraded hospitals, including the two that we've mentioned in Wonthaggi and West Gippsland. The budget gives a boost to healthcare across the region with \$20 million to support 25 priority primary care centers, eight in regional Victoria, and we're also putting in \$44 million to deliver eight PET scanners right across the state. So on the community healthcare issue, we're not cutting community health services, changes were made and they were announced last year in the budget to consolidate community health promotion into our local health, our local public health units. And that was aimed to publicly and actively promote healthy eating, active living and tobacco related harm. We'll continue to work closely with the health services involved in the program to

understand exactly how they implement any changes to their funding. But so far as we're concerned, we're not winding back that funding, we're just reflecting it in the way that we said we would in last year's budget.

- That's table 18. Can you stand up as well, if that's okay? I forgot to tell you guys to stand up.

- Hi, Hi, Treasurer. Michael Perusco from Berry Street. Just couple of comments and then a question. So the first comment is, I think the revenue, the tax revenue measures in the budget were really responsible and fair. And I say that as a person who has a second home, so I got skin in the game. Second point was that you mentioned in your presentation the increase in the investment in care services. We've had discussions about that, you've had discussions with the sector over the last couple of years and it's absolutely fantastic to see that level of investment. It means that all kids in residential care are going to get the therapeutic care that they need. So it's really going to change lives and I think it's really fantastic that you listened to the sector and you made the investments. So thank you for that. Also, appreciate your comments in relation to indexation and the preparedness to look at the rate, we're all under severe cost pressures and it's really important that we get to a point where we are funded fairly. Just interested, given that we are preparing our budgets at the moment, what is the timeframe in terms of looking at that increase?

- As soon as we can, quite frankly. I mean, I'd like to have discussions with the sector and I want this to be a tripartite type arrangement. I want the relevant unions to have a say as well about what constitutes a fair jobs code and whether or not we've provisioned adequately for this industry to make that commitment as well. So it's obviously going to be more than we've provisioned at the moment. I'd like to see exactly how far apart the CSOs and the unions are to see if we can, and what their respective expectations of a jobs code looks like too, because it may well be that the expectations are too high in certain respects from the union movement, at least in the short term, for it to be achievable by some of the employers. So how do we go through a system that gets us to what are fair practices in this industry? So it'll take as long or as little as it's needed, but I would hope, be given that these discussions have been going on for, I dunno, 12 months now, that we should be able to get to a point. And I understand that means that the state is going to have to provision more for it. We put \$15 million aside to assist those who want to do some of the leading and apply for a capacity to make the transition. But we recognize that there's going to be a need for some ongoing funding as a consequence of what a completed package looks like. Can't really put any do dollars around that until I know exactly what the commitment to the code looks like and whether or not we've got a tripartite agreement, that is whether the unions see it as value, whether we as a government see it as value... But look, I don't have any great expectations that this should take too long. I would probably hope that we could knock it over inside six weeks.

- Table number 13. Hello.

- Hello, Treasurer, Travers McLeod, executive director of the Brotherhood of St. Laurence. I thank you for a comprehensive overview and as Michael said, what you've just said about indexation and congratulations in particular for the big investment into early childhood development, which has been done with other jurisdictions and now the Commonwealth. I wanted to come back to what you said about Jobs Victoria. Now, there's a huge focus federally on the Workforce Australia Employment Services System as the white paper, a desire for a much broader full employment target, which is terrific. And as you said, the '21-'22 jobs plan did invest, you know, 620 million into Jobs Victoria at the heart of the pandemic. But do you worry that the dramatic downsizing of the Jobs Victoria presence is too abrupt and too fast? I think it's 25 million this year. There's an enormous amount of capability, talent, connections to employers, systems data about what works that we know that Julian Hill's committee is looking very closely at a better way of delivering employment services. And we know that in this state there are still around 600,000 people that want to work or want to work more. Do you worry that Victoria might be disadvantaged in negotiations with the Commonwealth, which will take some time with the right probe, the review, without having that capability still on the ground to meet that moment?

- Yeah, thanks. So I mean, these are hard choices, there's no question about it. But in circumstances where, you know, there was high watermark funding provided for what we thought would be, you know, a very difficult employment situation that never really transpired, largely because the federal government, with all its

shortcomings, I think JobKeeper did at least provide substantial insulation for many in the employment market that until that had been clarified, we didn't know where we were going to end up. But I think we can't, as a state government, pretend that we can do everything. We have to recognize that it's got to be a partnership with the Commonwealth. Certainly from my perspective, we're at a point now where, you know, female participation in the labor market's at an all time high, we've got underemployment at a 20 year low in the labor market... So where are the, what continuing role do we see Jobs Victoria has in an ongoing sense? It's obviously dealing with disadvantage and making those investments. Could we have kept it going for another 12 months and then handed it over in complete form to the Commonwealth? I'm not sure that they wanted to take it in its complete form. So I think they too are focusing around how you better target this towards the disadvantaged groups. Now we can have an argument about whether we've adequately provisioned for those disadvantaged groups, but there's a genuine effort on the government's part to make sure that we can keep the system whole in terms that we believe that the Commonwealth will be interested in acquiring it. Nobody wants to see a loss of skill or capability. But in circumstances where I do have to come down from, you know, a \$49 billion expenditure over and above normal expenditure in the November, 2020 budget and a \$26 billion expenditure over and above normal in the May '21 budget, I had to basically bring the expenses into some order of repair. And I was comforted by the fact that the Commonwealth saw a role for itself and is working towards that. So we'd expect to come next budget, there'll be a federal budget, there'll be a capability for the Commonwealth to step in.

- Table number 14 or 16.

- Hi, Treasurer, Keir Paterson, CEO of Neighbourhood Houses Victoria, and your comments about indexation and helping us deal with input costs are really welcome. The other factor though is community need. And so in 2021, you know, we were distributing a ton a day of food relief through the 400 neighborhood houses in Victoria. That's this year, that's increased to nine tons a day. And so my question is, will you look at, so whether ongoing funding programs, will you look at increases over and above indexation where you can demonstrate that there's an extreme community need?

- Look, I think the best way to deal with those issues of peaks in demand, and I'm not going to pretend that we're perfect in being able to see where across the economy there are areas of growing demand where we think given the phase down from the pandemic spend is needed to be maintained and in some circumstances extended. So we're always happy to have a conversation about those matters, whether you think we've adequately provisioned for it. And quite frankly, we'll listen if we think that there's going to be some hardship in the community as a consequence of choices that we've made that work against your organization doing the vitally important work that you do. So happy to have a conversation, can't guarantee you an outcome. But the one thing I hope people in this industry understand is when we say we want to talk, we want a partnership. We mean that quite genuinely. And like if we have made an error, if we haven't picked up a trend that's working adverse to the interest of the community, well, we'll do what we can to rectify.

- Table 24.

- Thanks, Treasurer. Derm Ryan from the Youth Affairs Council Victoria. Firstly, I'd like to congratulate the Victorian government for the investment that they've made in the response to the recent floods. And I also would acknowledge the investment that was made following the bush fires from 2019-2020. I think we can all acknowledge that disasters are becoming both more severe and more frequent. The World Meteorological office has just recommended that there's a 66% chance that we will cross 1.5 in the next five years. When, with all of this happening, when are we going to see proper investment in preparing for disasters in Victoria, particularly with young people? And how are we going to up-skill them and get them ready for the disasters that we know are going to continue to come and be more severe? And particularly, how are we going to include them in decision making? And if your door is open, I would absolutely be very keen to come, not just myself, but some of the young people that we've been working with to sit down and talk about this issue with you.

- No worries. So I'm going to have to issue a card with a number on it and everybody's going to have to take a number and come and see me at some stage. Look, certainly on the issue of the flood damage and the costs that it has added to this years budget, about \$2 billion. And I accept that that's not just emergency support and

remediation, it's about starting to think about what some of those communities will need in an ongoing sense. So it might well mean the need to construct appropriate levies to ensure that communities are better protected going forward into what it will be an uncertain future. There is no doubt, as a government, we accept that climate change is real. And we also accept that governments have to do more than just talk about it. They have to take active steps to invest in a greater and more resilient response from governments at all level when the inevitable consequences of climate change afflict us. So we are, and we'll continue to look at what investments we can make. For example, with a pretty heavy heart, I've got to say, I announced the closure of the native forest industry. In doing that, I knew that the 22 timber towns across the state were going to be pretty existentially afflicted. But we are thinking about, well, what can we apply the employment opportunities in those areas? And most obvious one is forest management and how do we adequately provision for fire breaks? Do we have the adequate heavy material to manage the need for fire breaks being constructed and forests being managed in a long-term sense. So once again, another cost and we've provisioned \$200 million in this budget to do just that. On the issue of young people, look, I don't know about you, but when I talk to young people, I don't need to prepare them for the future or to impress upon them how substantial and real the challenge is. Young people lecture me and probably with a fair degree of justification that there is a generation, previous generations, including my own, haven't picked up on the messages that the planet's been sending us. And we're all going to pay a pretty dear price for it into the future. So how do we get young people prepared? I think it's recognizing that they should understand that as a generation, they haven't been forgotten by those of us in power at the moment. We need to invest in the resilience of our economy and communities now and we need to recognize that progress towards a low carbon emissions future is vitally important and we have to move quickly.

- I think that's time for questions. Thank you all for your wonderful questions. Emma's going to come up but I'm going to sneak one in while she does. Should we be reading into the fact that the Premier came to budget lockup and spent some time with us journalists on Tuesday? Is there some sort of message in that?

- The message is he's a much better salesperson than I am. But look, he raised the idea with me a few days before and I said, this is fantastic. You're not throwing me to the press pack by myself. You're going to be there to support me. And look, he does a great job. If you look at somebody who appreciates the portfolio responsibilities and the complexity of what every minister does, but to have a premier who actually understands the economics and the basic structure and philosophy of this budget and who's been just an enormous support to me being able to put this together. Can I tell you? I'll let tell you a story out of school. This has not been an easy budget to land. And there are a lot of people who have great expectations 'cause my ministerial colleagues, my caucus colleagues, they have great plans and ambitions and it can be quite difficult to tell them, well, we don't have the capacity at the moment and we have to get involved in the process of fiscal consolidation. And to have a premier there, backing you in while you're making those hard choices and decisions has been nothing short of amazing for me. So anytime he wants to come in and speak to people, to tell them about the nature of our policy interventions in this budget, he'd be more than welcome.

- Awesome, Emma.

- Thank you.

- Emma, get down there.

- Thank you. I'm sure that you will all join with me in... Treasurer, you've, I think this is the fifth or sixth VCOSS post-budget event that you've been to. And we always appreciate the candor with which you bring to this event. The fact that you're willing to take lots of questions off the floor and I can stand testament to the fact that when you say come and, you know, my door is open, I'm happy to have the conversation, I know that you are very true to that and your office is very true to that. And we greatly appreciate the opportunity to work with you and with your team, a number of whom are in the room today as well. That relationship is critically important, obviously not only for VCOSS but for everyone who is in the room today. And it's something that we hold in the highest regard. We might not always agree on everything, but I think we can work out how we manage to navigate through and how do we land on the best possible outcomes. And being able to do that is incredibly

important to us. And the fact that we're able to work so well with you really does mean the world. We like to think of ourselves normally as we normally get the Treasurer a gift that we like to think is, you know, something that he'll remember, et cetera. And this year we decided to ask ChatGPT for gift suggestions. So I'll just let you have a quick look. They're up on the board there. Treasurer, we did get midway through making a couple of these and we actually ended up stopping. We weren't sure how the Premier would feel if he returned back with a tiny plush llama with "Pallas for Premier" on it and the opportunity that would bring, I'm not that good at sewing so we didn't do a cross stitch pattern, but we thought we'd leave you with those. But in the absence of any of those, instead we just came up with a small gift as a token for our appreciation. And if you can please join with me in thanking the Treasurer for the generosity and his time today. And I'm looking forward to working with him as we work towards indexation and a fair indexation formula over the next weeks. Thank you, Treasurer. Thank you. And then I need to, it's now my great pleasure to throw to our fantastic sponsor today from HESTA. HESTA are a great supporter of VCOSS and the causes around the country, of this event and indeed our sector more generally as well. HESTA shares a values alignment, a very strong values alignment with many of us who are here today. And I'd like to, I know Debby isn't here today, but I'd like to give a very personal shout out to Debby as the CEO of HESTA who's been a wonderful friend over many years. And it's therefore with great pleasure that I can now ask Callum Todd to come up and say a few words. Thank you.

- Thank you, Emma, and gee, straight from tax to superannuation. I promise I won't get into the detail of the Super well, but I did want to say a few words today and let me begin by also acknowledging the traditional owners of the land in which we're enjoying our lunch today. And I pay my respects to elders past and present. So, as Emma mentioned, the partnership that we have with VCOSS is one that we are very proud of and it's one that we've had over many years. And, you know, it's a real pleasure for me to be here today representing HESTA's senior leadership team. Debby sends her apology, she's actually at a board meeting today, which I think unfortunately sometimes these conflicts arise. So you do have me instead of the wonderful Debby Blakey, but I'll try and live up to her very big shoes. So where we are at, HESTA, you know, and Super with Impact, you will have seen some of the brands as you walked in today, we are very much about the synergies that I think we've heard a lot about today in the room and that the impact of the people in this room and the work that you do each and every day to make our world better. And our purpose is to invest in and for the people that make the world better. So that purpose drives us every day. And it's something that over the last 30 years as we've served the health and community services sector, has stood us in good stead to deliver today the 1 million strong member base and give us the position to manage \$72 billion in retirement savings on behalf of those members. So we support our members by ensuring they're facing the future with confidence, and we use our deep understanding of their needs to design information tools and other experiences that have a meaningful impact on their confidence in facing the future. We're a gutsy advocate for a fair and healthy community, using our collective voice to help and address inequalities impacting our members and those we see falling behind. We execute investment excellence with impact by using our experience and influence to deliver strong long-term returns while accelerating our contribution to a more sustainable world. As a long-term investor, we consider issues like climate risk, housing affordability, leadership diversity, and we ensure our members benefit from investments that impact positively on them as an individual as well as the world around them. By investing in access to affordable housing, either directly through community housing providers, or investing in solutions that address housing stress, we're working collaboratively to build a pipeline of investment opportunities that offer long-term stable returns that our investors are seeking. And we believe the best way to do this is by creating long-term stable policy settings, underpinned by strong partnership across all levels of government and with residential building and community housing sectors. We stand ready to invest in social infrastructure and we will need to meet the challenges of the future. Challenges like our aging population, transition to a low carbon future and ensuring we value and support our critical health and community services so we are prepared to face future shocks like we've seen in the past few years. From impacting the financial future of our members to impacting the planet around us, HESTA is not a fund that just sits around waiting for the future to happen. We're not just super with a vision or a super fund with an idea. We're Super with Impact and we'll continue to join our voice with organizations like VCOSS to fight for a more fair and equitable Australia. Thank you very much and enjoy our panel.

- Thank you, Callum. I'd like to invite Emma back onto the stage and we're going to kick off our panel soon. So unfortunately Angela Jackson can't join us today, but we have got Emma King, who you all know is the CEO of

VCOSS. We've got the VACCHO CEO and former Victorian Treaty Commissioner Jill Gallagher, and we've got economist former VCOSS board member and ABC Radio regular Professor David Hayward, if you all want to jump up. And we're still keen, if you guys have questions for our panel, just give us a wave and we can come grab you. I'll go over there.

- Which side do you want to be on? David is here.

- I guess a good place to start would be your reflections on the budget and also from what the Treasurer told us today in his presentation, what did you make of it, Emma?

- I think we described it on the day as a mixed bag and a tough budget, which I think it was, because we could see in there that there was some really positive announcements, and I would call out in particular, I think this was mentioned before and the Treasurer mentioned it, the investment into aboriginal out-of-home care in particular and the resi-care sector I think was really significant. That was a really strong investment. There was also some investments that perhaps haven't had as much attention around keeping kids, particularly teenagers, engaged in school. Or engaged in education or other opportunities. We know that over 10,000 before COVID, over 10,000 kids drop out of school every single year. And we know the toll that we don't know is probably more than we know, the huge toll that COVID has had in terms of people dropping out of education and working connections more generally. And there was investment in that space as well, which is very welcome. And I would call out the EEF as well 'cause I think that gives us, that takes us beyond that one cycle of one election term, which is something that's always so frustrating when you look at the early childhood investment, for example, which is phenomenal and it delivers for many years down the track. So those things are all fantastic. I think the areas where we are very keen, obviously, indexation and I know the Treasurer and I have spoken about this on many occasion, we just have to find a solution around indexation. We can't keep, I think we all want to get in fetal position and get under the table when we have the conversation every single year. We just need to end it and land on a formula and to be kind of, my view is we should have a formula that's fundamentally 80% of what the fair work outcome is and 20% CPI seems to me to be a pretty simple way to go, this is what we're going to have and we can actually budget and predict on it accordingly. I think one of the biggest challenges is the employment program space and, Treasurer, I always remember you telling to me, let's not waste a good crisis. And I would call out a couple of particular areas where I don't think the government did waste a good crisis. One was the employment programs through Jobs Victoria, where there was a significant investment through the job advocates and the mentors and the careers counselors and assisting people with buying food, buying clothes for job interviews. And we know that people have then got the dignity of a job out of that. And I know there's some, what I would describe as shreds of that program left, we want to make the most we can of it. But I think as Travis mentioned earlier, and Ben mentioned as well, we really want to look at what the impact of that is because it's driven phenomenal outcomes for people, something that I think actually government should be enormously proud of and we don't want to lose that. I understand there's some resizing that needed to happen, but, you know, that I am really worried about what that means for people's outcomes in a jobs front. The other one, which perhaps hasn't been mentioned today, but also goes to energy concessions. We know yesterday there was a 25% increase in the cost of energy as a default offer. And we know that fundamentally sits the, you know, that's the bar, yet we've lost three energy concessions. And one of them goes to if people's usage is below the supply cost, I think the departmental staff advised me that means that they're renovating their homes now. I don't think the people on concession cars are generally renovating their homes, and it goes to over 200,000 households. So I think there's a chance for us to come back and revisit that. It doesn't come into effect until December this year. And I perhaps think that our politicians weren't necessarily given advice based on robust data and I think I'd hope we've got a chance to come back and revisit that. I probably think-

- So you don't think it's people renovating? What sort of people then?

- No... Well, I think it's low income people. We know, we've done research into this. We know there's low income people who, they stay in bed all day, they have showers at local community facilities because they can't afford to have showers at home. I was chatting to someone on the way in who was describing to me about, you know, going to someone's home who's got their one bar heater working because that's all that they can afford

or they go to the local library because they can't afford to stay at home and stay warm. So that's going to be really critical. And I know this government is highly attuned to cost of living pressures et cetera as well. So it's something I think we need to come back and revisit. So they're probably the things I'd call out first.

- Jill, what did you make of the budget?

- From a VACCHO point of view, we always knew it was going to be a tough budget. And I would've hate to have been in the Treasurer's shoes. So, well done. I think there are some deficiencies in the budget when it comes to our community. Again, back to Emma's point about the cost of living in particular, the cost of heating. A lot of our people live well under that poverty line and I know of some elders who won't put their heaters on so they buy those hoodies and blankets and they sit in a cold flat. That's, in a wealthy country, surely that's not proper. So I have those same concerns. I think from our point of view, we're a little bit disappointed in relation to capital infrastructure for Aboriginal health services. In particular there's one aboriginal health service that we put in with the assistance of government, we put in, I thought was a pretty well evidence-based, well-developed proposal. And this particular Aboriginal health service sits in one of the highest needs of aboriginal people and a big population that's down in Dandenong and their clinic has fallen down around 'em. So we're a bit concerned about that. We're thinking about going to the Commonwealth Bank and see if we can get a bank loan. Not sure whether the bank will touch us, but yeah, so there are some, you know, but I do, yeah, I'd look, for the Dandenong site we, you know, we're talking about 15 million, and in the scope of the state government's budget, 15 million is really petty cash, and there is a high need area in Dandenong, so I also would love to have a meeting with the Treasurer.

- He's going to have an absolutely full diary by the time he's out of here.

- But anyways, but yeah, I don't have much more to say. I mean there's, yeah, it's a hard time for all of us.

- I did want to ask you about the funding for Aboriginal-led child protection services.

- Yes.

- I did see that as maybe a-

- I hope. 140 million I thought was, but the fact that it was branded, to keep 'em out of care is awesome. 140 million, again, is a good start. But to keep 'em out of care, doing that prevention work in the long run, because I'm not sure how many people know, but in Victoria we have the highest rate of indigenous children going into out-of-home care and it's growing. We have the highest rate in the world.

- So we need to look at that prevention and it was great to see that. And it wasn't targeted children once they're in care, because there's already a lot of resources, Mr. Treasurer, around all that. But how do we build our families that are strong? Am I yelling at you? I don't... How do I build our families that are strong so they can look after their children? They don't have to worry about whether they've got a job and Dad doesn't have to worry about whether, you know, he feels inadequate 'cause he can't meet the needs of his family. So that prevention is so, so important. 'Cause I don't want to be, well, I won't be here in 50 years time, I'll probably be dead, but at the end of the day, I don't want my predecessor coming in after me and having these same conversations. We've got to stop our people, our kids going into care.

- From an economics perspective, I think all we've been talking about all week is new taxes, debt, how the economy is going in Victoria, what did you make of it, David?

- Well I do have some prepared comments but I wasn't expecting the Treasurer still to be here. So Mr. Treasurer, if you'd like to leave... You got your notes.

- Take notes.

- I have to say it was a pleasure this week at the budget lockup because normally it is just a Treasurer who speaks, but to my amazement, the Premier was there who sat, I turned around and he was basically next to me and I thought, this is amazing.

- Did you ask him a bunch of questions?

- I did, because the thing I've been built up to believe it was going to be a really tough budget, right? And all the clues, all everything for six weeks had been tough budget. No one else was, normally with the budget, right? You start hearing things, there's going to be-

- In advance, right? All across Victoria on announcements and we didn't have one.

- We didn't have any, nothing. And then you had the Herald Sun every day, horror budget, you know, nasty Treasurer going to do terrible things. And I said to the Premier, I said, Mr. Premier, you know I've been reading all these things and the Herald Sun going horror budget, and said, this isn't a horror budget, this is a very generous budget. And the Premier said to me, he said, "Well, David," he said, "some people say, that's not me, but some people say, you can't always believe what you read in the Herald Sun." And I thought, hmm, 'cause he looked a million dollars. I didn't think the Treasurer looked so well but I thought that the Premier looked a million dollars. And I thought, look, if you were trying to work out a really good way to come into this budget, you would do a horror budget line, because you'd be using it to justify new taxes probably at the top end of town. And they did that. And they did that on the basis of the \$31.5 billion of credit card debt. But the credit card debt is at zero interest rate.

- I did want to ask you about that. There's been a lot talk about, you know, we've got the mortgage debt, then we've got the credit card debt. Is that accurate?

- Yes. Well, no it's not because it's so cheap, right? Budget paper Treasurer, tell me if I'm wrong, but the budget paper said we're not repaying that debt. We've got it on such good terms, 15 billion cheap from the reserve bank. Right? They're not going to repay it because it's such good terms. They're going to use it to repay to the level we use to repay other more expensive debt. That debt need never have been repaid. It could have just set there, right? But, as a pretext for introducing new taxes, \$2.3 billion of annual taxes and charges for 10 years, I figure somebody was sitting there thinking, who's likely to be in office in 10 years time when those taxes, this would be, in the meantime, much needed revenue from largely progressive sources have found their way into the state's revenues, into the state's treasury to pay for much needed social programs. That's where I hope it's going to go. So I didn't think it was a tough budget. I thought it was really well crafted budget that shored up the budget bottom line. I think it was largely progressive. And I commend the government for what it's done. I think it's tremendous that they've stuck to the line against all of the pressure that was put on them to do the opposite. These are very unusual times. Previously debt would seem to be a really bad thing that, maybe I'm wrong, Mr. Jeffrey, but the things that matter, I think the government has taken a gamble that Victorians prefer the services, the infrastructure and they're not really all that worried about debt, particularly when it's at such cheap rates. So to answer your question, I think it was a very well crafted budget and I wouldn't be surprised if some of the other treasurers around the country had a wished that they had of crafted one that clever themselves.

- I did. Yeah. It was really funny when the Premier came in, you said he was looking great, he was looking very fit and very happy, went straight to the Herald Sun table and sat there for a while. I dunno if that was a power move or what that was. And then he came up to our table and said, I don't even need to look at the budget papers. Tell me, ask me anything and I'll answer it for you. And he did.

- That's very good.

- So yeah, they were absolutely well across the brief, talking about this idea, right, of when they've got these taxes, the people that it's hitting, right? It's been interesting hearing people talk about it. It's been either like, you know, mum and dad investors or, you know, the poor person that just has one holiday home or you know,

another one that they're doing is private schools now are going to have to pay payroll tax, which public schools have been paying the whole time. Do you think they've struck that balance right? Or is it, you know, the Aussie battlers that are getting hit by this budget?

- Yeah, I've had lots in the media this week around this very point and I would, one of the things I said on budget day was I was really pleased to see that, and I did fail to mention, if I can just call out, I should have mentioned community health earlier as well and the importance of investing in prevention and the incredible job that community health does. And I neglected to mention that and what was amiss. But this budget, in terms of looking at that, the, if you like the savings that are being made or the additional revenue coming in, I think it's coming from the right places, because it's not at the cost of low income people, which was one of the fears that we obviously had in terms of going into the budget. And we called that out on budget day. Look, I've been really frank in the media this week to say if you are fortunate enough, and again, it's not an envy thing, it's around if you are, if you have a second home or a holiday property or whatever, as Michael Perusco said earlier, if you're in that boat, that's great, good on you. But there's a, you know, you're in a position to be able to pay and if really what is, if I'm reading correctly, for a lot of people it's like \$1,300. If you've got an investment property and you can't afford \$1,300, then sell your house. Like it's pretty straightforward. You've got another one anyway, so you're going to be all right. So I have a really firm view about that and I think it's interesting that private schools weren't paying payroll tax in the first place and I think most people would've actually assumed that they would've. So I don't think it's about getting into a class warfare piece. I don't think that's helpful. But I do think there is a part about saying what's fair and in terms of what's fair and I do think back to the days of a fairer Victoria, I think this delivers against actually if we want to get to a fairer Victoria, and Angela Jackson, it's a shame she's not here today, she had a fantastic piece in The Age today to say, well, if we're going to generate more revenue, where are we going to generate it from? And when we look at those target measures, I think, you know, by and large I think we would absolutely agree with those.

- What do you reckon, David?

- Yeah, I think Emma is absolutely right. Look, we've got a problem in Australia... I was thinking about this, like I got a, I was thinking about this before, I got this problem with chips, right? I can't say no to a chip. And I think Australians have got a problem with property.

- Yeah.

- They can't say no to another property or another property or another property after that. And why shouldn't we have taxes, tax support to enable us to have as many houses as we want even if we have a holiday home, we don't use it, with this bizarre situation of we don't have a shortage of homes, we have vastly too many homes, it's just that they're not all occupied. And our tax system is structured in a way that encourages people to do that. And if you think about, say, holiday home, fancy doing something to holiday home, you know, a holiday home which might be going towards destroying a really beautiful part of the coast, it doesn't matter, does it? Right? Because it's our holiday home, our right to do it. And I think what this budget has prep, started us to think about is that maybe it's time to think about we can't all have chips all the time, you know, probably we do need to start putting taxes on activities which have a public bad and this idea that we can have as many, it's not all of us, of course, it's mainly baby boomers or those people over 40 that can have as many properties as they want without paying any taxes for it. In fact have tax breaks. That has to stop. So if that's the beginning of amiss, not that I'm saying you're trying to take away people's holiday homes, but if that's the beginning of it, I'm all for it. I'm sorry Michael, but I'm all for it. So yeah.

- There's a property, Michael.

- You shouldn't disclose that, Michael. We'll never forget.

- Jill, I guess on the flip side of that, when we're talking about housing affordability, even the Treasurer and the Premier have acknowledged there's a lot more that needs to be done in this space. Is that something that you

want to see in the next couple months? Some, and there's a lot of like Aboriginal-led housing as well. Is that something you want to see?

- Yeah. Look you, because, by the way, if you think about it, so what's the, I think that the cost of the tax, I think the cost of tax, I think it's going to be what, 1300 for a median, \$1.3 million property, if you've got a rental, median rents in Victoria have gone up about \$1,300 a year, right? If you're paying that tax, it's a tax and you've got a, your landlord, it's a tax deduction fee. So like you're better off. And if you think about how prices have gone over the last five years, I mean, how ironic today in the age I think they published the property price increase over the last five years. It's sort of between 40% and 60%. So you're sitting on a massive capital gain and so you can easily afford it. And again, I think it's time that we're going to have to look at this property divide that we're opening up. It is increasingly serious. That's why I think for young people, they would like to see more of this but they'd probably like to see more made available to them to maybe buy their own home. Maybe it's got to be through new schemes. They certainly want to have security of tenure and I certainly don't think that they want to stay in private rental for the rest of their lives. So yes, something does need to be done. Let's double the Big Build, the Big Housing Build, Mr. Treasurer, let's have another Big Housing Build to significantly increase our stock of social housing. The New York Times, I'll just finish with this, but New York Times ran a really interesting piece this week. They sent a journalist off around the world to find the best place in the world to be a renter, and they went to all sorts of places, New Zealand, Canada, you know where they ended up? Vienna. Vienna has a really big social housing sector and they talked about how wonderful it was because you had the best of all possible worlds, highly affordable housing, really well designed housing, great for families, great for people to live in and highly affordable. And that's really where we all want to end up sooner or later, don't we?

- Jill, do you agree, doubling the Big Build, is that something you see?

- Oh, yes. 100% behind those comments, David. But can I say, in the aboriginal community, our issues are whether we can access public housing, we don't even, you know, well, I do. I own a mortgage by the way.

- Got a holiday house as well?

- No, I wish I did, but no, I don't. But I mean for our communities it's not about our second house, it's actually about our first house. There is, you know, we have the Victorian Aboriginal Housing Board, but that's just like state government as in, you know, offer cheap public housing to Aboriginal people, Aboriginal families, they've got waiting lists, you know, you have to have a job to have a mortgage, you have to have a job to have a loan, and we are at the bottom of the rung.

- So there absolutely needs to be...

- Very much so.

- More in that space. Any last words for us, Emma?

- So no in terms of overall, but I think again it's remembering that a house is a home, right? It's not, it's this really interesting thing in Australia where it's this thing where people want to just continue to add to their investment portfolio and see houses in that way. And I do wonder if it's a very peculiar Australian thing, Michael, if you want an investment you can also go buy shares. There's a whole lot of things you can do. But a house is a home and we can't forget that.

- Yeah.

- In wrapping up today, can I just acknowledge, and Treasurer, if we can hold you for two seconds, we might get a photo at the end if that's remotely possible. But if you have to go, I totally understand. I've got some thank yous-

- Yep.

- For today. And I'm just looking for the team to assist me in terms of, 'cause I've got a few thank yous to give out. If I can thank to begin with, I think, the members of the panel. So David and Jill, we are very fortunate. David is a life member of VCOSS, a very dear and good friend. Many of you will have attended our budget pre-sessions with David to, you know, in terms of how to read the papers and cut through them, which he delivers an incredibly entertaining way Jill, who is such a phenomenal leader in our community, and Jill, you are doing so much in teaching us about why the voice is so important and the work you are doing in the community more broadly. Every time I look at Twitter and you're at another community forum talking to people and happy to listen to people with different points of view, et cetera. And I just feel so fortunate to be working alongside you and to have you as a deputy chair.

- Thank you.

- At VCOSS. I feel really emotional about that actually.

- No, thank you.

- So thank you. Benita is our incredible MC for today. You have been incredibly generous with your time and we do have a gift for you all. Just Bianca's waving to me so I'll give those in just a second. And can I also thank the Vic, I want to thank all of the members who are in the room because we cannot do any of this without you. You add to when we are looking at our crunching everything on budget day and we run and check everything with you and the lead up and putting the submission together, you're phenomenal. The VCOSS team... I just feel so lucky to be working with such a phenomenal group of people and I just want to thank you all. But can I particularly thank you for this event today, can I particularly call out Ryan and Amy, who have done an amazing job in being able to pull all of this together. So if you can please join with me in thanking everyone and then- And can I have the flowers? Yeah. Thank you. Thank you. We've just got something else for you, Benita, as well.

- Thank you.

- Thank you. I didn't get you anything.

- Thank you.

- Thank you.

- Thank you. And Benita. So...

- Oh my God.

- Just because we can't have you, I didn't realize you were going to Sydney- But we can give these to you.

- Oh my goodness. Thank you.

- So beautiful. And also we realize that it is the 10 year birthday of the Guardian.

- It is. Tonight, yeah.

- But on the way we have a cake for you and also a cake for your colleague who's in the Melbourne office to celebrate the 10 anniversary of the Guardian.

- Ah, thank you. Thank you so much.

- Congratulations.

- These are beautiful.

- Thank you. And thank you for being here. Please join with me in thanking... Thank you. Thank you, everyone. Please feel free to stay and network for a while as well. We're looking forward to seeing you. And Treasurer, if we could grab you for a quick photo, that would be amazing.

- They're stunning.

- Thanks, everyone.