OUR PLAN TO RESTORE CONFIDENCE
AND SECURE VICTORIA'S FUTURE

Introduction

Thank you David for that very kind introduction but more importantly, for the role you play as Deputy Leader. David is someone on whom I rely on so much and I'm so glad he is back in the leadership team.

I'd also like to acknowledge the other members of my leadership team, - Bev McArthur and Evan Mulholland – and my economic team for the work they have done in formulating our response to the Budget – Bridget Vallence and Richard Welch.

As David mentioned, a large number of my Liberal colleagues are here today and I thank them also for their hard work.

It's a great pleasure and a privilege to be here delivering my response to the Government's Budget.

It's a bit sad to acknowledge but economic policy is my passion.

I strongly believe that getting the economic settings right is absolutely fundamental for State Governments.

This is why I took on the role of Shadow Treasurer.

So, and again I know it's a bit nerdy, but I actually really look forward to the Budget every year.

And this time I paid particular attention as the Treasurer stood up to announce her second Budget,

And I eagerly looked forward to hearing from her a bold vision for change that would start undoing the damage that has been done to the Victorian economy.

I waited breathlessly for her to outline her detailed programme of economic reform that would represent a changed direction to tackle the many problems we have.

I looked forward with anticipation to entering a contest of ideas with her on a new approach that would lift our underperforming economy.

And then she started her speech.

First off, we heard a lot about how Victorian families no longer feel secure under this Labor government.

We heard about how home ownership and opportunities for our children were becoming much harder to achieve for many Victorians.

Here we go I thought. An admission that things were heading in the wrong direction before we move on to the serious politics of how to fix it.

And we did then move on to politics but it was actually geo-politics as the Treasurer talked about Ukraine, the Middle East and America – in fact pretty much everywhere except the State she is actually Treasurer of.

It is apparently "global pressures" that have caused Victoria's net debt to ballon tenfold from $20 billion in 2014 to $200 billion at the end of this decade – noting that NSW, Queensland and all the other States and territories seemed to have avoided this.

Finally, though we heard her say that this was a definitely a Labor budget.

We all knew this, of course, because our debt is a number followed eleven zeros but still, maybe this was where the serious economic policy would start.

I picked up my pen and notepad expectedly. And then the Treasurer announced a new pump track for Haddon and new toilet facilities for Coburg reserve. At that point I put down my pen and notepad.

And, in all seriousness, this was it. No reform, no serious economic plan, no vision. Just the usual platitudes, excuses and misdirection.

But after 12 years of higher debt, higher taxes, higher interest and poorer services – was anyone really surprised?

By almost every measure we are the worst performing State in the Commonwealth by a country mile. Our debt, which our children and grandchildren will have to pay, is growing to unprecedented levels. Our services are crumbling. Our teachers are marching on the streets. Our roads are falling to pieces.

And I look across at the Treasurer and the Premier and I don't see people with the energy to tackle these issues.

This was a low energy Budget from a government led by a low energy Premier.

Their actions over the past decade have got us into this position but it is clear now that they don't have the energy or ideas to get us out.

Where is the vision, where is the passion – where are the ideas to kickstart our economy and start tackling our debt problem? To me, it looks like they have given up.

Well I haven't given up. And I've got plenty of energy. And I strongly believe that Victoria has a huge opportunity to reclaim its place as the best place in the world to raise a family and start a business.

And today, having heard nothing from this Government on how they plan to solve our problems, I want to outline our plan.

And I want to be very up front with every voter in Victoria. Our plan will start the process of turning this State around. It will reduce our debt and interest payments. And it will make this place once again a place to employ people and grow a business. But it will mean disciplined and responsible choices. It will take time. And it will take hard work and commitment.

Our team

But, before I do this, and given I have some spare time as there was essentially nothing in the Budget worth replying to, I do want to talk very briefly about our Liberal Party team.

Because I can't remember a time when the Liberal Party in Victoria has been this united and this focused on winning.

I feel that the Nepean by-election was an important moment for the Victorian Liberals.

Now we shouldn't get carried away. There were certainly many lessons that we need to learn from the campaign and we need to listen to what people told us down there.

But it was good to get a win. And I do want to pay tribute to our fantastic candidate and soon to be MP Anthony Marsh.

I also want to thank my shadow Cabinet and Parliamentary team. We would not have got the result we achieved in Nepean if our Parliamentary team had not joined together and put in the effort they did in that seat.

I also want to thank our secretariat staff. While we wouldn't have chosen this the by-election was a fantastic opportunity for our party to road test some of the things we'll be doing in the campaign later this year – and they came through with flying colours. I also want to welcome Brian Loughnane to the team – everyone in the Victorian party should take heart from Brian coming on board.

There is rightly a new sense of optimism in the party. We're realistic – we have a mountain to climb. The equation has not changed.

And Labor will run the mother of all scare campaigns using all the resources provided to them by the CFMEU and most likely using some paid for by the taxpayer also given prior convictions.

But we are ready for this typical Labor scare campaign and certainly my team, the Shadow Cabinet and all of us in Parliament are ready. Victorians deserve better – and they know it.

And it is with this sense of optimism and energy that I come back to our economic challenge and our response.

Being up front and honest with the Victorian people

We know the job we have to do. It is our role as an Opposition – the alternative government – to provide a detailed, credible and costed alternative plan that will address the actual issues we are facing.

And the first step in this is being honest. I want to make this commitment – when we announce our policy and we talk about what we will do we will be honest about what is achievable and the risks.

For too long, we've been told half-truths about the state of our finances. When the Treasurer says that she has "made responsible economic choices" and that the economy "remains resilient" does she realise that literally nobody believes her?

Every year, the numbers change, the excuses change, the promises get bigger, while the delivery gets worse. You will not get this from us.

Labor's Budget

Let me turn to some of the specifics of Labor's Budget.

But to be honest – it's hard to call it a budget. It's a credit card statement for 11 years of Labor failure.

When the Coalition left office in 2014-15, our finances were the envy of the nation. Net debt was just $21.8 billion – less than six per cent of GSP. Net government debt is now a quarter of the economy. The interest bill was $2.1 billion a year. It's now four times as much – and heading to six times by the end of the decade.

Next year, Victoria will spend more money paying its interest bill than it will on Victoria Police, Ambulance Victoria and all kindergarten services combined – and still have a billion left over in change.

And when Labor runs out of money – they come after yours.

They've quadrupled land tax bills. Payroll tax has more than doubled.

It is also time for an honest and frank conversation about the size of Victoria's public service, and the value for money it is deliver for taxpayers.

Under Labor, growth in the VPS has far exceeded population growth. The number of VPS executives has nearly tripled, the number of VPS employees has increase by 60 per cent and Victoria's total employee expenses are greater than Victoria's total taxation revenue.

And what have we got to show for it?

Criminal offending is at an all-time high, it takes longer to get an ambulance today than it did 10 years ago, construction of new homes is at a decade low, elective surgery waitlists are nearly twice what they were in 2014, roads are littered with potholes and at least $15 billion has been lost to corruption on major projects.

If Victoria has any hope of ever paying down our debt, things must change.

Debt matters. And it goes to why I am running for Premier. Jacinta Allan is borrowing from our future to pay for today. And it's our children – like my son Patrick – who will be left to

pick up the bill through higher taxes and an education system that this Government can't afford to pay for.

There needs to be a better way.

Guaranteeing essential services with a back office hiring freeze

That is why today I am outlining a Ten-Year Economic Plan - a plan to restore confidence, reduce debt, and build a stronger Victorian economy. A plan that looks beyond the next election and focuses on the next generation. A plan that puts people before politics, delivery before headlines, and responsibility before convenience.

And as you have seen today one of the core measures of this plan is a hiring freeze on back office public servants so we can guarantee the essential services Victorians rely on.

This is a significant change to the public service in Victoria and we don't take this decision lightly. It will mean a lot of hard work to reform the way we do government to bring it into the 21st century.

But it's a necessary step. The Victorian Public Service has grown by 53 per cent in 10 years—from 37,942 staff in 2015 to 58,169 in 2025—adding over 20,000 bureaucrats. Given our population over the same period has only increased by 19 per cent this is quite simply unsustainable.

And this massive increase has not delivered better outcomes for the Victorian people. We have fewer police, our nurses can't get a job and our ambulance wait times have blown out massively – increasing the number of public servants in the Premier's Department has not fixed these issues.

This reform alone will save approximately $5.5 billion over the forward estimates and $22 billion over the next decade.

These savings will be achieved through natural attrition, not layoffs – no one is getting sacked - giving existing staff job security under a Liberal and Nationals Government.

Now Labor and their political allies will scaremonger these reforms, but let's remind ourselves of former Treasurer, Tim Pallas, attempt to remove 4,000 public service jobs in 2023, and more recently, Labor's Silver Review – which in response to, Labor is removing 1,000 jobs. It is only Labor that is sacking workers.

Labor wants every Victorian to believe every bureaucratic vacancy is a national emergency. It is not. A hiring freeze is what a responsible and disciplined government would do before taxpayers are forced to pay even higher taxes.

The only way to protect essential services is to stop the endless growth of the back office.

It comes on top of other commitments we have made to manage government spending more responsibly. We have said that we will eliminate the $15 billion and counting of corruption payments that are baked into spending on the Government's capital spend programme.

We have also highlighted numerous examples of wasteful programme spending such as $13 million on machete bins that would not occur under a Liberal Government.

But it is not our last word – we will have more reforms we announce that will save money and reduce debt.

And obviously all these reforms will be in line with our essential services guarantee which, at a minimum means that funding and head count for critical public services such as health and education will continue to grow. And, in fact, we will re-allocate funding to front line services as we hire 3,000 more police.

Our Liberal values

Friends, Victorians are not crying out for another slogan, another spending announcement put on the credit card, and certainly not another tax.

They are crying out for a government that understands a simple truth: every dollar a government spends is a dollar first earned by a worker, a family or a small business.

That is the heart of the Liberal tradition – respect for taxpayers, respect for enterprise and respect for the people who take the risk, work the extra hours and build our economy from the ground up. Because when governments lose respect for money, they lose respect for the people who earn it.

For generations, Liberals have understood that sound economic management is not an abstract accounting exercise – it is a moral obligation. When governments live within their means, families can afford to live within theirs.

When debt is controlled, interest costs are lower and more money can go to hospitals, schools, roads and frontline services instead of repayments. And when business has confidence to invest and grow, jobs are created and opportunity expands.

That is why we believe in disciplined budgets, lower taxes and a stronger private sector – not because they are ideological ends in themselves, but because they create the conditions for aspiration, stability and prosperity. A strong economy is not the destination. It is the foundation that allows every Victorian to get ahead.

Our solutions must be modern, but our values never age.

Getting our economy growing again with tax reform

But those solutions must be tailored to get our economy moving again – or else we cannot make the lives of ordinary Victorians better.

Victoria's per capita economic growth is the worst in the country. In the Budget the Government's own prediction of how much the economy would grow this year almost halved down to 1.5 per cent.

Without economic growth we will not get out of this mess we are in. We need more business investment in Victoria and more jobs to grow our economy and grow State revenue from this.

That is why today I am announcing further measures to help business.

A Victorian Government I lead will deliver payroll tax relief to help business create jobs and grow our economy. In our first year of Government, we will increase the payroll tax threshold from to $1.1 million – and again to $1.2m the following year.

This change will bring us until line with New South Wales and deliver payroll tax relief to 23,000 businesses across our State.

And – in year four of a Government I lead – we will reduce the metropolitan payroll tax rate to 4.8 per cent, meaning every single Melbourne business paying payroll tax will pay less.

This tax reform will make it cheaper for businesses in Victoria to create jobs. It will increase economic growth which will make the debt reduction task easier.

I appreciate these are modest changes. But this commitment is important. It sends a powerful message that if Victorians do me the honour of electing me Premier, on the 29th of November, Victoria will be back open for business.

We will also take some moderate and targeted action on land tax to curb the excessive impact of the Government's recent hikes.

We will start to reverse Labor's 2023 land tax changes by lifting the land tax threshold back to $300,000 – not in one go, but calmly and methodically by $50,000 every year for five years.

This will mean more than 270,000 land tax payers will have lower land tax bills by up to $975 per year under a Liberal and Nationals Government.

My team and I would love to do more – and to do it sooner. But I have to be honest with Victorians. None of this will be easy. It will take time. But this is a clear signal about the priorities of a Government I will lead – to reduce taxes, invest in and prioritise essential services and end the waste.

Our broader plan

These measures build on the many policy announcements we have already made aimed at tackling our economic decline.

Our commitment to reduce stamp duty to put home ownership back in reach for young people.

Our commitment to remove the Emergency Services Levy – a tax on every single family home, business and farm in the State which Labor will undoubtedly look to increase after the election.

Our commitment to remove the gas ban and reopen Victoria for gas exploration to ensure affordable energy supply for homes and businesses.

Our commitment to reform planning so that our builders can get back to work building the houses that people want to in.

And, of course, our commitments on crime which, in addition to the human cost, is a serious economic issue for Victoria as insurance premiums skyrocket, our hospitality sector looks close to breaking point and retail businesses look elsewhere to invest due to shoplifting.

We will recruit 3,000 more police and reopen the more than 40 police stations closed or operating under reduced hours.

If you break bail, you will face jail.

And if you do adult crime, you will do adult time.

You can't have a strong economy if Victorians are not safe. There will be no investment if the lawlessness is left unchecked. And tourists will stay away if we become the Detroit of the Asia-Pacific.

We will end the crime crisis. Full stop.

There will be more policies we will announce over the coming months.

But I believe this Ten Year Economic Plan sets out the detail of how we will begin to get Victoria back in shape.

And I can provide one commitment now on what Victoria's finances will look like under a Liberal Government. We have a deficit in Victoria right now – every dollar spent by the Government on gimmicks ads to the sum of our debt.

We will progressively reduce this deficit once elected with a view to returning to a cash surplus – a real surplus – by 2032. We won't pretend, like the Government, we are in surplus now – we are not. And all commentators out there should be asking the Premier this question – will you match the Liberal commitment to return the Budget to a cash surplus in 2032 and how will you do this?

Everyone knows Labor's legacy of debt and deficit won't be fixed quickly. It will take time. It will require disciplined and responsible decision making. But I have the energy and the ideas for the task ahead.

Conclusion

Friends, Victoria needs this plan.

Our budget needs to be repaired because we are spending more money than we earn.

Debt is now so large that it's making everything else harder – from funding our roads, schools and hospitals, paying our teachers, nurses and police and from providing relief for struggling families with their daily bills and expenses.

Every dollar spent on our interest bill is a dollar not going to what we rely on.

You can't build a strong future on a weak set of books. Repairing the budget is how we build the strong foundation for Victoria to have a brighter future.

But to do this we have to be honest about our predicament. Victoria is facing a difficult period. The decisions ahead will not be easy, but they are necessary.

We cannot pretend the challenges will fix themselves.

We cannot keep borrowing from the future to pay for the present.

We cannot keep asking Victorians to carry the burden and cost of government mismanagement.

Politicians always say that 'this election is the most important in a generation'. This time it's true.

Victorians know they cannot afford another four years of Jacinta Allan and Labor.

But to change the government, they must vote for the Liberals and Nationals. Anything else risks four more years of debt, deficit and dysfunction.

So let's take a different path.

This is a Ten Year plan for Victoria. It's not based on politics or postcodes, but on people.

And let's be honest, it's going to be difficult.

But with a disciplined approach, we can restore confidence, reduce debt, and build a stronger Victorian economy.

I love this place. But it's broken. Let's fix it. We're better than this. We all know that.

This is a plan to give Victorians hope.

It is a plan to rebuild confidence and secure Victoria's future.

It's a plan for a fresh start.

Let's fight for this. It's worth it.

[ends]