



Getting on with the job

Victorian Budget 17/18
Overview



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Printed by Doculink, Port Melbourne
Printed on recycled paper

This publication makes reference to the 2017-18 Budget paper set which includes:
Budget Paper No. 1 – Treasurer's Speech
Budget Paper No. 2 – Strategy and Outlook
Budget Paper No. 3 – Service Delivery
Budget Paper No. 4 – State Capital Program
Budget Paper No. 5 – Statement of Finances (incorporating Quarterly Financial Report No. 3)

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ISSN 1440-6969 (print)
ISSN 2204-7174 (online)
Published May 2017

Treasurer's message

Getting on with the job



The Andrews Labor Government understands the State's budget isn't just a page of numbers – these figures change people's lives and our communities.

The *Victorian Budget 2017/18* is about people. It's about our communities. It's about looking

after those in need. It's about the Victoria our grandchildren will grow up in.

It's about getting on with the job.

Three years ago, the Premier made a commitment to better schools, better hospitals, better transport, and more jobs. Since then, this Government has invested tens of billions in health, education, public transport and roads – the building blocks of a fair and thriving state.

This Budget is about capitalising on the work we've already done to ensure every Victorian is given every opportunity to share in our prosperity.

It's a Budget underpinned by strong economic management and jobs creation.

It addresses the issues familiar to any Victorian family, to our small businesses, to our kids and students, and to the most vulnerable in our society.

It's about the dignity of work, access to decent healthcare, getting home from work safely and quickly, and being able to afford a house you can make a happy, secure home.

At the heart of the *Victorian Budget 2017/18* is an unprecedented package to address family violence, a national emergency that costs far too many lives.

This Budget provides a record boost to Victoria Police, ensuring they have everything they need to keep Victorians safe, put victims first and hold perpetrators to account.

It builds on the single biggest education investment in the State's history, giving every Victorian child a quality education.

It includes another record-breaking investment in the State's health system, ensuring every Victorian has access to the best care, close to home, regardless of how wealthy they are.

It invests in regional Victoria, with a range of initiatives designed to create jobs, attract visitors and upgrade key road and rail infrastructure – to ensure every part of our state continues to thrive.

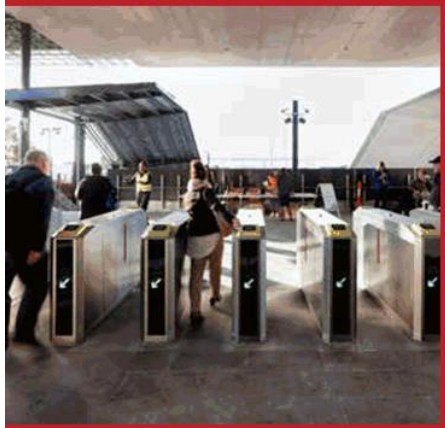
It's a budget that consolidates our success and secures our future.

It's a responsible budget, a fair budget, a budget for all Victorians.

It's a budget that delivers the things that really matter.

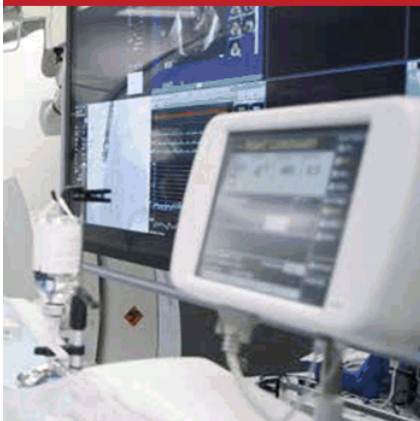


Tim Pallas MP
Treasurer of Victoria





- > **Creating and protecting jobs**
- > **Getting you home safer and sooner**
- > **A first-rate education for every child**
- > **Historic action on family violence**
- > **Health care when you need it**



VICTORIAN BUDGET 17/18 OVERVIEW

More growth means more jobs

Our economy: growing Victoria for all

The Andrews Labor Government is getting on with the job.

A strong economy is vital for the prosperity of all Victorians, because it means more jobs. Since the election in 2014, over 200 000 jobs have been created – more than 250 new jobs every day.

In the year to March 2017, average employment grew by 3.4 per cent. This was the strongest among the states, and a stark contrast to average employment growth for the rest of the nation at only 0.6 per cent.

In that same year, more jobs were created in Victoria than the rest of the country combined.

But this growth is not just confined to the boundaries of Melbourne. Victoria's regional labour market is one the strongest in the nation – regional employment grew by 2.1 per cent in 2016 alone.

Victoria's finances are also in excellent shape, with ongoing operating surpluses over the next four years.

Victoria's economy is one of the strongest in Australia, having experienced 3.3 per cent growth in 2015-16, significantly above the national average of 2.7 per cent over the same period.

Strong financial management

The *Victorian Budget 2017/18* continues the Andrews Labor Government's track record of strong financial management.

The 2017-18 operating surplus is estimated to be \$1.2 billion, with surpluses averaging \$2.4 billion over the forward estimates, putting Victoria in a strong financial position.

VICTORIAN ECONOMIC FORECASTS (PER CENT)	2015-16 actual	2016-17 forecast	2017-18 forecast	2018-19 forecast	2019-20 projection	2020-21 projection
Real gross state product (GSP)	3.3	3.00	2.75	2.75	2.75	2.75
Employment	2.4	3.25	2.00	1.50	1.50	1.50
Unemployment rate	5.9	5.75	5.50	5.50	5.50	5.50
Consumer price index	1.6	2.00	2.00	2.25	2.50	2.50
Wage price index	2.3	2.00	2.25	2.75	3.00	3.25
Population	2.1	2.00	1.90	1.80	1.80	1.80

Source: Department of Treasury and Finance

GENERAL GOVERNMENT FISCAL AGGREGATES	Unit of measure	2015-16 actual	2016-17 revised	2017-18 budget	2018-19 estimate	2019-20 estimate	2020-21 estimate
Net result from transactions	\$ billion	2.7	1.3	12	2.0	2.4	2.7
Government infrastructure investment	\$ billion	4.8	9.3	10.1	9.8	10.1	8.4
Net debt	\$ billion	22.3	18.1	23.8	25.1	27.4	28.9
Net debt to GSP	per cent	6.0	4.6	5.8	5.8	6.0	6.0

Source: Department of Treasury and Finance

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VICTORIAN BUDGET 17/18 OVERVIEW

Net debt as a proportion of the economy has been maintained below the levels inherited from the previous government and is projected to be no higher than 6 per cent over the next four years – a level consistent with our prized triple-A credit rating.

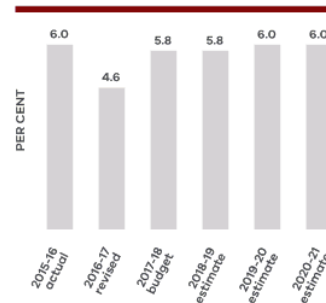
The Victorian Government has maintained fiscal discipline by ensuring average revenue growth over the next four years is higher than average expense growth.

Victoria's fair share of Commonwealth infrastructure funding

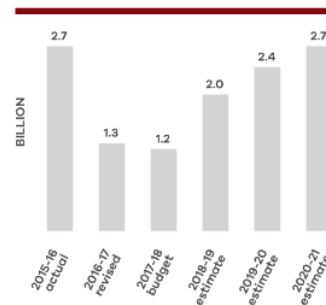
Victoria has the fastest growing population in Australia but continues to be denied a fair share of Commonwealth infrastructure grant funding.

Based on the latest Commonwealth Budget publication, Victoria will only receive 8.5 per cent of allocated Commonwealth infrastructure funding to the states and territories between 2015-16 and 2019-20. A decision by the Commonwealth to honour the National Partnership Agreement on Asset Recycling would only partially redress this imbalance; Victoria would need to receive an additional \$6.6 billion over this period to achieve its population share of Commonwealth infrastructure grant funding.

NET DEBT TO GSP



OPERATING SURPLUS



VICTORIAN BUDGET 17/18 OVERVIEW

Creating and protecting jobs

Building big to create more jobs

The Andrews Labor Government is getting on with the job and building the projects that Victoria needs. Our past two budgets included record investment in projects that will benefit Victorians for generations and create more than 50 000 jobs.

The *Victorian Budget 2017/18* continues to invest an average of \$9.6 billion a year over four years in the infrastructure our cities, towns and communities need.

The Government is committed to significant infrastructure investment and job creation. This Budget will create thousands of jobs, across hundreds of projects, including:

- \$700 million for the final upgrade to the M80 Ring Road, which will complement the North East Link
- \$498 million for new and upgraded health facilities, infrastructure and vital health equipment
- \$435 million for the Gippsland Rail Upgrade
- \$685 million for new schools and school upgrades
- \$100 million to complete planning and pre-construction for the North East Link – the project that will finally complete the missing link in Victoria’s road network, and create thousands of jobs

These investments will grow our economy, create jobs and benefit the community for years to come.

This builds on the Andrews Labor Government’s historic \$30 billion infrastructure pipeline, which includes:

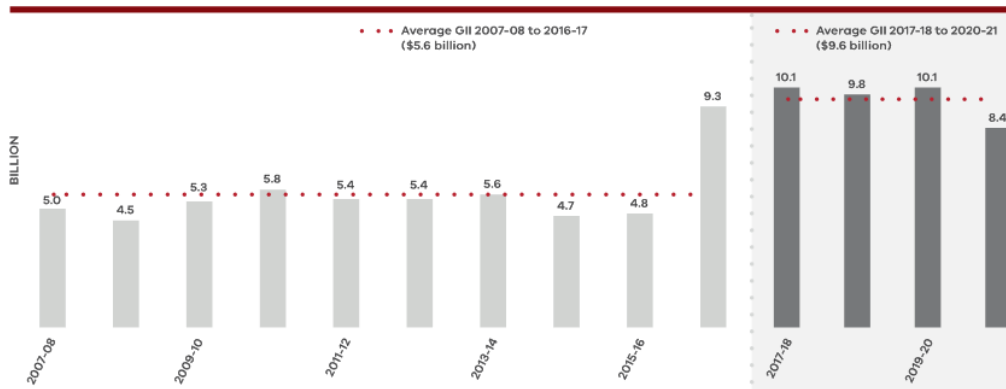
- The removal of 50 of our most dangerous and congested level crossings – one of the biggest projects in Victoria’s history that is transforming communities and creating thousands of jobs across Melbourne
- The Metro Tunnel, now underway, which will free up the City Loop to run more trains, with two new rail tunnels and five new underground stations

We are already seeing the benefits of our past investments, with employment growth averaging 3.0 per cent in 2016 and real gross state product growth of 3.3 per cent in 2015-16.

Protecting jobs

As the Victorian economy transforms, only the Andrews Labor Government can be trusted to create new jobs and protect existing ones. Employment growth is strong across Victoria, and the Government is working hard to ensure these benefits keep flowing to our families and communities well into the future.

GOVERNMENT INFRASTRUCTURE INVESTMENT



Source: Department of Treasury and Finance

At an average of 5.8 per cent in 2016, the unemployment rate is well below the 6.9 per cent recorded in October 2014, and jobs growth in our diverse economy is expected to continue.

This Budget builds on investments over the past two years to grow future industries and create new jobs, with:

- \$90 million to attract private sector investment and job creation, and protect existing businesses
- \$24.8 million for Visit Victoria to attract visitors from around the world, driving jobs growth in our visitor economy
- \$10.2 million for Jobs Victoria to increase the impact of social enterprises, and to assist retrenched workers across Victoria to find new jobs

The Latrobe Valley community is experiencing a period of transformation after the Hazelwood power plant closure. This region is critical to the prosperity of Victoria and that is why the *2016/17 Budget Update* committed \$266 million for the Latrobe Valley Assistance package.

The *Victorian Budget 2017/18* will also provide \$110 million to establish a timber plantation in the Latrobe Valley, to support the long-term sustainability of Victoria's timber harvesting industry.

Working with employers

We will continue to make Victoria a great place to do business, with a further \$221 million cut to payroll tax.

This includes \$48 million from bringing forward payroll tax cuts announced in last year's Budget. Increases in the payroll tax-free threshold will be brought forward by one year, meaning the \$575 000 payroll tax threshold will be increased to \$650 000 from 1 July 2018. This will benefit approximately 38 000 Victorian businesses.

Further, businesses in regional Victoria will receive a 25 per cent discount on their payroll tax. The payroll tax rate will decrease to 3.65 per cent for businesses with payrolls that consist of at least 85 per cent regional employees. This will support regional employers to grow their businesses, and encourage further employment of workers in regional areas.

Energy

The Andrews Labor Government understands Victorians need a stable, affordable and secure supply of energy for industry, businesses and homes.

This Budget provides more than \$155 million to secure Victoria's energy supplies, create a clean sustainable economy, and, importantly, create jobs.

It also brings energy efficiency and affordability to the everyday lives of Victorians.

This Budget includes:

- \$88.8 million to continue the Government's plan to modernise Victoria's energy system and ensure the electricity network is stable, reliable and affordable
- \$42.5 million for the Victorian Gas Supply Program, to identify and assess the potential for new discoveries of onshore conventional gas, offshore gas and underground gas storage by undertaking extensive scientific, technical and environmental studies on the risks, benefits and impacts of pursuing these options
- \$23.7 million to help households and business to manage their energy usage and compare energy prices. The Government will also use this funding to continue to advocate for Victorian consumers' interests at the national level

VICTORIAN BUDGET 17/18 OVERVIEW

Public transport

The Andrews Labor Government has invested a record amount in public transport to create jobs and get people home quickly, comfortably and reliably, every day.

This Budget builds on major investments this Government has already made in public transport infrastructure, including the Metro Tunnel and removing 50 of our most dangerous level crossings.

Victoria's population is growing faster than any other state. In the last Budget, we invested \$12.8 billion to build the transport infrastructure our state relies on, and this Budget will further grow that investment.

Our regional communities will benefit from a \$1.1 billion investment in safe, reliable services that local passengers deserve.

The *Victorian Budget 2017/18* also invests more than \$879.5 million in a more frequent and reliable metropolitan public transport system. We are giving Victorians real transport options to get home safer and sooner, wherever they live.

Keeping Melbourne Moving

While we're building the big projects that really matter, we're also making sure that Victorians keep moving. The *Victorian Budget 2017/18* invests in making sure commuters can spend less time getting to and from work, and more time at home. That's why we are investing \$62.5 million for more train, tram and bus services to provide more options for commuters, including:

- Eight additional train services on the Werribee line in the shoulder peak
- A St Kilda Road shuttle to provide additional passenger capacity during the weekday peak period, 50 additional tram services on routes 57, 58 and 59, and additional Parkville bus services to minimise transport disruptions from the construction of the Metro Tunnel
- A series of route extensions, upgrades and new services to improve bus network coverage in Bentleigh, Frankston, Mordialloc, Narre Warren, Craigieburn, Sunbury and Broadmeadows

We're also planning for the future with \$15 million to fund a network impact management plan.



> **\$218.1 million to order
10 more E-Class trams**

The Andrews Labor Government is continuing its investment in the Night Network, with a \$193.2 million investment in 2016-17 and over the next four years to provide safe, 24-hour public transport on weekends. Following a successful trial, 24-hour trains, trams and buses will continue running on weekends in Melbourne, and night coaches will service select regional locations.

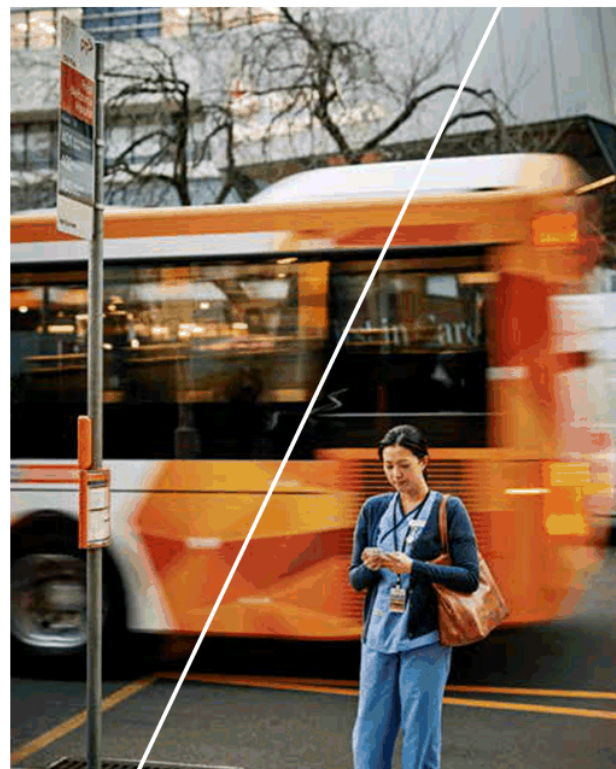
More of Melbourne's favourite trams

This Budget provides \$218.1 million to order 10 more E-Class trams and provide new infrastructure to support Melbourne's modern tram network. These trams will be built in Victoria, for Victoria, boosting local jobs.

This will mean a total of 80 new E-Class trams have been funded to roll out on the network – despite the previous government not ordering or funding a single new tram.

Bus and train upgrades

- \$187.4 million to build new train stables on the Frankston Line at Kananook. This project will ensure the community's needs are met for on-time performance well into the future
- \$67 million to improve passenger safety on train and bus networks with a program of upgrades targeting key risk areas at train stations and bus stops
- \$8.7 million to design and oversee improvements to Melbourne's busiest train stations
- \$5 million will plan for a major long-term second phase upgrade to the Hurstbridge train line



VICTORIAN BUDGET 17/18 OVERVIEW

Roads

The Andrews Labor Government is building new roads, and upgrading existing roads, all around Victoria. In the last Budget, we invested almost \$7 billion in our roads. This Budget builds on that investment with almost \$2 billion for our roads to help reduce congestion and keep all Victorians safe.

Investing in safety and capacity

With our strong population growth, we need to make sure Victorians can get home safer and sooner. This Budget includes:

- \$343 million in road maintenance funding to help fix roads around Victoria
- \$300 million to build the Mordialloc Bypass, connecting the Mornington Peninsula Freeway at Springvale Road to the Dingley Bypass, diverting traffic away from residential areas in Apsdendale Gardens and Mordialloc
- \$96.6 million to build the next stage of upgrades to the Yan Yean Road, improving the capacity, safety and amenity of Yan Yean Road north of Kurrak Road
- \$58.6 million to perform vital maintenance on the West Gate Bridge
- \$7.7 million for repairing noise walls along the Monash, Eastern and Frankston freeways, and the South Gippsland Highway

Building the missing link

The Andrews Labor Government will build North East Link – the missing link in our road network that will finally complete the Metropolitan Ring Road.

North East Link is the only project that can actually slash congestion in Melbourne's north, south and east, while the new West Gate Tunnel fixes traffic in the west.

The project will take trucks off local streets and reduce congestion in Melbourne's northern and eastern suburbs. It will provide an essential north-south connection, catering for Melbourne's future growth, while linking the eastern suburbs to the northern and western suburbs and the airport.

This Budget allocates \$100 million for the North East Link to get planning and pre-construction activities underway, ahead of procurement in 2018.

The North East Link Authority will use its expertise to plan for the necessary upgrades to surrounding key strategic roads in the network.



Upgrading the M80 Ring Road

This Budget provides \$700 million over four years towards upgrades for the M80 Ring Road.

These upgrades will improve safety and reduce congestion for the 160 000 drivers who use the freeway every day, delivering a more reliable commute for drivers, freight operators and the local community.

To better manage traffic flow, an electronic freeway management system will also be installed with overhead electronic signs to provide real-time information for drivers.

The M80 Ring Road will be upgraded between the Princes Freeway and Western Highway, Sydney Road and Edgars Road, and Plenty Road and Greensborough Highway.

This project will see the M80 Ring Road fully upgraded, and will complement the new North East Link.

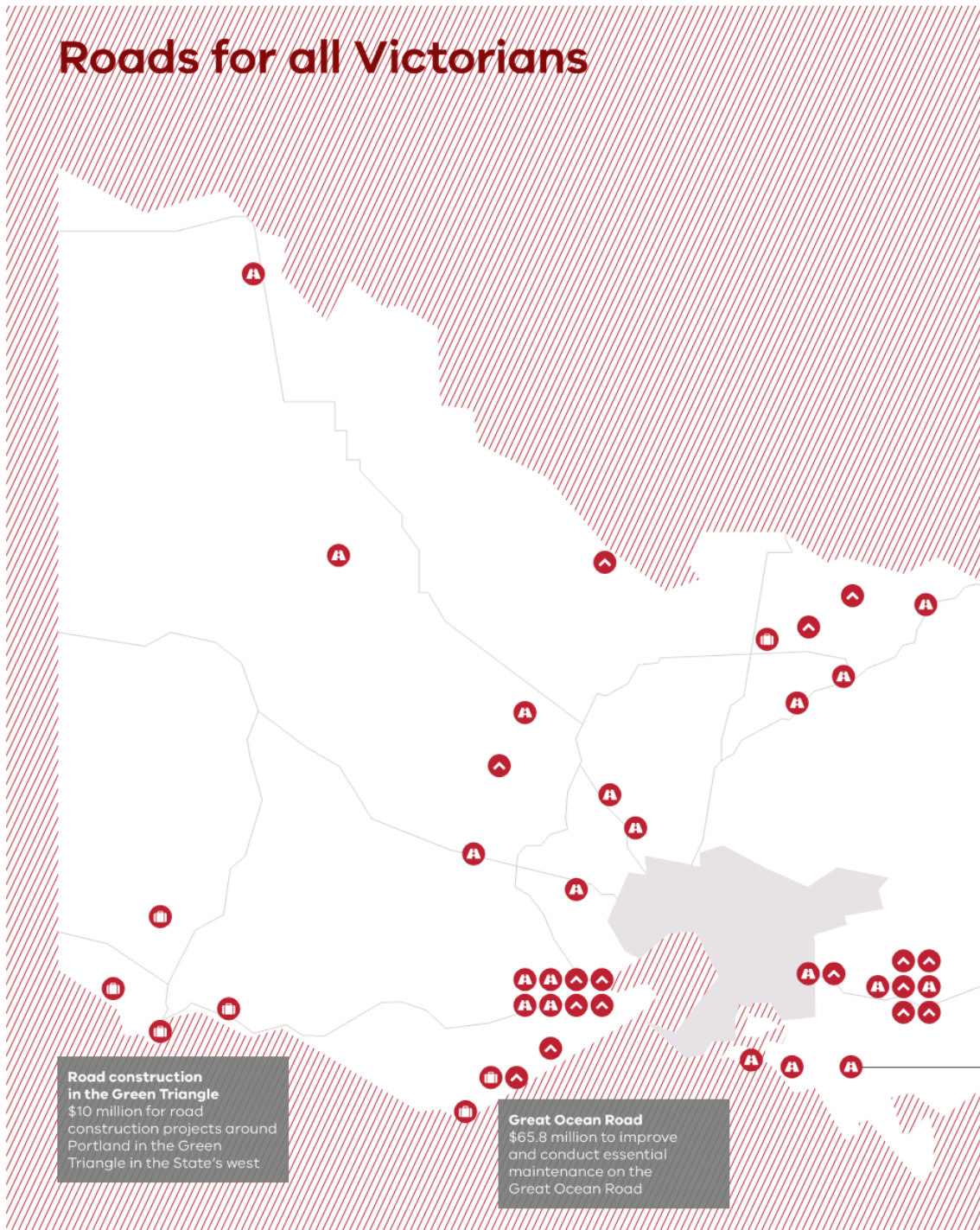
Improving roads in the regions

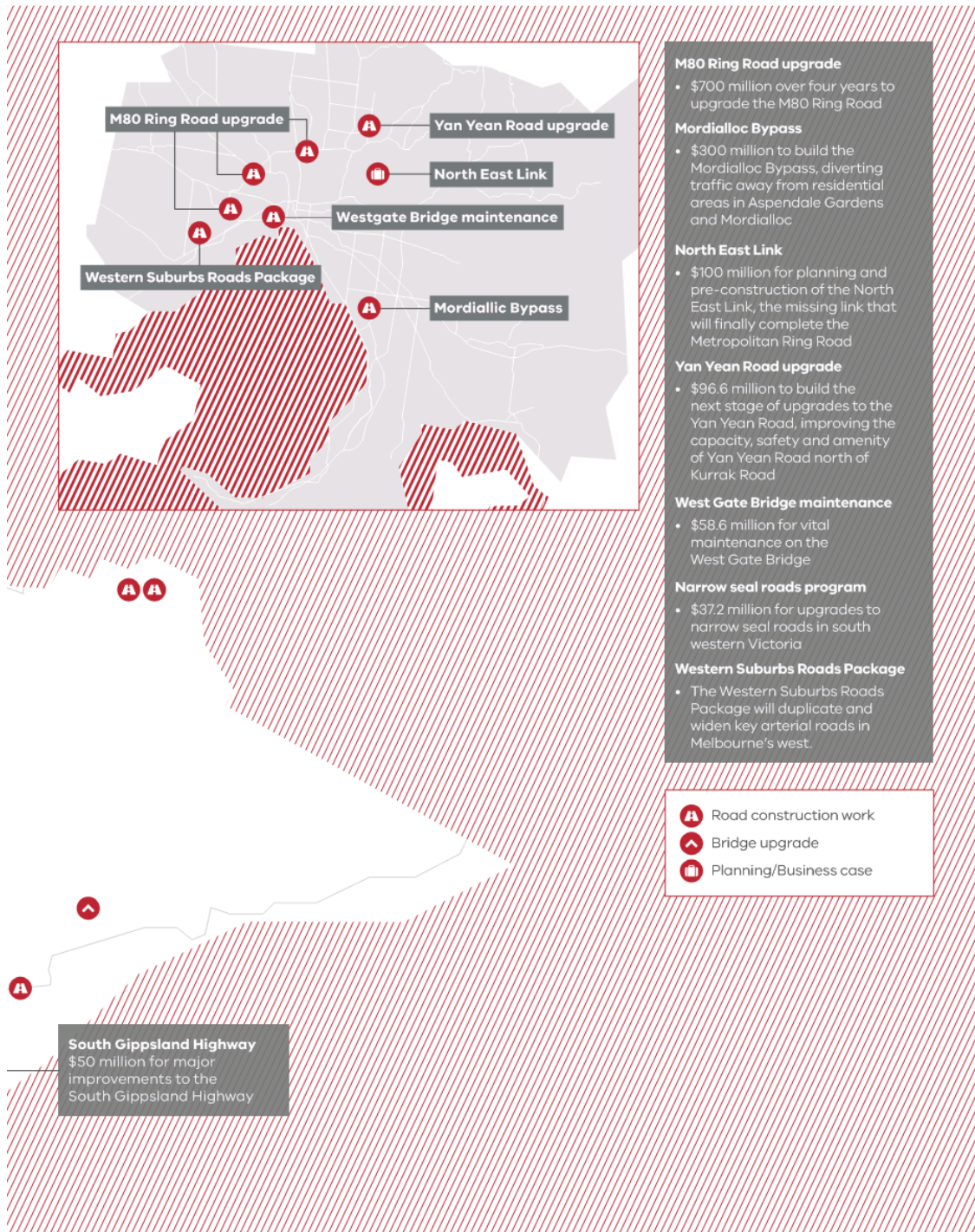
Regional Victorian communities rely on our road network to stay connected. The *Victorian Budget 2017/18* invests a further \$556.4 million to improve roads in regional Victoria, including:

- \$65.8 million to improve and conduct essential maintenance on roads in South Western Victoria, including the Great Ocean Road
- \$50 million for major improvements to the South Gippsland Highway
- \$49.2 million for upgrades to 23 major roads all across the State – including the Calder, Bass, Sunraysia and Princes Highways
- \$40.8 million to upgrade 17 bridges throughout the State under the Stronger Bridges, Stronger Economy program
- \$37.2 million to upgrade narrow sealed arterial roads throughout South Western Victoria
- \$25.8 million to fund business cases for 43 regional and rural road upgrades
- \$10 million for Stage 1 of the Shepparton Bypass
- \$10 million for road construction projects around Portland in the Green Triangle in the State's west



VICTORIAN BUDGET 17/18 OVERVIEW







Education

Education for all

Every Victorian child deserves the best start in life. That's why the Andrews Labor Government is building the Education State, so every community has great local schools and every student is able to achieve their potential.

This year, the *Victorian Budget 2017/18* commits another \$1.3 billion to make sure we have the best teachers in our classrooms, the best facilities in our schools and that every child gets the support they need.

Schools for *all* our kids

The Andrews Labor Government believes every Victorian child deserves a quality education, regardless of their background, what their parents do, or where they live.

This year, the *Victorian Budget 2017/18* provides even more help to our students including:

- \$58.4 million to support additional students with disabilities to attend school
- \$21.2 million to help kids travel to school, including 200 students with a disability and kids in Melbourne's outer suburbs
- \$19.5 million for newly arrived students in government schools to support intensive English language learning
- \$9.2 million to teach more Victorian school children how to swim
- \$5.7 million to fund late enrolments for students of all ages, because no child should miss out on school
- \$5 million to ensure children with a disability in kindergarten get the same opportunities as other students
- \$1.6 million to extend the student mentoring program – giving a guiding hand to kids from disadvantaged backgrounds

Building the Education State

The Andrews Labor Government is building the Education State so every community can access a great local school where students are supported to achieve their potential.

In our past two budgets, we've invested \$1.8 billion on new and upgraded schools. This year we are providing a further \$685 million, bringing our total investment in improving Victoria's schools to more than \$2.5 billion.

This ensures every community can be proud of its local school, and every student can be supported to be their best. The *Victorian Budget 2017/18* includes:

- \$269.6 million to construct, plan and buy land for new schools, including many in growth areas
- \$239.6 million to upgrade schools across the State
- A further \$85 million for the asbestos removal program in schools
- \$84.3 million for IT upgrades across our schools, providing the technology essential to teaching and learning
- \$75 million for new relocatable classrooms to alleviate immediate pressure in overcrowded schools
- \$50.7 million to help teachers and principals in 346 struggling schools, with the assistance of expert teachers
- \$10 million to plan and build new Early Childhood Development facilities at new primary schools

The best start in life

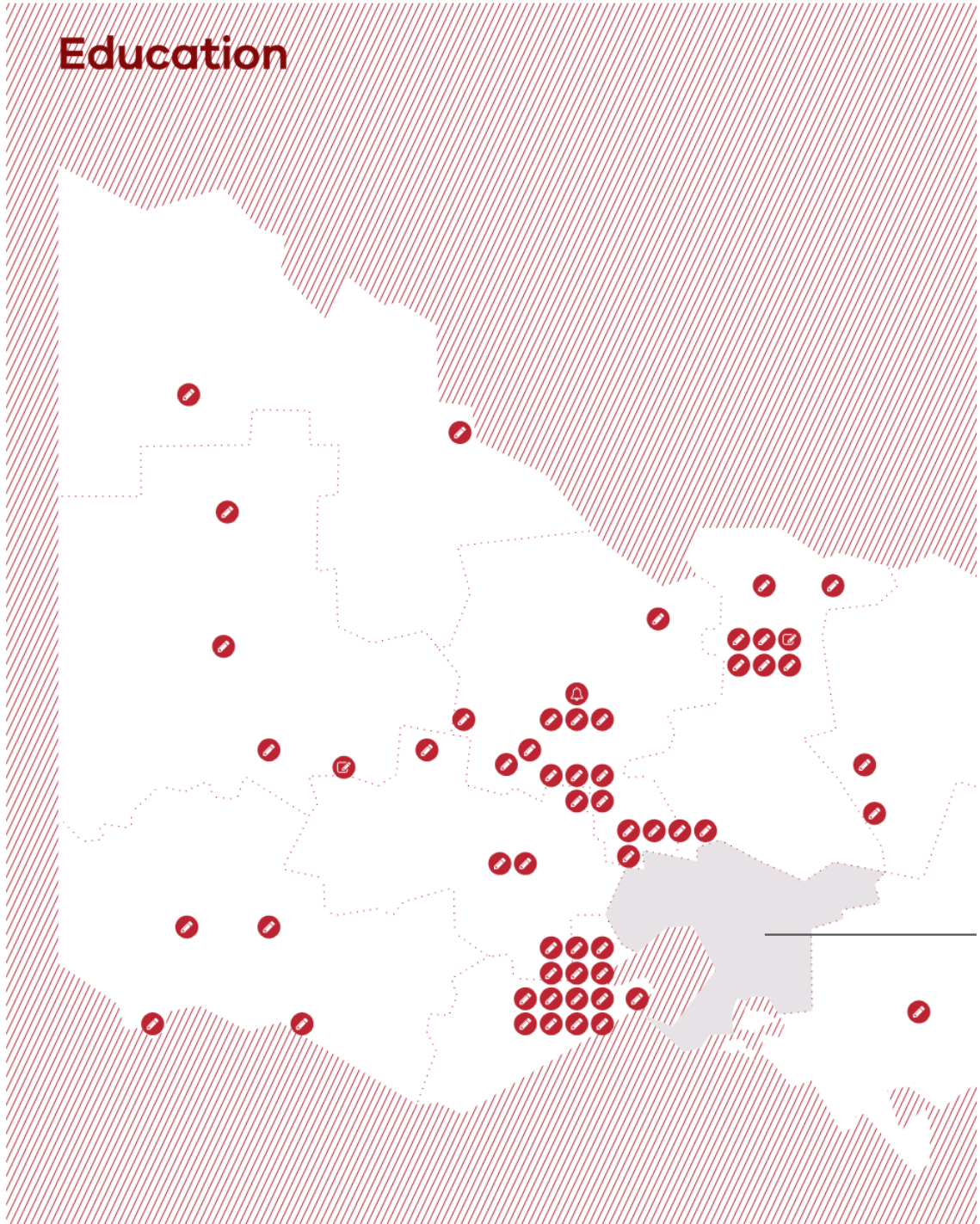
New parents, and their babies, will receive even more support with an \$81.1 million investment in the *Victorian Budget 2017/18*.

This investment will support extra maternal and child health services for more than 37 000 families, and boost support for new mums and playgroups.

School readiness funding for our kindergarten kids

We're preparing our youngest Victorians for school, with an \$87.1 million investment in a nation-leading policy that will help kinder kids who need more support.

VICTORIAN BUDGET 17/18 OVERVIEW



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Metropolitan schools

New school construction

- Aitken Hill Proposed P-6
- Alphington P-2
- Beaumaris High School (Final stage)
- Burnside Proposed P-6
- Footscray Learning Precinct (Stage 1 construction)
- Pakenham (NE) Proposed P-6
- Prahran High School (Final stage)
- Preston High School (interim name)
- Sanctuary Lakes South Proposed P-9
- South Melbourne Park Primary School (Final stage)
- Taylors Hill Secondary College
- Truganina East Proposed P-9
- Yarrambat Park Proposed P-6

Metro school upgrades

- Albert Park College
- Aldercourt Primary School
- Ascot Vale Primary School
- Banyan Fields Primary School
- Banyule Primary School
- Berwick Fields Primary School
- Boronia Heights Primary School
- Brunswick North Primary School
- Bundoora Primary School
- Campbellfield Heights Primary School
- Carnegie Primary School
- Carrum Downs Secondary College
- Coburg High School
- Coburg North Primary School
- Collingwood College
- Diggers Rest Primary School
- Donburn Primary School
- Eltham High School

- Essendon Primary School
- Fawcner Primary School
- Fountain Gate Secondary College
- Frankston High School
- Gleneagles Secondary College
- Highvale Primary School
- Hughesdale Primary School
- Keilor Heights Primary School
- Kurunjang Primary School
- Lilydale Primary School
- Lilydale West Primary School
- Lynall Hall Community School and Richmond High School Precinct
- Lyndale Secondary College
- Melton Secondary College
- Merri Creek Primary School
- Monbulk College
- Montmorency South Primary School
- Moonee Ponds West Primary School
- Mount Erin Secondary College
- Narre Warren South P-12 College
- Newlands Primary School
- Perseverance Primary School
- Port Melbourne Primary School
- Seaford North Primary School
- Spotswood Primary School
- Sunbury Downs Secondary College
- Upwey High School
- Valkstone Primary School
- Waverley Meadows Primary School
- Wellington Secondary College
- Wheelers Hill Secondary College

Special school upgrades

- Bayside Special Developmental School

Land acquisition by council area

- Cardinia
- Casey
- Hume
- Melton
- Whittlesea
- Wyndham
- Yarra

Planning

- Croydon Community School
- Docklands Proposed P-6
- East Bentleigh (future provision)
- Frankston North Education Precinct
- Lilydale and Upper Yarra Secondary Schools Plan
- Noble Park Secondary College
- Point Cook SSC
- Seaford Primary School
- The Grange P-12 College
- Victoria University Secondary College

Statewide education initiatives

- Asbestos Removal Program
- Early Childhood Development facilities
- Relocatable classrooms
- School Pride and Sports fund

Legend:

- Rural and regional school upgrades
- Rural and regional planning
- Special school upgrades

VICTORIAN BUDGET 17/18 OVERVIEW

Victoria's fair share



Our budgets come to define us – a yardstick by which we measure a government's priorities. What matters, who matters, why it matters.

This Victorian Budget – and this Government – is devoted to delivering for our state.

To more jobs. To better roads and public transport.

To making sure our loved ones get the health care they need.

And to giving every child every chance to succeed.

These are our priorities for Victoria, and in this Budget, we're getting on with the job.

Unfortunately, the same cannot be said of our Commonwealth Government.

Because year after year, budget after budget, it's clear they don't care about Victoria, or Victorians.

Last year, the Prime Minister broke his promise to our state, refusing to fulfil his commitment as part of the National Partnership Agreement on Asset Recycling – an agreement that should have delivered \$1.5 billion to Victoria.

This is money that could be used to upgrade train lines, improve regional roads, remove more level crossings. But eight months on, Victorians are yet to receive a cent.

We've put together a plan for Regional Rail Revival – a plan that would see that \$1.5 billion spent where it's needed, building on the work our Government has already done to improve and repair regional rail. We just need the Commonwealth to give Victoria the money it has promised us.

We're also missing out on a fair share of infrastructure funding.

Based on our population share, the Commonwealth is short-changing Victoria on \$6.6 billion of infrastructure spending. That's money that could be building new roads and rail, or removing more level crossings. Instead, the Commonwealth is sending that money to Sydney.

As home to 25 per cent of Australia's population – and as this nation's fastest growing state – a nine per cent share of Commonwealth Government funding isn't enough.

VICTORIAN BUDGET 17/18 OVERVIEW



It means that Victorians are missing out – not because we don't need the money – but simply because we're in the wrong part of Australia for our Prime Minister.

It's the same with health funding.

To date, Victorian patients have been short-changed \$150 million because of the Federal Government's cuts to hospitals, and because our Prime Minister refuses, yet again, to honour his agreements.

It means that thousands of Victorians, relying on elective surgery, urgent dental work and mental health support, have been left waiting.

From 1 July, thousands more will be impacted, if the Commonwealth Government chooses not to continue its funding for cervical and breast cancer screening.

National Partnerships are being slashed across the board. The National Partnership on Skills Reform, the National Partnership on Housing Affordability, the National Partnership on DisabilityCare Australia are all under fire – all agreements Victorians need and rely on.

Perhaps most worrying, the Commonwealth Government refuses to commit to funding for education.

On the table, \$100 million for Victorian kindergartens, and \$950 million in schools funding.

That's equivalent to a day of kinder every week, and hours and hours of one-on-one support at school.

If the Prime Minister proceeds with the cut, it will hurt our schools, our kinders, our communities, our state – but most of all, it will hurt our kids.

The Victorian Government is calling on the Commonwealth Government to keep its word, to give Victoria our fair share.

VICTORIAN BUDGET 17/18 OVERVIEW

Family violence

Family violence is a national emergency.

Every year, it claims the lives of women and children. Every year, our system fails to support victims when they need it most.

That's why, before we were elected, we promised we would do everything we could to put an end to family violence.

We launched Australia's first Royal Commission into Family Violence which delivered a final report in March 2016 and made 227 recommendations to fix a broken system.

In last year's Budget, we invested \$572 million to begin work on the Royal Commission's most urgent recommendations. This included extra funding for counsellors and prevention programs, as well as an investment in housing and crisis refuges, ensuring victims are not forced to choose between an unsafe home and the streets.

In November 2016, the Andrews Labor Government released *Ending Family Violence: Victoria's Plan for Change*, our 10-year strategy for every Royal Commission recommendation, and for building a future where Victorian families are free from family violence.

The *Victorian Budget 2017/18* provides a further \$1.9 billion to deliver on this commitment.

This investment will help us respond to the needs of victim survivors, keep them and their children safe, and hold perpetrators to account.

This Budget provides:

- \$448.1 million to establish 17 Support and Safety Hubs, because getting the right support at the right time is critical. These crucial contact and referral points will link victim survivors and their children to the support and services they need. The first Hubs will be launched in Barwon, Bayside Peninsula, Inner Gippsland, Mallee and North-East Melbourne regions from late 2017
- \$270.8 million for victim assistance, after-hours crisis support, counselling and therapy, including for children
- \$269.4 million to enhance the response of Victoria's legal system to family violence. This includes implementing the specialist Family Violence Courts model in several locations across the State, expanding legal assistance services for victim survivors and a new case management system for courts



Photography: Clever Deer Photography



Photography: Clever Deer Photography

- \$133.2 million for housing. This includes finishing the job of rebuilding family violence refuges, so victims are safe and can start their recovery. It also includes new Aboriginal family violence refuges, leasing more private rental properties for victims, and additional public housing
- \$95.4 million to strengthen our family violence workforce. This includes new workers in mental health and alcohol and drug services, expanded training across a wide range of services, and initiatives to recruit the next generation of workers
- \$76.9 million to hold perpetrators of family violence to account and to change perpetrator behaviour
- \$33.5 million to provide greater support for Aboriginal Victorians and Aboriginal organisations and communities, including through prevention and early intervention programs, and support for victim survivors

Tragically, many children also experience or witness family violence. To support these children, the Government is investing in early intervention with \$29.2 million to expand the Family Services program, which assists vulnerable children and their families. A further \$131.9 million will expand child protection services and placements for children who are unable to live safely with their families.

At the same time, we want to stop family violence from happening in the first place. That's why we are launching *Free from Violence: Victoria's strategy to prevent family violence and all forms of violence against women* to keep Victorian families safe.

We will invest \$50.7 million in this strategy and in delivering ongoing prevention activities by establishing a dedicated Prevention Agency.



Photography: Clever Deer Photography



VICTORIAN BUDGET 17/18 OVERVIEW

Safer communities

Every Victorian deserves to feel safe.

Crime has been rising over the past six years, and something has to be done.

The Andrews Labor Government has a clear law and order plan, taking a stand to tackle crime and keep Victorians safe.

Record boost to police

Victoria Police will get the powers and resources they need – everything they have asked for to stop crime and reduce harm.

The *Victorian Budget 2017/18* fully funds our Community Safety Statement, which provides a more than \$2 billion boost to Victoria Police so they can put victims first, and put criminals behind bars.

This money will fund:

- More than 2 700 new sworn police officers, including 415 specialist family violence officers
- Youth Crime Prevention grants and an expansion of the Victoria Police Kokoda youth engagement program
- 100 new Protective Services Officers to boost safety at train stations and transport hubs
- 10 upgraded police stations across the State, in Alexandra, Altona North, Reservoir, Rutherglen, South Melbourne, Tangambalanga, Warracknabeal, Wedderburn, Wycheproof and Wyndham

Justice for all

In addition to the record boost to Police, the Government is addressing the safety of our communities at all levels, from crime prevention and neighbourhood policing, through to the criminal justice, prison and rehabilitation systems.

This Budget helps ensure serious crimes are punished and perpetrators are held to account and detained effectively to keep Victorians safe.

This Budget provides:

- \$360.7 million to strengthen youth justice facilities in Parkville and Malmsbury, and to build a new fit-for-purpose high security detention centre
- \$308.1 million to bolster security around high-risk offenders, including detention and supervision schemes, and targeted intervention for serious offenders in custody
- \$145.2 million to fund the needs of the expanded prison system, ensuring prisoner, staff and community safety, and reducing the likelihood of reoffending



- \$122.9 million to improve public safety and care for the needs of offenders with mental illness
- \$41.1 million for rehabilitation programs and services to respond to recidivism and improve community safety, including an anti-radicalisation program
- \$29.5 million to support Legal Aid and Community Legal Centres to continue to meet the needs of disadvantaged or vulnerable Victorians
- \$7.6 million to fund plans to expand and upgrade the Werribee Law Court and Bendigo Law Court so they can manage demand

Emergency readiness

This Budget provides \$72.3 million for Triple Zero to respond to demand for emergency call-taking and dispatch services, and to improve emergency services communications, including radio coverage in the City Loop and the national telephone warning system.

In addition, the Budget invests \$6 million for Life Saving Victoria's clubhouse redevelopments at Brighton, Jan Juc and Point Lonsdale.

Our State Emergency Service volunteers put their lives on the line to help others. The Government is supporting the men and women who support us, often in the worst of times.

We are investing in our emergency services, so they have the personnel and equipment they need to keep all Victorians safe, including:

- \$273.3 million to reduce the impact of bushfires on Victorian communities, by targeting high risk areas, lifting firefighting capacity, and increasing the use of Aboriginal fire management practices
- \$34.3 million to fund Victoria State Emergency Service vehicles, equipment and new headquarters in Caroline Springs/Plumpton, Clyde, Craigieburn North, Cranbourne, Officer and Point Cook



VICTORIAN BUDGET 17/18 OVERVIEW

Health

Every Victorian should be able to rely on the best of care, close to home.

The Andrews Labor Government is building on our record-breaking investments in Victoria's health system with almost \$2.9 billion to ensure that Victorians, wherever they live, receive first-class care.

Investing in our hospitals, so more patients are seen sooner

We understand that making sure every Victorian has the health care they need could save the life of a child, a parent or a loved one. That's why our first Budget included Victoria's biggest investment in hospitals. Last year, we invested even more, including establishing the first ever Regional Health Infrastructure Fund.

This year's Budget delivers again, with funds to meet the health care needs of our growing state, including:

- \$162.7 million to upgrade and expand inpatient infrastructure at the Northern Hospital
- \$69.8 million to upgrade key infrastructure at the Austin and Royal Melbourne Hospitals
- \$63.2 million to upgrade the Monash Medical Centre emergency department to better target care to children and adults

- \$50 million to plan the new Footscray Hospital development, servicing the growing population in Melbourne's inner west and for urgent works at the existing hospital
- \$35 million for upgrading specialist medical equipment, including MRI and CT scanners in metropolitan and regional hospitals

Ambulances

The Andrews Labor Government is bolstering our ambulance system to ensure all Victorians receive lifesaving care when they need it. We are funding faster response times, more paramedics, more vehicles and better stations.

As a result of our record investment, statewide ambulance response times are at their best level in five years.

Building on our investment of \$526 million in November 2016, a further \$26.5 million will help our ambulances respond to every emergency even sooner.

Hospital services

At the end of the last financial year, the elective surgery waiting list was the lowest number in six years. But there is more work to be done – on elective surgery, on emergency waiting times, and on outpatients.



In this Budget, we are getting on with delivering:

- \$1.3 billion to meet hospital demand for an additional 41 000 admissions and 38 000 emergency treatments in 2017-18
- \$319.9 million to reduce waiting times for elective surgery, delivering 6 600 new elective surgery procedures in 2017-18 and reducing the waitlist

Better, safer care

The Andrews Labor Government is making much-needed change to make sure our health system supports the needs of Victorians in 2017, and into the future.

In this Budget we are investing \$215 million to implement the Government's Better, Safer Care reforms to put patient safety first, eliminate avoidable harm and improve the quality of health care across the State. These changes will ensure every Victorian receives the best quality of care.

Emergency readiness

Following the tragic deaths of nine people last year, this Budget invests \$15.6 million in preparing for future thunderstorm asthma and other extreme weather events.

This includes education campaigns to help people prepare for extreme weather, and investment in better pollen monitoring and research to prevent future outbreaks.

Preventative health and innovation

This Budget invests \$69.2 million for the treatment, prevention and research of diseases so that Victorians get the right care sooner, including:

- \$34.2 million to boost health and medical research, which will allow us to keep our world-class scientists in Victoria, helping them to find the cures of the future
- \$14 million for delivering Victoria's Cancer Plan, including 10 000 additional breast cancer screens and increasing the number of Victorians participating in the National Bowel Cancer Screening program
- \$12.7 million will be invested in delivering innovative approaches to health care. This will include trialling a new coordinated health care model through the South Eastern Melbourne Primary Health Network.
- \$8.3 million for genomic testing of rare undiagnosed conditions





Mental health and disability

Mental health

The Andrews Labor Government is boosting access to mental health services across Victoria, with a \$406.7 million investment to meet our most urgent needs. This builds on the significant additional investment for mental health in last year's Budget.

This funding will provide 579 additional inpatient services and approximately 75 000 hours of community care. More medical and allied staff will be available on weekends to provide more timely treatment of mental health clients.

\$45.2 million of this major investment will be put towards expanding forensic mental health services to make our state safer by improving access to assessment, diversion and appropriate treatment for mental illness. This additional investment means that patients can get the care and treatment they need to stay out of the criminal justice system.

Treatment for alcohol and other drugs

More Victorians die each year from a drug overdose than on our roads.

Alcohol and drug abuse damages Victorian families and communities, particularly in regional Victoria. Our Ice Action Plan is up and running, but we still have so much more work to do.

This Budget commits a further \$78.4 million to treat substance abuse, including:

- \$12.4 million to expand services for people during transition in and out of alcohol and other drug treatment
- Increased phone and web-based support, which will provide earlier access to alcohol and drug services for people who are unable to access face-to-face services
- Establishing 30 new alcohol and drug rehabilitation beds to increase the capacity of residential rehabilitation services by an additional 85 patients per year
- Counselling and treatment services for up to 3 800 parents a year to reunite families impacted by addiction

- Providing a further 960 places for people with mandatory treatment conditions in their Community Corrections Orders
- Better capturing and sharing information across alcohol and other drug treatment services to build better treatment options

Disability

People living with disability deserve choice and control over their support services.

The National Disability Insurance Scheme (NDIS) – the biggest transformation in support for those living with disability – will change people's lives for the better.

We are committed to the scheme's success, investing a further \$166.2 million in disability-related initiatives in the *Victorian Budget 2017/18*. This includes \$2.9 million for the Home and Community Care Program for Younger People with disability.

Additional funding will provide support to prepare Victoria for the NDIS, including workforce development, education and training.





Housing

Homes for Victorians

For too many Victorians, finding a home is getting harder and harder. The great Australian dream is slipping out of reach.

A significant number of Victorians, particularly young Victorians, are struggling to break into the housing market. House prices are rising and upfront costs – a deposit, stamp duty and fees – quickly add up. Many struggle to meet high rental prices, or instead choose to live in unsuitable housing. Some don't have the security they need, or the capacity to personalise their home as they would like.

At the same time, the number of Victorians who need to access public and community housing is growing. Waiting lists are long, and many of our existing homes have fallen into disrepair.

In short, too many Victorians don't have a real choice about where they live, or the type of home they live in. And as our population grows, inaction will only make things worse. Fixing this problem isn't simple, which is why the Government is taking action to help buyers, renters and those most in need.

This Budget includes support for first home buyers including:

- \$851 million to abolish stamp duty for first time buyers of homes valued up to \$600 000, and cuts to stamp duty on homes valued up to \$750 000
- \$50 million to double the First Home Owner Grant to \$20 000 in regional Victoria to support up to 6 000 first home buyers, making it easier for young people to build and stay in their community

To give renters greater long-term security, the Government is making long-term leases a reality, by funding:

- a new optional standard long-term lease agreement available for landlords and tenants wishing to enter into arrangements of more than five years
- a dedicated website to connect landlords and tenants interested in a long-term lease

The Government is helping first home owners by starting a *HomesVic* shared equity scheme that will provide up to 25 per cent equity for eligible home buyers. A further \$5 million grant will be provided to the National Affordable Housing Consortium's national shared equity scheme, helping eligible low to medium income households.

Social housing

The Andrews Labor Government will support another 2 200 new social housing places over the next five years, through our \$1 billion Social Housing Growth Fund.

We are also investing \$100 million to fund low-cost loans and \$1 billion in government guarantees to housing associations, to enable them to substantially expand their stock.

Victorians in need will also have access to safe and secure accommodation with a \$20 million investment to upgrade rooming houses in both the government and community sectors.

A further \$3 million will be provided to transfer management of 4 000 public housing dwellings to community housing agencies, which are better placed to respond to the individual needs of each and every family.



VICTORIAN BUDGET 17/18 OVERVIEW

Regional Victoria

It shouldn't matter where you live. Every Victorian should be able to rely on good schools and hospitals, and access reliable public transport and roads.

The Andrews Labor Government is getting on with delivering these services, creating jobs and strengthening communities throughout regional Victoria.

Jobs, economy and liveability

This Budget builds on last year's record regional investment, with an additional \$4 billion specifically for the regions. Across our state, we are growing local jobs and strengthening local economies. This Budget provides:

- \$44.4 million to safeguard Victoria's agriculture sector from biosecurity risks
- \$27.5 million to support the identification, development and delivery of Regional Partnerships priorities, including local infrastructure projects, master plans and programs

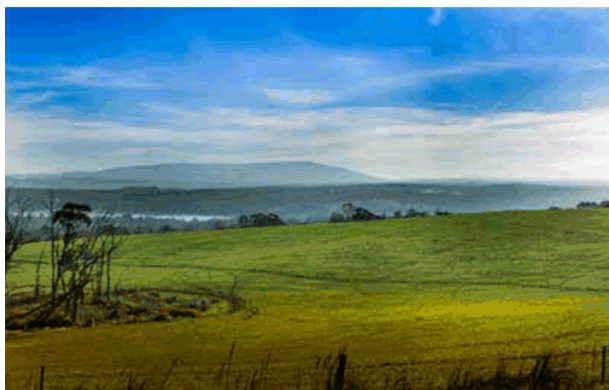
Businesses in regional Victoria will also receive a 25 per cent discount on their payroll tax.

The *Victorian Budget 2017/18* invests \$102.6 million in *Water for Victoria*, the Government's plan to manage Victoria's precious water resources.

This funding will go to:

- responding to the challenges of climate change
- transitioning rural communities to a new regime under the Victorian Rural Drainage Strategy to reduce waterlogging on agricultural land and improve agricultural productivity
- enhancing the management of Victoria's water sector, through better planning processes and by providing updated water quality indicators and guidance on protecting and rehabilitating water environments
- allowing recreational water users to better plan for activities such as water skiing, rowing and fishing
- better protecting internationally recognised Ramsar wetlands

- > **\$47.8 million to build the Ballarat GovHub, bringing 600 good jobs to Ballarat in a purpose-built new government office**
- > **\$45 million for the Connecting Regional Communities Program to connect regional communities to better broadband and more reliable mobile services**



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Transport

Regional Victorians deserve to have transport options they can rely on. Better roads, rail and public transport in regional Victoria ensure communities are well connected, and all Victorians can get where they need to go, regardless of where they live.

The Andrews Labor Government is investing \$1.7 billion in transport projects across regional Victoria, in addition to the record investment in last year's budget, which included \$1.3 billion for regional public transport. This Budget includes:

- \$316.4 million for major maintenance works to boost regional on-time train performance and reliability
- \$311.1 million for 39 new VLocity carriages to be constructed in Dandenong to meet demand in regional Victoria
- \$10.2 million to kick off planning and pre-construction work for Stage 1 of the Shepparton Bypass, linking the Midland and Goulburn Valley Highways, and reducing heavy vehicle traffic in Shepparton
- More than \$556.4 million for upgraded regional roads, including a \$37.2 million narrow-seal roads program, \$65.8 million for roads in Victoria's south west, as well as stronger bridges to help get produce from paddock to port

Regional Rail Revival

With a growing regional population, we are committed to providing significant funding to ensure our regional rail networks run smoothly, reliably and safely. The Government has developed a Regional Rail Revival plan (the Plan), comprising \$1.5 billion in projects to address the reliability of the regional network and to give regional cities and towns the infrastructure they deserve.

The Plan includes \$435 million, funded in *Victorian Budget 2017/18*, for an upgrade to Gippsland Rail with major infrastructure upgrades including track duplications, crossing loops, station enhancements and 22 level crossing improvements. This will mean a better train line, and it will create hundreds of new jobs.

Funding of further initiatives under the Plan requires full receipt of Victoria's entitlement under the National Partnership Agreement on Asset Recycling from the Commonwealth Government. Additional projects include:

- the first stage of the new Surf Coast Rail Project, a massive new plan to give people in Geelong and the Surf Coast a better rail service, including planning for a spur line to Torquay
- upgrades to the Warrnambool line to enable more frequent and reliable services
- upgrades to improve the Bendigo line, and further upgrades on the Ballarat line to Ararat which will also deliver better services for Maryborough
- planning for new rolling stock on the North East Line, which is owned by the Commonwealth

Education

Access to a first-rate education shouldn't depend on your postcode.

That's why we're building on our significant investment in this Budget, with a further \$64.1 million to build and upgrade 59 primary and secondary schools across regional and rural Victoria.



VICTORIAN BUDGET 17/18 OVERVIEW

Health

Every Victorian should be able to rely on the best of health care, close to home.

The *2017/18 Budget* invests in our health system, so families in rural and regional areas can receive high-quality care when they need it. Regional communities will benefit from:

- \$7.5 million to undertake planning and preliminary infrastructure works to South West Healthcare in Warrnambool to deliver the next stage of upgrades. This will support our doctors and nurses as they continue to provide the best health care to people in the south west
- an additional \$2 million to subsidise costs for people from regional areas when they travel to access specialist medical care

This builds on the \$200 million Regional Health Infrastructure Fund from last year's Budget, which is being rolled out across the regions to make health services in regional areas more reliable and comfortable for patients.

Mental Health

Regional Victoria is being hit hard by a substance abuse epidemic. This is why this Budget provides:

- \$34.8 million of joint State and Commonwealth funding to boost services for alcohol and other drug abuse, including 30 new rehabilitation beds for 85 patients. Treatment services and counselling will also be provided for up to 3 800 patients every year across Victoria
- \$9.7 million to plan and purchase three new regional sites for drug rehabilitation in the Gippsland, Hume and Barwon regions





VICTORIAN BUDGET 17/18 OVERVIEW

Our community

Victoria is Australia's number one destination for arts, culture, sport and major events. Through its investments, the Andrews Labor Government is making sure the things we love about Victoria are protected and enhanced for the future.

Aboriginal Affairs

The Andrews Labor Government is listening to Aboriginal people. They have told us they want to talk about this nation's first ever treaty.

The Andrews Labor Government believes that if we are to see any genuine change, Aboriginal Victorians must have control over the decisions that affect their lives.

This Budget provides \$100.6 million to work with Aboriginal Victorians, to build foundations for self-determination, empower communities and support a strong culture, as well as providing support for health, education, mentoring and more.

This includes \$68.2 million over the next four years to support Aboriginal self-determination, and to create a new relationship between Government and Aboriginal Victorians, so both can work towards better outcomes. This will fund treaty negotiations and make sure Aboriginal communities remain at the heart of these discussions. It will also be used to create an Aboriginal Community Infrastructure Fund for significant, innovative community infrastructure projects.

The Budget also provides:

- \$14.1 million for 17 Aboriginal worker roles, to provide specialist alcohol and drug services and support for Aboriginal communities, and an additional 17 Aboriginal alcohol and other drug specialist youth workers
- \$8.4 million to support Aboriginal social and emotional wellbeing and mental health, including establishing 15 full-time mental health trainee positions for Aboriginal people, and 10 Aboriginal specific clinical and therapeutic positions in Aboriginal Controlled Community Health Organisations
- \$1.8 million to extend the Aboriginal Youth Mentoring Program, supporting young people to remain connected to culture, families and friends

Multiculturalism

Our state is strong, diverse and harmonious.

We are proud of Victoria's cultural diversity, and the Andrews Labor Government wants to ensure every Victorian, including those who have recently joined us, can proudly contribute and belong to our state.

The Government's Multicultural Policy Statement invests \$19 million to strengthen our state's harmony and ensure every Victorian is aware of their responsibilities and rights.



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\$2 million will go to Migrant Workers Rights, which will establish a migrant workers' centre to provide advocacy for workers who are exploited in the workplace, and engage workers across communities.

\$21.8 million will go to Victoria's language services industry to safeguard the breadth, sustainability and quality of language services available to people, including additional support in rural and regional areas.

Equality

The Andrews Labor Government is committed to equality for lesbian, gay, bisexual, trans and intersex (LGBTI) Victorians. \$2 million will be provided to support the Government's commitment to an equal Victoria and improve the health and wellbeing of LGBTI Victorians.

The Government is also responding to the needs of LGBTI victim survivors as part of its family violence package with \$5.3 million to improve the service system's response to people from LGBTI communities. This funding will include the rollout of the HOW2PROGRAM (Rainbow Tick ready) accreditation for all funded family violence service providers, rollout of specialist LGBTI family violence training for frontline workers, and operational funding to the LGBTI Family Violence Centre for Excellence including research grants.

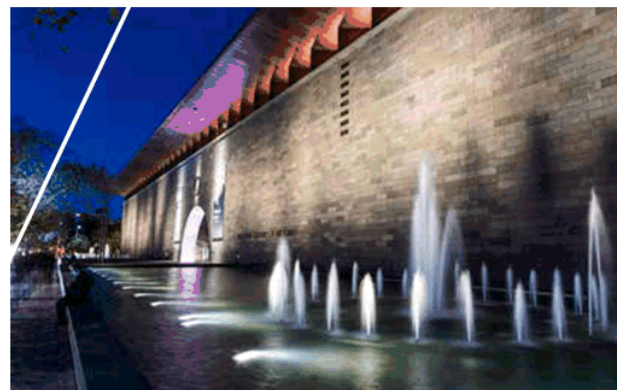
Creative Industries

Victoria is known throughout the world for its creativity and its culture. This is in no small part because of the hard work and dedication of our arts, culture, screen, music and design sectors.

The Andrews Labor Government will support our creative industries through a package worth \$96.6 million.

This includes:

- \$40 million for critical upgrades to our iconic Arts Centre
- \$28.7 million to continue funding summer exhibitions at the National Gallery of Victoria, the Triennial of Contemporary Art and Design, and permanent exhibitions
- \$10.7 million to continue funding the Melbourne International Film Festival and other film festivals
- \$5 million to upgrade technology in the Australian Centre for the Moving Image's Screen Worlds exhibition to provide a high-quality visitor experience



Sport

Melbourne is the sporting capital of Australia and the Andrews Labor Government is doing everything it can to keep it that way.

This Budget provides \$271.6 million for the third stage of redeveloping Melbourne Park, an investment that secures the Australian Open until 2036 and will mean bigger and better events at this entertainment precinct.

This Budget also provides:

- \$20.1 million will go to the Sports Infrastructure Fund, which enables sporting clubs to access grants to upgrade existing or develop new facilities to improve community sport participation
- \$10 million will be provided for the Victorian Home of Golf and National High Performance Centre, a state-of-the-art high performance training, treatment and rehabilitation facility for elite athletes, including golfers preparing for the Olympic Games
- \$6.2 million will go towards increasing female participation in sport, including the Change our Game Champions Program to attract CEOs to drive change in sporting organisations, promote female role models, and identify and support emerging female sporting leaders and coaches

Environment and climate change

Our environment underpins everything – our state, our economy, our health and wellbeing.

In this Budget, the Andrews Labor Government will invest \$86.3 million in the *Biodiversity Plan 2037*, which will protect and preserve our precious native flora and fauna, through targeted actions such as revegetation, predator control and pest control.

This Budget also invests \$25.4 million to help lead our response to climate change, including statewide emission reduction targets, engagement with local governments to achieve net zero emissions by 2050, and development of better data to inform our action.

The *Victorian Budget 2017/18* will also improve Victoria's parks by providing \$31.8 million for up to 60 additional rangers. The Parks Victoria website will also be redeveloped to encourage people to take advantage of and see all the benefits Victorian parks have to offer.

A substantial investment of \$162.5 million will be made to modernise the Environment Protection Authority (EPA). This includes increasing the EPA's enforcement and environmental health capabilities.

Greater investment will also be made in the waste and resource recovery sector, generating jobs in regional areas. Steps will also be taken to keep e-waste out of landfill and foster Victoria's emerging waste-to-energy market.



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Victorian Budget 17/18
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