



## 2009-10 Budget Overview

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The Honourable Tim Holding MP, Minister for Finance

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The Brumby Labor Government is rebuilding after the bushfires, delivering up to 35 000 jobs in 2009-10 and investing in the world class infrastructure and services that Victoria needs to make a strong recovery from the economic downturn and build for the future.

The 2009 State Budget is being delivered in some of the most difficult economic conditions in many decades.

With the Global Financial Crisis and a deep global recession affecting the Australian economy, the impacts on Victoria include jobs under threat, lower business and consumer confidence, a credit crunch that is hindering investment, and a decline in world demand for many of our products and services.

We are also facing the enormous and costly task of recovering from the worst bushfires in our history - fires that tragically cost 173 lives, destroyed homes and businesses, and devastated communities. This budget provides \$986 million over five years to fight, rebuild and recover from the disastrous February 2009 fires.

Despite the challenges ahead, Victoria's longer-term prospects remain strong. The Victorian economy has displayed great resilience and is expected to grow by 0.25 per cent in 2009-10 and 2.25 per cent in 2010-11.

We do not know how far-reaching the impacts of the global economic downturn will be. But we know that Victoria is well placed to make a good recovery from the crisis - due to sound economic fundamentals, a diverse economy, strong population growth and the Brumby Labor Government's responsible financial management, proactive economic reform agenda and record investment in skills and infrastructure that will secure jobs in an economic downturn.

In difficult economic times, governments must deliver leadership and investment. We must create opportunities for Victorian workers to retrain and acquire new skills. We must continue to invest in basic services such as education, health and transport. We must also stay the course in supporting disadvantaged people and communities, recognising that a strong economy relies upon a strong and fair society. Most importantly, we must invest in the projects that will underpin Victoria's readiness to take full advantage of the global economic recovery when it arrives.

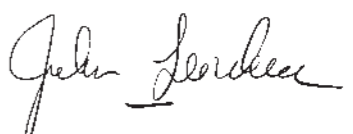
This budget accelerates the Brumby Labor Government's infrastructure program, delivering capital projects that will secure up to 35 000 jobs in 2009-10. These projects include the initial stages of the \$38 billion *Victorian Transport Plan* and the continued delivery of the *Victorian Schools Plan*, as well as working alongside the Commonwealth Government to deliver its *Nation Building - Economic Stimulus Plan*.

The budget continues the Government's high levels of investment in core public and community services. Victoria's growing population is placing many of these services under greater pressure and the budget provides more than \$11 billion, in partnership with the Commonwealth, to address these pressures and continue to deliver major improvements to our education, health and transport systems.

This budget also reflects the new spirit of collaboration that now exists between Australian governments. After years of calling for greater national leadership and investment in many areas, Victoria is now pleased to be working in partnership with the Rudd Commonwealth Government to stimulate the State's economy, fast track public infrastructure, provide more training and skills opportunities, and significantly increase investment in education, health, housing and transport.

The 2009 State Budget is one of the most important in Victoria's recent history. Against the backdrop of a worldwide recession, the Brumby Labor Government has continued to receive triple-A credit ratings from Standard & Poor's and Moody's Investors Services. The Government has kept the budget in surplus and maintained borrowings at responsible levels. We have achieved this while delivering more jobs, boosting our investment in education and skills, and building critical new infrastructure.

In this budget, the Brumby Labor Government delivers the strong and responsible leadership needed to see Victorians through the Global Financial Crisis and build for the future.

  
John Lenders MP  
Treasurer



# Bushfire recovery

The 2009 State Budget provides \$986 million over five years for services and infrastructure that will help Victoria to recover from the worst bushfires in Australia's history.



The Black Saturday bushfires were the worst in Australia's history in terms of their scale and breadth, the destruction of property and loss of life. Tragically, 173 people perished in the bushfires and 2 029 homes and 57 businesses were destroyed. Many people also suffered injuries, trauma and extensive damage to their properties.

The Victorian and Commonwealth Governments partnered with the Red Cross to set up the 2009 Victorian Bushfire Appeal Fund, which has raised more than \$330 million. The outpouring of support from Victoria, other states and internationally will assist many people as they struggle to rebuild their lives.

The Victorian Government also committed significant resources to fighting the fires and has introduced initiatives to support individuals, businesses and communities affected by the bushfires. The cost of many of these initiatives has been shared with the Commonwealth Government.

## Fighting the fires

Emergency services organisations responded to the fires across Victoria over the 2009 summer. This budget includes:

- \$344 million for fire suppression activities undertaken by Department of Sustainability and Environment, the Metropolitan Fire Brigade, and Country Fire Authority operations, and including inter-jurisdictional assistance, aerial measures and containment line restoration; and
- \$24 million for additional police resources required to respond to the fires, including support from Victoria Police and other jurisdictions.

## Supporting bushfire affected people and families

To ease the tremendous hardship experienced by individuals and families affected by the bushfires, this budget includes:

- \$70 million over two years for case managers to work with Victorians affected by the bushfires to ensure that they receive the financial assistance, services and personal support they need as they make decisions about their future lives and homes; and
- \$36 million in 2008-09 for compassionate assistance, including temporary housing assistance, funeral expenses, emergency health and medical services, counselling services, and emergency hardship grants.

## Assisting bushfire-affected businesses

The Government recognises that many businesses and traders have been adversely affected by the bushfires. This budget includes:

- \$51 million for a Business Assistance Package to assist small businesses and primary producers, including subsidised low-interest loans, business assistance grants and business restart mentors; and
- \$10 million for a tourism package to encourage tourists to visit regions economically affected by the bushfires, through a cooperative marketing and branding program and redevelopment of tourism infrastructure.

## Rebuilding communities

The Government is committed to rebuilding communities devastated by the bushfires. This budget provides:

- \$46 million over two years for a clean-up and demolition program to allow rebuilding to commence;
- \$21 million over two years to establish the Victorian Bushfire Reconstruction and Recovery Authority, which will coordinate the recovery efforts of state, local and Commonwealth government agencies and work with communities to rebuild and move forward;
- \$15 million to restore roads and public transport services in bushfire-affected areas; and
- \$10 million for the Community Recovery Fund, which includes grants for sports clubs, community events and other community facilities.

## Preparing for the future

The Government recognises the vital role played by fire and emergency services in Victoria's ability to prepare for, respond to and recover from future bushfires. This budget provides \$241 million over five years for emergency services, including:

- \$167 million over four years to maintain and improve emergency services communications for the public and between emergency services organisations; and
- \$70 million over five years for modern firefighting equipment and additional operational staff.

The Government acknowledges the contribution made by emergency services volunteers in responding to the 2009 Victorian bushfires and the budget provides \$3.9 million to recruit and recognise the efforts of volunteers.

The Government has previously provided \$53 million over five years for additional fire management resources to boost prevention and suppression capacity to meet future bushfire challenges (2008-09 Budget Update).

This budget also provides \$40 million over two years for the Royal Commission into the 2009 Victorian Bushfires to prevent such devastating fires from occurring again. An interim report will be released on 17 August 2009 and the final report is due on 31 July 2010.

The Brumby Labor Government will continue to lend support to all people, businesses and communities affected by the bushfires in the recovery phase as Victoria rebuilds.





# Protecting and creating jobs for all Victorians

The Brumby Labor Government is taking strong action to deliver more jobs now to support Victorians during the Global Financial Crisis and build for the future.

Through the 2009 State Budget, the Brumby Labor Government will secure up to 35 000 jobs in 2009-10 by accelerating investment in public infrastructure and working in partnership with the Commonwealth Government. Many more jobs will be secured through increased investment in services, support for construction activity and a commitment to retain public sector jobs.

## Securing jobs

This budget delivers the largest infrastructure program in Victoria's history to secure jobs and ensure that Victoria is in the best possible position to move ahead when the global economy recovers.

The Victorian Government's sustained infrastructure program has delivered vital infrastructure across Victoria, including new hospitals and schools, major water projects, road and rail upgrades, and landmark buildings such as Southern Cross Station, the Melbourne Convention Centre and the Melbourne Rectangular Stadium.

In 2009-10, \$8 billion is being spent on major capital works projects, including the initial stages of the *Victorian Transport Plan*, the continuation of the *Victorian Schools Plan*, major hospital redevelopments and projects being delivered through the *Nation Building – Economic Stimulus Plan*. Up to 35 000 jobs will be secured by these projects in 2009-10.

In addition to the \$1.9 billion *Victorian Schools Plan*, Victoria is partnering with the Commonwealth to deliver the *Building the Education Revolution* program, which will provide:

- \$2 billion to build new infrastructure for primary schools and special schools, including libraries, multipurpose halls or classrooms, or to upgrade existing facilities;
- \$209 million to enable schools to undertake construction of small-scale infrastructure and/or minor refurbishment projects; and

- an estimated \$141 million for science and language centres in secondary schools that have the greatest need as well as a demonstrated capacity to be able to build the facilities in 2009-10.

This investment will help improve education outcomes while stimulating the economy, driving significant construction activity and securing jobs.

Through the *Nation Building – Economic Stimulus Plan* and the National Partnership on Social Housing, Victoria will also build more than 1 100 new social housing dwellings.

The Government is also strongly committed to retaining jobs in the public sector during the economic downturn. A new wages policy will set a benchmark for future enterprise bargaining agreements at 2.5 per cent a year, resulting in cost savings and allowing the Government to retain public sector jobs.

## Supporting construction activity

The decline in private sector investment as a result of the Global Financial Crisis will be balanced in part by the Brumby Labor Government's strong support of construction activity in the State, including:

- the fast tracking of five major metropolitan developments at the Amcor site, the Pentridge Prison redevelopment, Werribee, Warrn Ponds and Caulfield;
- partnering with the Commonwealth to build a new 3 000 home suburb in Melbourne's west, which will provide 4 500 jobs during the 10 year development period and up to 3 000 ongoing jobs through the creation of a local business precinct; and
- \$7 million over four years to introduce new planning reforms and electronic planning applications to clear the path for building projects.

The budget also provides for the rebuilding of bushfire-affected towns and regions, which will involve significant construction activity in these areas (see page 4).

## Supporting Victorian industries

The Brumby Labor Government recognises the importance of supporting Victorian industries during the economic downturn and boosting their capability to identify opportunities that will create jobs, attract investment and grow exports.

Over the last decade, the Government has invested in supporting industry and driving innovation across the Victorian economy. This budget builds on that investment by providing:

- funding for key elements of the \$245 million Victorian Industry and Manufacturing Strategy – *Building Our Industries for the Future* – including \$8 million over four years for the Defence Industry Acceleration program and \$4.2 million over four years for a new Export Clusters program;
- funding for programs under the *Innovation: Victoria's Future* statement, including \$20 million over four years to continue the successful Biotechnology Strategic Development plan and \$40 million over four years for the Boosting Highly Innovative Small and Medium Enterprises program;
- \$50 million over two years for the Industry Transition Fund, which will provide assistance to strategically important firms that are struggling to cope in the economic downturn; and
- \$1.2 million over two years for the Transport Infrastructure Manufacturing Scheme to boost Victoria's capability to manufacture trains and other major transport assets.

The Government also continues to take action to ensure that Victoria builds the skilled workforce needed for the future, addresses skills shortages and has skilled workers available to meet the current and future requirements of key industry sectors.

In its *Securing Jobs for Your Future: Skills for Victoria* statement (released in 2008), the Government committed \$316 million to raise the skills of the

Victorian workforce, assist Victorians who have been displaced from the workforce and enhance the State's ability to increase productivity as the global economy recovers. From 1 July 2009, these reforms will create up to 172 000 additional training places, fund an extra 900 teachers and 500 non-teaching staff, and support businesses to make the training system easier to access for their workforces.

Alongside funding for these reforms - and in addition to initiatives set out in *Partnering with the Commonwealth Government* on page 9 - the budget provides:

- \$10 million for the New Workforce Partnerships program, which will create 29 new work projects linking Victorian jobseekers facing persistent labour market disadvantage to jobs in key industries;
- \$14 million over two years for the *Skills to Transition* program to be offered for one year from 1 January 2010 to meet anticipated increased demand for training resulting from the economic downturn. This funding will create 6 431 places for targeted groups to undertake training at Certificate I to IV level ahead of the full implementation of skills reform in 2011; and

- \$67 million over five years for a new student management solution that will replace outdated systems in TAFE institutes and enable better management and coordination of students' learning pathways and needs.

## Maintaining a competitive business environment

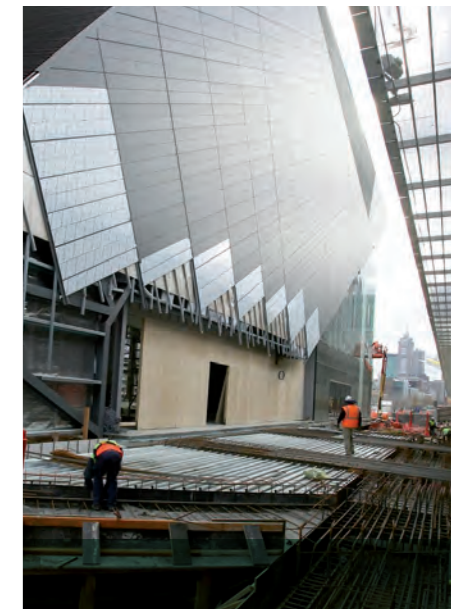
The Brumby Labor Government is a leader in regulatory reform and has ensured that Victoria maintains a highly competitive business environment.

The productivity boost from the Government's commitment to reduce red tape by 25 per cent over five years has the potential to expand Victoria's economy by up to \$747 million a year (in 2005-06 prices) by 2016. As reported by the Treasurer in late 2008, as a result of departments accelerating their regulatory review activities, net reductions in business costs based on current initiatives are now estimated to be around \$162 million.

The budget also provides \$10 million over four years to upgrade the State Revenue Office's electronic management system, reducing costs for Victorian businesses.

Victoria has also been at the forefront of national action to reduce the burden of regulation for businesses operating across state borders. The 2009 State Budget includes Victoria's share of the \$550 million provided by the Commonwealth over five years to deliver the Seamless National Economy program signed by the Council of Australian Governments (COAG) in late 2008. These reforms will reduce the costs incurred by businesses in complying with inconsistent regulations across jurisdictions.

These activities will help to stimulate the economy and deliver jobs across Victoria.







## Partnering with the Commonwealth Government

The Brumby Labor Government is standing shoulder to shoulder with the Commonwealth Government to stimulate the economy and secure jobs, fast track investment in public infrastructure and make major improvements in vital services such as health, education, housing and transport.

Victoria has been calling for greater cooperation between Australia's governments for many years. The Brumby Labor Government welcomes the new era of national collaboration now underway and is working with the Rudd Commonwealth Government to deliver major new initiatives and investments through:

- the *Nation Building – Economic Stimulus Plan*, which aims to stimulate the economy and contribute towards Victoria making a good recovery from the current economic downturn;
- a series of *National Partnerships*, which will provide substantial additional investment to improve services in education, health and housing; and
- new Commonwealth *Nation Building Funds* - the Building Australia Fund, the Health and Hospitals Fund and the Education Investment Fund - which will deliver jobs now while building the infrastructure needed for future prosperity.

These initiatives build on the Brumby Labor Government's record levels of investment in infrastructure and services, and will help Victoria to meet the growing pressures on our health, education and transport systems. Many of these agreements require accompanying investment from the Victorian Government.

Through COAG, the Victorian Government is also helping to implement reforms to the way Commonwealth funding is provided to the states and territories - reforms that will target the delivery of core services to people and communities in greatest need.

### Health

The National Healthcare Agreement - worth about \$14.7 billion over five years - will support the delivery of increased health services in Victoria, enable important reforms to be undertaken, and help the State's health system to keep pace with population growth and advances in health care and treatment.

The 2009 State Budget includes \$333 million over five years to deliver initiatives through National Partnerships on Hospital and Health Workforce Reform, E-health, Preventive Health, Closing the Gap in Indigenous Health Outcomes, and through the *Sustaining Health Services Capacity* initiative.

The Commonwealth's Health and Hospitals Fund will also offer a significant opportunity to improve Victoria's health infrastructure. Details of the fund will be announced later in 2009.

### Education

In addition to a major increase in education funding from the Victorian Government (see page 17), the Commonwealth is making available \$2.4 billion for new facilities in Victorian schools under the *Building the Education Revolution* initiative (part of the *Nation Building – Economic Stimulus Plan*).

The budget also includes \$559 million over seven years from the Commonwealth to deliver National Partnerships initiatives that will improve literacy and numeracy outcomes, provide better support for schools in disadvantaged areas, improve teacher quality and give every Victorian child access to 15 hours per week of early childhood education in the year before school by 2013.

A further \$508 million, including a Victorian Government contribution, is provided over five years to assist government and non-government schools to increase the computer to student ratio in Years 9 to 12 through the Commonwealth's *Digital Education Revolution*.

### Housing

Funding of \$271 million provided through the first phase of the *Nation Building – Economic Stimulus Plan* will enable Victoria to undertake a major construction and maintenance program that will build 667 new social housing dwellings and enable the retention of at least 1 600 Victorian properties that would otherwise be unsuitable for occupancy. Further funding is expected for Stage 2 of the *Nation Building – Economic Stimulus Plan*.

The budget also provides \$99 million over two years for 488 new dwellings under the National Partnership on Social Housing and \$105 million over four years under the National Partnership on Homelessness to help homeless people obtain secure, sustainable housing and re-engage with community life.

### Productivity and skills

Victoria has agreed to provide extra training places as part of the Commonwealth's \$319 million Productivity Places program. Victoria's leadership in skills and training is widely acknowledged and this collaborative program will complement the reform of the State's training system being undertaken through the *Securing Jobs for Your Future: Skills for Victoria* statement. Under this program, Victoria is providing 172 000 extra training places.

The 2009 State Budget includes \$50 million over three years for an extra 15 000 training places in Victoria in areas of skills shortage and \$146 million over two years for the Commonwealth's Trade Training Centres in Schools program, which aims to address skill shortages and increase the proportion of students completing Year 12 or an equivalent qualification.

### Transport

As part of the delivery of the \$38 billion *Victorian Transport Plan*, the Victorian Government is working with the Commonwealth to commence a number of road and rail projects of national importance. Investment of \$1.5 billion will be provided by the Commonwealth through the *Nation Building Program* (AusLink II) for a number of projects, including the Western Ring Road upgrade and improved rail access and capacity in the Altona-Laverton intermodal complex.

The Commonwealth Government's Building Australia Fund will also provide additional investment in major transport projects that will benefit the Victorian and national economies.



## The Victorian economy

The Victorian economy is well positioned to handle and recover from the current downturn. Our longer-term prospects remain positive, due to a combination of sound economic fundamentals and a diverse and adaptable economy, responsible financial management, strong economic reform and high levels of investment in skills and infrastructure.



The Victorian economy faces a much more challenging economic environment than it has for many years. The Global Financial Crisis has now become a deep global economic downturn that is affecting the Australian economy. However, the Victorian Government's actions and investment over the past nine and a half years have ensured that Victoria's economy is better placed to withstand these challenges than most of our trading partners' economies.

The Government has pursued a reform agenda focused on investing in skills, infrastructure, innovation and productivity, and on building business competitiveness. This agenda has enabled a more resilient and adaptable Victorian economy. The Government's record of prudent fiscal management and high levels of investment in infrastructure means that Victoria is well positioned to respond responsibly to the economic downturn.

In the short to medium-term, global activity is forecast to contract, and many advanced economies are experiencing a severe downturn. Growth in developing economies, including Victoria's major trading partners, has slowed following a collapse in world financial markets and trade flows.

In Victoria, consumer confidence and household spending have eased in response to a fall in household wealth and uncertainties about the economic outlook. Conditions in the business sector have also been adversely affected. Credit tightening has led to project cancellations and low business confidence, translating to a softening in the demand for labour and higher levels of unemployment (although this slowing in the private sector has been partly offset by increased infrastructure investment by the Commonwealth and Victorian governments). Drought conditions across Victoria have also resulted in below average winter crop production.

Accordingly, Victorian economic growth - while remaining positive - is expected to be relatively weak in the near-term: growing by 0.50 per cent in 2008-09 and by 0.25 per cent in 2009-10.

Despite the challenging economic environment, the diverse nature of the Victorian economy and the Government's continuing commitment to a strong budgetary position mean that Victoria is well positioned to manage the impacts of the global recession.

Victoria's strong population growth will also help to underpin economic growth. The Victorian population grew by 1.8 per cent in 2007-08, outstripping both the national average and growth in the other non-resource states.

Dwelling investment has been strengthened by the most generous First Home Owners Scheme in Australia and housing finance for Victorian first home buyers is currently at historically high levels. Victorian dwelling approvals have accounted for around 30 per cent of national dwelling approvals in recent months.

Victoria will also benefit from a number of stimulatory policy measures aimed at tempering the impacts of a weakened economic outlook. The Commonwealth Government has announced two fiscal stimulus packages and the Reserve Bank of Australia has engaged in the most expansionary policy stance in many years, lowering the official cash rate by 4.25 percentage points since September 2008. These measures have provided Victorians with a significant boost to disposable incomes.

While the near-term economic outlook is weak, the longer term prospects for the Victorian economy remain positive. While global growth forecasts suggest a slow recovery, government initiatives such as investing heavily in skills, education and training, augmenting the productive capacity of the State through infrastructure investments and reforms, and further improving business competitiveness will place Victoria in a strong position to take advantage of such a recovery.

### Victorian economic projections (%)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Real gross state product	3.2	0.50	0.25	2.25	3.00	3.00
Employment	2.7	0.25	-1.00	0.50	1.50	1.50
Unemployment rate	4.5	5.00	7.00	7.75	7.75	7.75
Consumer price index	3.6	3.25	2.00	2.25	2.50	2.50
Wage price index	3.8	4.25	3.75	3.25	3.50	3.50
Population	1.8	1.80	1.60	1.50	1.40	1.40

### Gross state product growth (%)





## Loddon Mallee

- School regeneration project in Bendigo
- Upgrade facilities and infrastructure at Bendigo Hospital
- Modernisation of Gisborne Secondary College
- New dental chairs in Bendigo
- New early intervention service for young people with a mental illness in Bendigo
- Regional rail freight network maintenance works to gold and silver lines
- New police station in Castlemaine
- Securing the future of small rural schools by replacing relocatable buildings with permanent buildings at Dunolly, Lake Boga and Malmsbury primary schools



## Grampians

- Redevelopment of coronary services and special care nursery at Ballarat Hospital
- Reduction in dental waiting lists in Ballarat
- Restoration of passenger rail services to Maryborough
- New police station in Buninyong
- Regional rail freight network maintenance works to gold and silver lines
- Securing the future of small rural schools by replacing relocatable buildings with permanent buildings at Teesdale, Rokewood and Miners Rest primary schools
- Western Highway duplication from Ballarat to Stawell



## Barwon South West

- New maths and science specialist centre at Belmont High School in Geelong
- New surgical ward and expanded services at Geelong Hospital
- Next stage of Warrnambool Hospital redevelopment
- Reduction in dental waiting lists in Geelong
- Expanded bus services in the Geelong region and the Bellarine Peninsula
- New police stations in Mortlake, Lara and Balmoral
- Securing the future of small rural schools by replacing relocatable buildings with permanent buildings at St Leonards and Grasmere primary schools
- New Surf Coast walk cycling trail from Torquay to Aireys Inlet



## Melbourne

- Expansion of mental health facilities provided by Dandenong Hospital
- 20 new trains, major upgrades to train stations and improvements to the reliability and capacity of rail services
- Doncaster Area Rapid Transit project
- Extension to SmartBus network
- Restoration of Princes Pier
- Elimination of level crossing at Springvale Road in Nunawading
- Support for intermodal freight terminals at Altona-Laverton, Dandenong and Somerton
- New State Basketball Centre at Knox
- Planning for redevelopment of Melbourne Park
- Major revitalisation projects in the Central Activities Districts in Broadmeadows, Footscray, Dandenong, Frankston, Box Hill and Ringwood
- Funding boost for Victorian Arts Centre, Museum Victoria and the State Library

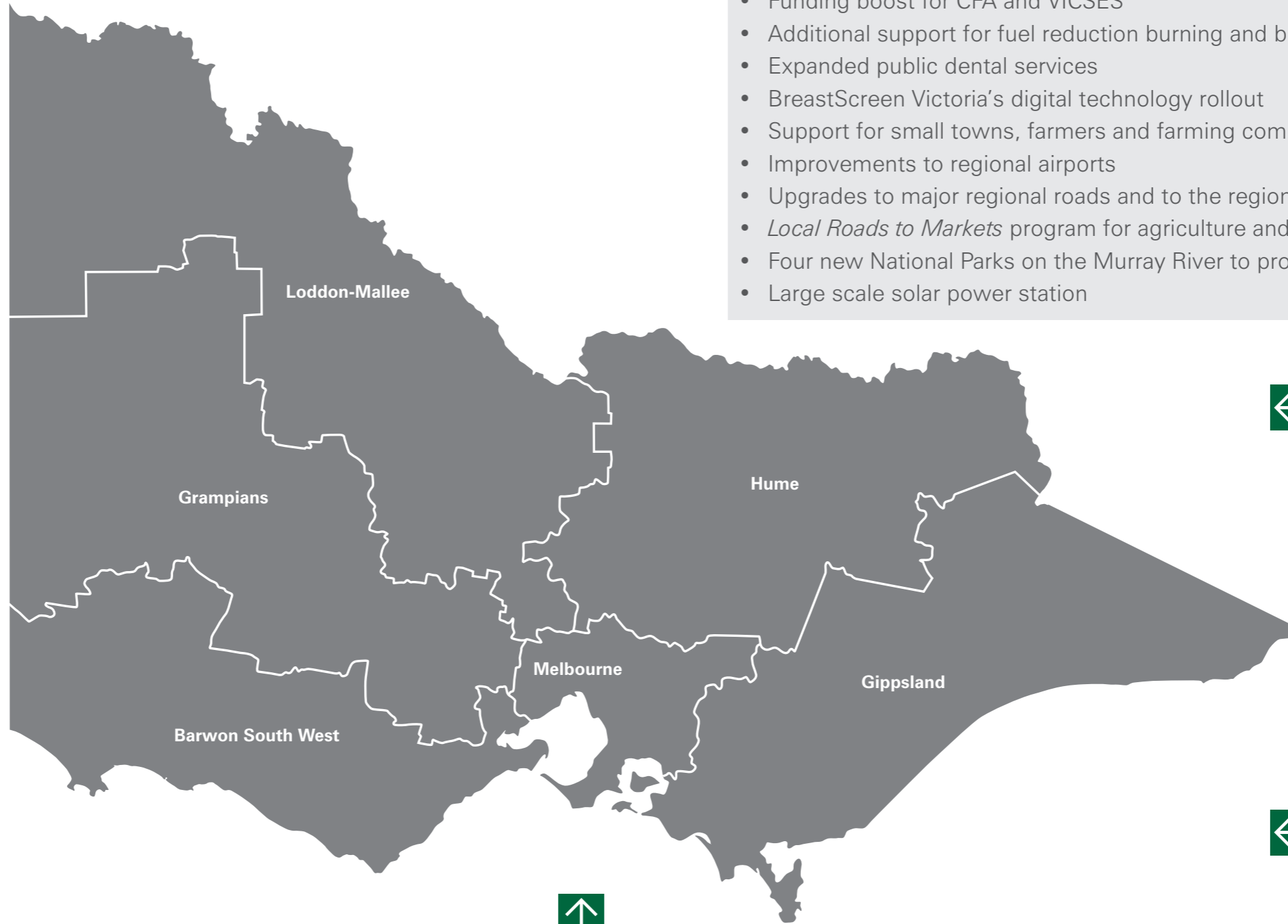


## Outer suburbs

- New schools at Mount Ridley, Point Cook and Manor Lakes
- The next stages of new select entry schools at Berwick and Melbourne's west
- Stage 2 of new Sunbury Day Hospital
- New early intervention service in Frankston for young people with a mental illness
- Extension of the Epping rail line to South Morang and station upgrades
- Electrification of the Sydenham rail line to Sunbury and station upgrades
- New train stations in growth areas at Williams Landing, Lynbrook and Caroline Springs
- New Peninsula Link between Carrum Downs and Mount Martha
- Upgrade to Western Ring Road between Tullamarine and Sydney Road
- Upgrades to major outer metropolitan roads
- New Outer Urban Parks in Werribee, Melton, Yan Yean and Narre Warren
- Development of Point Nepean into a heritage and recreational park
- New secondary school at Timbarra

## Regional statewide

- Bushfire rebuilding and recovery
- Funding boost for CFA and VICSES
- Additional support for fuel reduction burning and bushfire preparedness
- Expanded public dental services
- BreastScreen Victoria's digital technology rollout
- Support for small towns, farmers and farming communities affected by drought
- Improvements to regional airports
- Upgrades to major regional roads and to the regional rail freight network
- *Local Roads to Markets* program for agriculture and horticulture industries
- Four new National Parks on the Murray River to protect Victoria's Red Gum forests
- Large scale solar power station



## Hume

- School regeneration projects in Wangaratta and Wodonga
- Redevelopment of Alexandra Hospital and ambulance station
- New bypass on the Goulburn Valley Highway at Nagambie
- New dental chairs in Wodonga
- Continuation of North East Rail Revitalisation Project between Seymour and Wodonga
- New police station in Pyalong
- Regional rail freight network maintenance works to gold and silver lines
- Securing the future of small rural schools by replacing relocatable buildings with permanent buildings at Katunga, Murchison and Toolamba primary schools

## Gippsland

- School regeneration project in Leongatha
- Reduction in dental waiting lists in Moe
- Commencement of Gippsland Regional Infrastructure Development plan
- New police stations in Koo Wee Rup and Korrumbarra
- Securing the future of small rural schools by replacing relocatable buildings with permanent buildings at Inverloch Primary School
- Train station upgrade at Bairnsdale



## Revenue

The Global Financial Crisis has had a significant impact on Victoria's budget position. In particular, forecast revenues from state taxation and GST are considerably weaker. Further declines are possible given the uncertainty surrounding the timing of the economic recovery.

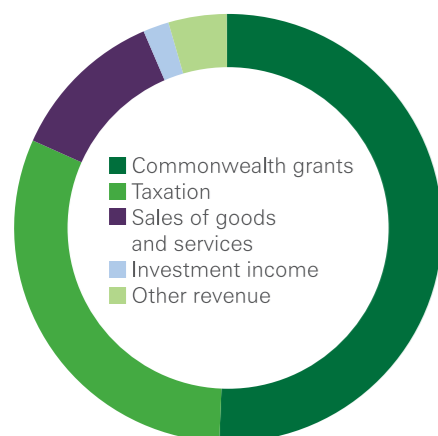
This weakening has been offset by the Commonwealth Government through its fiscal stimulus packages.

General government sector revenue (comprising both state-sourced revenue and Commonwealth grants) is estimated to increase by 8.3 per cent to \$42.4 billion in 2009-10 relative to the revised estimate for 2008-09. This reflects a 29 per cent increase in grants (excluding GST), with taxation revenue expected to increase by 4.4 per cent in 2009-10.

Revenue from transactions is projected to increase by an average of 1.6 per cent over the three years to 2012-13, mainly reflecting growth in GST grants and taxation revenue as the economy and property market recover.

As an immediate response to the February 2009 bushfires, the Government waived land tax in a one-off measure on properties destroyed or damaged by the fires. Stamp duty relief was also available for the replacement of family homes or vehicles lost in the fires. For businesses

### Revenue 2009-10



affected by the bushfires, payroll tax assessments for late lodgement and payments due in January 2009 were deferred. The Government has also made provision for the extension of a first home buyers assistance package.

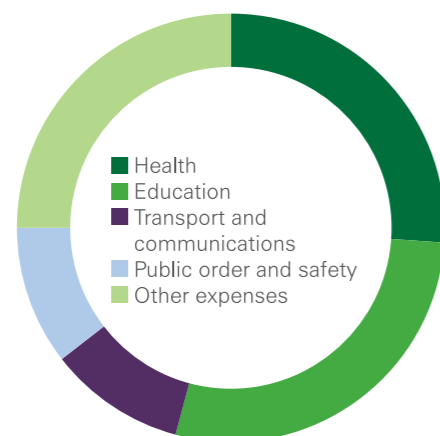
## Expenses and service delivery

Total expenses from transactions are expected to increase by 8.3 per cent to \$42.2 billion in 2009-10, relative to the revised estimate for 2008-09. This represents an increase of \$3.2 billion in 2009-10 and reflects:

- new policy announcements made in this budget, including the flow-on expense impacts of increased Commonwealth grants;
- general wages growth in line with government wages policy including the impacts of concluded wage agreements; and
- the impact of inflation on non-wage costs, such as the purchase of supplies and services.

Expenses from transactions are projected to increase by an average of 1.3 per cent a year over the three years to 2012-13. This reflects the Government's strategy of managing expenditure growth in the recovery from the economic downturn, and regularly reviewing the existing expenditure base.

### Expenses 2009-10



## Targeted investment in infrastructure

The Victorian economy faces a much more challenging economic environment than it has for many years. The Government is helping to support economic growth and jobs in this difficult time through significant investments in infrastructure projects.

The budget provides \$7 billion of funding for infrastructure investment in 2009-10. This is in addition to previous infrastructure investment by the Government which, over the period 2000-01 to 2008-09, has averaged \$2.7 billion a year. Targeted, substantial investment of this nature will assist in Victoria's recovery from the Global Financial Crisis over the short term, as well as ensuring long term growth.

## Sound financial management

The Government has steered the Victorian economy effectively and responsibly since being elected in 1999 and will continue to do so through the Global Financial Crisis. The Government has maintained Victoria's triple-A credit rating and delivered strong budget surpluses throughout its time in office, which have been invested back into schools, hospitals, transport and other much needed capital investments.

Despite the prevailing difficult economic conditions, the Government has kept the budget in surplus and maintained borrowings at responsible levels. Victoria's triple-A credit rating was reaffirmed by Standard & Poor's in November 2008 and Moody's Investors Services in January 2009.

In 2009-10, the Government will meet its target of maintaining a net result from transactions of at least \$100 million.

This budget delivers:

- a net result from transactions of \$165.1 million, and surpluses averaging \$349.2 million over the following three years; and

- net infrastructure investment of \$7 billion in 2009-10, averaging \$4.4 billion over the three years to 2012-13.

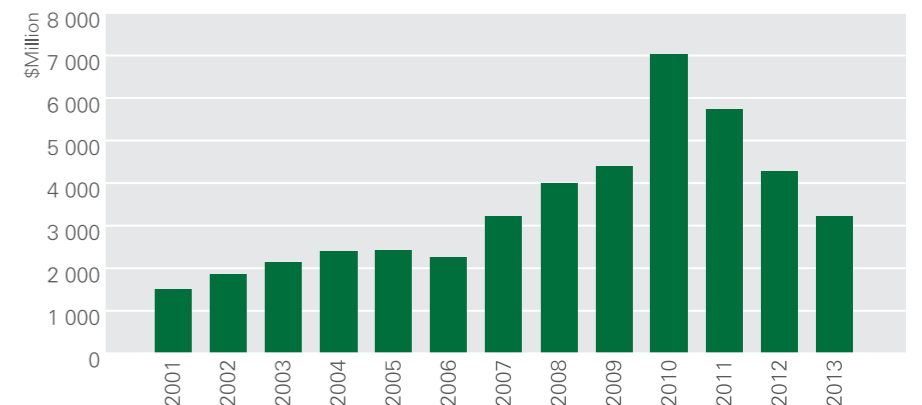
Victoria's sound financial position is enabling the Government to boost investment in infrastructure to secure jobs and support economic activity during the current downturn, while enhancing Victoria's competitive edge once recovery occurs. Net infrastructure investment for the non-financial public sector will total \$32.1 billion over the four years to 2012-13, and will be funded by operating cashflow surpluses, as well as an increase in borrowings.

Net debt in the general government sector is expected to increase to \$16 billion in 2012-13. The ratio of net debt to gross state product is forecast to increase from 1.9 per cent as at 30 June 2009 to 5.1 per cent as at 30 June 2013. Similarly, the ratio of net financial liabilities to gross state product is projected to increase from 13.4 per cent as at 30 June 2009 to 15.5 per cent as at 30 June 2013. While these ratios are above recent levels, they remain prudent and are not expected to affect the State's triple-A credit rating. This is attributed to the Victorian Government's sound management of the State's balance sheet, ongoing fiscal discipline and diverse economic base.

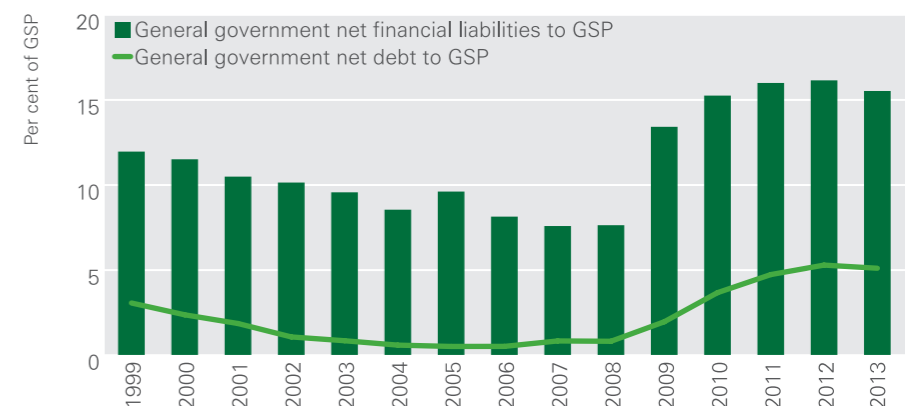
The Government's record infrastructure program will lead to an increase of borrowings in the medium term. From 2011-12, the increase in debt is expected to moderate, with cash operating surpluses expected to meet over 60 per cent of net infrastructure investment.

The Government recognises the importance of balancing the need to support the Victorian economy during the current economic downturn with ensuring that the State Budget remains on a sustainable path over the longer term.

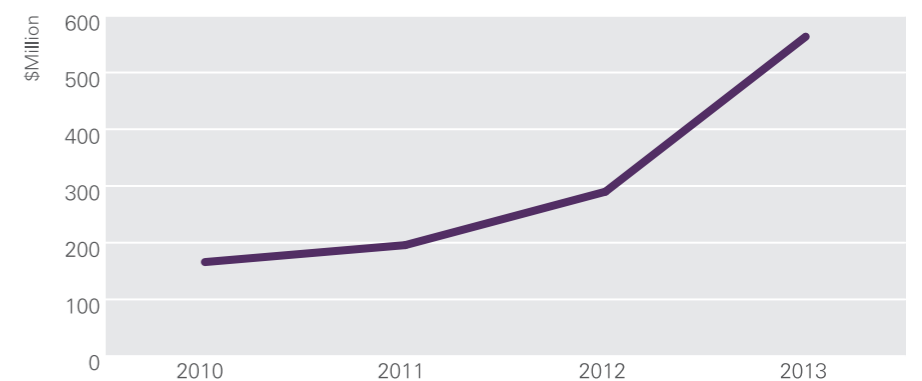
## Infrastructure investment



## Net financial liabilities and net debt



## Net result from transactions - net operating balance





## Continuing to deliver core services

The Brumby Labor Government continues to build on a decade of record levels of investment in core services to support Victorians and provide a safety net in tough global times.

### Investing in the health of all Victorians

The Government is committed to making high quality health and community services accessible to all Victorians. In the last decade, the Government has invested an extra \$3.8 billion in the State's public hospitals, expanding the capacity of our hospitals which this year will provide over 600 000 more treatments than in 1999, including 350 000 additional admissions. The 2009 State Budget delivers another major boost for Victoria's health system, providing a \$1.1 billion increase in funding to improve hospital and community health services, increase the health workforce and continue Victoria's leadership in tackling chronic diseases.



### Meeting demand and tackling waiting lists

The budget commits \$781 million over five years to create extra capacity to meet growing demand for hospital services. Key initiatives include:

- \$350 million over five years to expand inpatient services to treat an additional 39 500 patients and open an additional 100 acute beds, and \$10 million over four years for paediatric services at the Royal Children's Hospital;
- \$65 million over five years for critical care and retrieval services, including neonatal cots and intensive care beds;
- \$65 million over four years to meet demand for medical services such as renal dialysis, chemotherapy and radiotherapy and blood services;

- \$31 million over four years to expand palliative care, post-acute care and additional transition care places;
- \$24 million over five years for the successful Hospital Admission Risk program and additional community rehabilitation services to treat patients in the community; and
- \$24 million over four years for new mental health services, including new inpatient beds at Maroondah Hospital, enhancement of the specialist residential services at Ambergmere, and increased community support for mental health patients with severe symptoms.

An additional \$25 million is provided in 2009-10 for support for public hospitals to fund clinical practice improvements and a range of reforms to make better use of hospital resources.

\$45 million is also provided in 2009-10 for an elective surgery blitz to treat an additional 9 000 patients.

### Investing in health care infrastructure

Since coming to office, the Government has invested an additional \$5.1 billion to maintain and enhance Victoria's health, aged care and community services infrastructure. This budget continues to invest in health care infrastructure across the State, including:

- \$55 million over four years to upgrade facilities and infrastructure at Bendigo Hospital until a major redevelopment can occur;
- \$30 million over four years for expanded services at Geelong Hospital including an additional 24 bed surgical ward, eight additional mental health beds, and operating theatre fit-out and upgrades;
- \$26 million over four years for Stage 1C of the Warrnambool Hospital redevelopment;
- \$20 million over four years to redevelop facilities at Ballarat Hospital including coronary services and an expanded special care nursery;

- \$19 million over two years for the Alexandra Hospital to develop a new, integrated hospital and community health service including acute beds, emergency stabilisation, operating suite, day stay facilities, and ambulance station;
- \$10 million over three years for BreastScreen Victoria's Digital Technology Rollout;
- \$6.4 million over three years for Stage 2 of the Sunbury Day Hospital;
- \$3.1 million in 2009-10 to rebuild the Rosebud Community Health Centre;
- \$2.5 million over three years for the MonashLink community health centre in Oakleigh; and
- \$1.1 million in 2009-10 for the Alfred Burns Unit.

### Preventing disease and improving dental health

This budget reinforces Victoria's leadership in disease prevention and tackling chronic disease. In addition to initiatives under the National Partnership on Preventive Health (see page 9), the budget provides \$7.8 million over four years to modernise the information management system for infectious diseases, provide three additional public health nurses in the metropolitan area and support screening and prevention initiatives targeting tuberculosis.

The budget continues the Government's strong commitment to improving the dental health of Victorians, with a concerted attack on public dental waiting lists. This budget provides \$21 million over four years for new dental chairs in Bendigo and Wodonga, and to reduce dental waiting lists in Melbourne and regional Victoria, including Ballarat, Geelong and Moe. This will also support training for dental students and will enable an extra 20 000 public dental patients to be treated in 2009-10.

### Supporting older people

The budget provides \$56 million over four years to help older Victorians remain healthy, independent and living at home. This investment includes additional funding for Home and Community Care services and provides additional Personal Alerts for senior Victorians.

The budget also includes \$3 million in 2009-10 for Stage 4 of the Aged Care Land Bank to supply surplus government land to not-for-profit aged care providers for the development of residential aged care services in the inner and middle suburbs of Melbourne.

### Record investment in education

With Victoria's economic and social progress increasingly linked to knowledge, skills and innovation, building a strong future for the State requires a high performing, first-class education system. The 2009 State Budget delivers a record level of funding for education of \$4.1 billion over five years, through a combination of Victorian Government investment and funding provided under the Commonwealth's *Nation Building – Economic Stimulus Plan*.

In addition to the investments set out in *Partnering with the Commonwealth Government* (see page 9), key investments being made by the Brumby Labor Government include:

- \$402 million over four years to continue to deliver the *Victorian Schools Plan*, which will rebuild or modernise every government school in Victoria by 2016-17. This funding will enable school regeneration projects and modernisation upgrades, three new specialist maths and science centres and new relocatable classrooms;
- \$58 million over three years for 200 teaching and learning coaches to focus on maths and science, and 50 Ultranet coaches;
- \$15 million over two years to meet increasing demand for places in the Vocational Education and Training in Schools program, which provides young Victorians with pathways from school to jobs;
- \$7 million in 2009-10 for up to 7 000 new or replacement computers in government schools; and
- \$14 million for an extra 4 000 places at kindergartens across Victoria to respond to growing demand.





## Building a transport network for the future

The Brumby Labor Government is undertaking an unprecedented program of investment to deliver rail and road projects that will transform Victoria's transport system. These projects will ensure that our road, rail and freight networks continue to underpin Victoria's productivity and economic growth and meet the needs of Melbourne's growing population.

The 2009 State Budget invests \$4.9 billion in cooperation with the Commonwealth to boost the capacity of the system, including delivering new rail lines and more train stations, and building and upgrading key road connections across the State.

### Delivering the Victorian Transport Plan

The budget delivers the initial stages of the *Victorian Transport Plan* – the largest investment in transport in the State's history, including:

- 34 state prioritised *Victorian Transport Plan* projects that will commence in 2009-10 or earlier, along with a range of nation building road and rail projects to be delivered in partnership with the Commonwealth.



### A step-up in Melbourne's public transport

With more people than ever before using Melbourne's trains, trams and buses, the 2009 State Budget funds a major step-up in the city's public transport network, including:

- \$651 million over six years for 20 new metropolitan trains (in addition to new regional and metropolitan trains already purchased);
- \$562 million over five years to extend the Epping line to South Morang;
- \$205 million over five years to electrify the Sydenham line to Sunbury;
- \$153 million over five years for new stations at Williams Landing, Lynbrook and Caroline Springs;
- \$132 million over five years to improve the reliability and capacity of rail services across Melbourne, including extra staff;
- \$112 million over four years to commence the Doncaster Area Rapid Transit project, which will improve public transport in the Manningham area; and
- \$86 million over four years to extend the SmartBus network.

In partnership with the Commonwealth Government, \$140 million over three years will be provided towards separating the rail and road level crossing at Springvale Road, Nunawading.

### Improving Victoria's roads

The budget funds a number of key road projects that are critical to reducing traffic congestion and travel times, supporting economic growth and development, and improving road safety, including:

- \$357 million over five years to construct the 25 kilometre Peninsula Link between EastLink at Carrum Downs and Mt Martha, securing 4 000 jobs in construction (a matching contribution from the Commonwealth is sought for this project);
- \$1.1 billion over six years to deliver major metropolitan road projects in partnership with the Commonwealth;
- \$75 million over four years to start work in 2010 on the Dingley Arterial to link the South Gippsland Highway to Westall Road; and
- \$819 million over six years for regional road projects (see page 23).

### Cleaner, greener travel

The budget provides \$28 million over four years for green transport initiatives, including improvements in bicycle lanes and paths, and support for increasing the take up of low emissions vehicles.

The budget also funds initiatives to integrate transport and land development so that more people will live close to jobs and other opportunities including \$79 million over six years to facilitate employment growth at six designated Central Activities Districts (commencing with Broadmeadows) and employment corridor programs.





## Building liveable and caring communities

The Brumby Labor Government recognises that a strong economy is underpinned by a strong and fair society, and by liveable and caring communities.



The budget builds on the \$4 billion already invested by the Government in the *A Fairer Victoria* social policy strategy and provides substantial new investment for the strategy to make sure that no Victorians are left behind during the economic downturn. The budget also provides new resources for vital community services and infrastructure, and delivers new initiatives to protect the environment.

### Supporting vulnerable children and young Victorians

The Brumby Labor Government continues to ensure that children and young Victorians get the best start in life. The 2009 State Budget provides the largest investment in the State's out of home care system for a decade, providing \$125 million over four years to significantly improve the quality of support and care for children who are unable to live with their parents or extended families. A further \$10 million over three years is provided to modernise, renovate and redevelop residential care facilities for children and young Victorians in out of home care.

The budget also delivers \$15 million over four years to expand after hours and emergency child protection services.

### Boosting mental health services

Strong advances are being made in improving the care, treatment and support options available to Victorians with a mental illness and their families. The Government is delivering an additional \$182 million over four years to implement the *Because Mental Health Matters: Victorian Mental Health Reform Strategy 2009-2019*, with a focus on prevention and early intervention initiatives. The budget includes:

- \$66 million over six years to expand mental health facilities provided by Dandenong Hospital to support a total of 150 mental health beds;
- \$21 million for the new *Early in Life* program, which will provide early intervention diagnosis, treatment and support for children and adolescents;

- \$8 million over three years for two new Youth Prevention and Recovery Care services at Bendigo and Frankston;
- \$11 million to expand and centralise 24 hour, seven day a week specialist mental health triage responses at six metropolitan and regional mental health services, enabling a faster and better response to people in crisis situations;
- \$38 million to provide better support services for people with a mental illness who are homeless, involved in the criminal justice system or have high or multiple needs; and
- \$24 million for new mental health services as part of the *Sustaining Our Health Services* initiative (see page 16).

As a result of the additional funding provided in this budget, more than 200 new mental health workers will be employed across Victoria.

### Creating new opportunities for people with a disability

In 2008-09, the Brumby Labor Government provided a record level of funding for a new approach to providing services and creating new opportunities for Victorians with a disability. This approach aims to improve services, experiences and outcomes for people with a disability by building their skills and capabilities to live independently and be involved in their communities. This budget delivers a further \$87 million for disability services, including:

- \$59 million for the *Disability Reform* program to help Victorians with a disability to live independently in the community;
- \$14 million over four years to build specialised accommodation to help 58 young Victorians with high medical and physical care requirements move out of nursing homes and hospitals and into more appropriate facilities;
- \$9 million over four years for the new *0-18 Investment Strategy for Children and Young People with Disabilities or a Developmental Delay*, which will improve access to early childhood services and assessments; and

- \$5 million over three years to redevelop community facilities to improve access for Victorians with a disability.

### Improving access to justice and community safety

The budget provides \$72 million over four years to give more Victorians access to legal support services, including:

- \$26 million over four years for the Neighbourhood Justice Centre at Collingwood to continue its role in reducing re-offending and crime prevention;
- a \$25 million boost in 2009-10 for Victoria Legal Aid to provide legal representation to disadvantaged Victorians;
- \$11 million over four years to continue to take action on family violence by maintaining the successful Family Violence Court Division at the Ballarat and Heidelberg Magistrates' Courts; and
- \$11 million over four years to extend the Court Integrated Services program to give offenders from disadvantaged backgrounds priority access to services to reduce re-offending.

The budget continues the Brumby Labor Government's focus on community safety, delivering:

- \$33 million over four years to replace or upgrade 10 police stations in regional communities; and
- \$19 million over four years for an additional 50 transit police to patrol the public transport network, enabling more patrols on trains and trams at night.

This budget also provides \$155 million over four years to reduce road trauma by delivering Victoria's road safety strategy, *arrive alive 2*. This funding will improve enforcement of speed restrictions, increase the number of drug driving tests by 20 000 a year, expand the vehicle impound scheme and continue funding for the investigation of major collisions.





## Regional Victoria

Regional Victoria continues to receive strong support and investment from the Brumby Labor Government.

### Protecting our natural environment and resources

Additional funding of \$116 million is provided in the budget for Victoria's parks and wildlife. The Government recognises the importance of the environment to the wellbeing and prosperity of all Victorians, and the budget includes:

- \$38.5 million over four years to establish four new National Parks on the Murray River to protect Victoria's unique River Red Gum forests;
- \$6 million over four years to improve facilities, trails and recreation opportunities in urban parks, and \$4 million over two years to improve piers, jetties and other facilities around Port Phillip and Westernport Bays; and

- \$14 million over four years to transform the former Point Nepean defence site into a nationally significant heritage park that will provide recreational and tourism benefits.

The Government is strongly committed to playing a leading role in national and international efforts to tackle climate change and will release a Climate Change White Paper later in 2009. Ahead of the White Paper, the 2009 State Budget allocates up to \$100 million (net present value) to encourage large-scale solar power generation in Victoria, subject to a matching contribution from the Commonwealth Government. This funding will enable the construction of a solar power station that can produce enough power each year to run 50 000 homes.



### Investing in liveable communities

The Brumby Labor Government continues to invest in the facilities, programs and activities that underpin dynamic, liveable and caring communities. The budget provides:

- \$26 million over four years to expand the successful Neighbourhood and Community Renewal program, which is helping disadvantaged communities and neighbourhoods create local jobs and new opportunities;
- a \$21 million boost for community sport, including \$7 million over two years towards the construction of a new State Basketball Centre in Knox, \$5 million for one year to progress the redevelopment of Melbourne Park, \$5.7 million over three years to upgrade local soccer club facilities and pitches across Victoria, \$1.7 million over two years to help sporting clubs buy new uniforms and footwear under the *Our Club, Our Future* program, and \$1.2 million over two years for the continuation of the Country Football and Netball program;
- \$9.3 million to promote community participation and volunteering as part of the *Respect* strategy; and
- \$139 million for revitalisation projects in major suburban centres such as Broadmeadows, Footscray, Box Hill and Ringwood, as part of a \$163 million planning reform package over six years that will generate jobs by reducing planning red tape and attracting commercial development to key activity hubs across Melbourne (see page 18).

The budget also provides \$69 million to support Victoria's vibrant arts sector.

To ensure that regional industries, businesses and communities are well placed to cope with - and emerge from - the Global Financial Crisis, the 2009 State Budget invests in projects and initiatives that will drive further jobs and economic growth across Victoria's regions.

### Linking rural, regional and metro Victoria

The 2009 State Budget continues the Government's investment in the transport links needed to underpin regional economic growth, support key regional industries, and connect communities with each other and with Melbourne. The budget provides:

- \$716 million over six years for road projects in regional Victoria in partnership with the Commonwealth through the *Nation Building Program* (AusLink II);
- \$102 million over four years for the *Better Roads – Regional Victoria Development* package to upgrade major roads in regional areas;
- \$55 million over four years to continue to upgrade and maintain the regional rail freight network;
- \$28 million over four years to re-establish passenger rail services to Maryborough;
- \$23 million over four years for improved bus services in the Geelong region and the Bellarine Peninsula; and
- \$8.8 million over four years to upgrade regional railway stations and interchanges.



### Improving health services in regional Victoria

The Government continues to improve and expand health services and facilities across regional Victoria. The budget provides:

- \$55 million over four years to upgrade facilities and infrastructure at Bendigo Hospital;
- \$30 million over four years for expanded services at Geelong Hospital including an additional 24 bed surgical ward, eight additional mental health beds, and operating theatre fit-out and upgrades;
- \$26 million over four years for Stage 1C of the Warrnambool Hospital redevelopment;
- \$20 million over four years to redevelop facilities at Ballarat Hospital, including coronary services and expanded special care nursery;
- \$19 million over two years for the Alexandra Hospital to develop a new, integrated hospital and community health service including acute beds, emergency stabilisation, operating suite, day stay facilities, and ambulance station; and
- \$21 million over four years for new dental chairs in Bendigo and Wodonga and to reduce dental waiting lists in Ballarat, Geelong and Moe.

### Standing by Victoria's farmers

The Government continues to stand by Victorian farmers as they cope with the longest drought on record and a tough

global trading environment. Building on the significant investment provided in last year's budget for primary industries, the 2009 State Budget delivers a further \$145 million to support farmers and farming communities, including:

- an additional \$30 million in drought relief assistance for farmers and small businesses in exceptional circumstances declared areas;
- \$15 million to provide a subsidy of up to 50 per cent off municipal rates for drought-affected farmers;
- \$6 million for grants of up to \$3 000 to help farmers with projects that will improve their on-farm productivity; and
- \$1.9 million to support agricultural businesses that employ apprentices.

### Support for regional industries and communities

The budget continues the Brumby Labor Government's commitment to supporting regional economic growth and development by providing:

- \$1 million in 2009-10 to commence the Gippsland Regional Infrastructure Development initiative, which will identify the road, rail and port infrastructure needed to support the growth of coal-based industries in regional Victoria in an era of climate change and emissions trading;
- \$7.5 million for the *Local Roads to Markets* program, which will upgrade roads to support Victoria's agricultural, horticultural and timber industries;
- \$20 million over two years to upgrade regional airports;
- \$10 million over two years in 2009-10 to upgrade recreational cycling and off-road walking paths in regional Victoria through the Regional Infrastructure Development Fund and *Victorian Transport Plan*; and
- \$10 million for the Small Towns Development Fund to invest in infrastructure and boost jobs in small regional towns affected by drought.



# Our achievements

This 2009 State Budget builds on the Brumby Labor Government's strong record of action and achievements in delivering jobs, improving services and building the State's infrastructure.

The Government has invested to unprecedented levels in education and health, undertaken the largest infrastructure program in Victoria's history, and delivered an ambitious program of economic reform - all within a framework of responsible financial management.

The Government's actions and achievements have placed Victoria in a sound position to minimise the impacts of the Global Financial Crisis and current economic downturn, and to make a good recovery over the coming years. These achievements include:

- Investing more than \$23.9 billion in infrastructure projects since 1999 to drive jobs and economic growth - a quadrupling in general government infrastructure spending.
- A massive increase in investment in education, including building new schools in Victoria's fastest growing communities, modernising government schools across the state under the \$1.9 billion *Victorian Schools Plan* in this term and boosting funding for literacy and numeracy. An additional 8 500 teachers and support staff have been provided across all Victorian schools.
- An additional \$4.8 billion for building or refurbishing health and aged care facilities across Victoria. This investment has expanded the capacity of our hospitals which this year will provide over 600 000 more treatments than in 1999, including 350 000 additional admissions and provided 2 500 more doctors and 8 800 more nurses. Funding for preventing and tackling chronic diseases has increased significantly and the \$150 million Victorian Cancer Action plan is underway, aiming to save lives and provide the best cancer care in Australia.
- Over 150 police stations built or refurbished, and an additional 1 400 sworn police officers provided – increasing police presence and public safety and significantly reducing Victoria's crime rate.
- Allocating over \$2.6 billion towards vital water projects across Victoria, including the Sugarloaf Pipeline, the Wimmera Mallee Pipeline Project, the Tarago Reservoir Reconnection Project, recycling projects and Australia's largest desalination plant at Wonthaggi. The Government has also negotiated with the Commonwealth Government for a further \$1 billion funding for water saving projects in northern Victoria.
- Major new investment to improve Victoria's transport connections. The Government has spent over \$6.9 billion on building and improving roads across the State. The Government has also undertaken the biggest upgrade of regional passenger rail services in decades, redeveloped Southern Cross Station and added 1 300 weekly metropolitan and 350 weekly regional train services throughout Victoria.
- A substantial increase in support for industry, including over \$3.4 billion to the Innovation Agenda to build a world class science, technology and innovation base in Victoria. The Government has also allocated \$316 million for a major skills reform package, *Securing Jobs for Your Future*, to produce highly-skilled workers who can adapt to new industries.
- Allocating around \$4 billion through *A Fairer Victoria* to increase support and create new opportunities for disadvantaged Victorians, families and communities.
- Providing greater access to affordable housing, including investing approximately \$2 billion to build or buy up to 12 900 new properties for Victorians on low incomes and offering the most generous first home buyer scheme in Australia.
- Delivering record levels of investment in regional Victoria, including more than \$500 million to drive regional jobs and economic growth under the *Moving Forward* program, and over \$450 million for 244 major infrastructure projects across regional Victoria through the Regional Infrastructure Development Fund.

While continuing to invest in critical services and infrastructure, the Government has managed the State's finances responsibly, putting Victoria in the best possible shape to meet the challenges ahead. In particular, the Government has:

- Announced around \$5.3 billion worth of tax cuts since 1999 including reductions in payroll tax and land tax, and abolishing eight state taxes.
- Maintained a healthy operating surplus each year since 1999, investing the proceeds back into Victoria's infrastructure.
- Prudently managed its balance sheet, keeping debt at sustainable levels and assisting Victoria to maintain its triple-A credit rating.





