

2002-03 Victorian Budget Overview

Growing Victoria Together



Investing for our future

Investing for our future

The Secretary
Department of Treasury and Finance
1 Treasury Place
Melbourne Victoria 3002
Australia

Telephone: +61 3 9651 5111
Facsimile: +61 3 9651 5298
Website: www.budget.vic.gov.au

2002-03 Budget Paper set includes:
Budget Paper No 1 – Treasurer's Speech
Budget Paper No 2 – Budget Statement
Budget Paper No 3 – Budget Estimates
Budget Overview

Published by the Department of Treasury and Finance

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Published May 2002 by authority

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Treasurer's Message



The 2002-03 Budget invests for our future. It invests in more jobs, stronger communities – with record investment in education and innovation driving new opportunities for all Victorians.

Over the past two years, Victoria has led the way in economic growth, jobs growth and business investment. The 2002-03 Budget aims to consolidate this strong performance and demonstrate a clear vision for the future.

The budget balances economic, social and environmental goals and objectives, as set out in the Government's framework for the future, *Growing Victoria Together*. It focuses on three key areas: driving excellence in education, building a more competitive and innovative economy, and growing the whole State through investment in Victoria's suburbs and regions.

Notwithstanding global economic uncertainties, the budget retains a substantial operating surplus, while cutting business taxes and improving services and infrastructure.

Education is the Government's top priority, with significant new resources directed towards improving access to and driving excellence in education and training across the State, from preschool to post-compulsory level.

Building strong communities also remains a priority for the Government. With much of Victoria's future population growth expected to occur in Melbourne's growing suburbs and growth corridors, the budget makes a substantial investment in these rapidly expanding areas.

The budget continues the Government's commitment to rebuild country Victoria, concentrating on improving regional transport links, upgrading regional schools and health care services, and securing the future of agricultural and regional industries.

Also of benefit to the whole State, and to future generations of Victorians, is the Government's commitment to construct the Wimmera-Mallee pipeline, as well as major initiatives to value and protect Victoria's environment, especially our forests and rivers.

The budget delivers further improvements in health and community safety, with a focus on improving police and emergency communications services and a major new child protection program. The budget also makes a

substantial investment in improving access to quality, affordable housing and assisting families and communities in need of support.

The budget demonstrates the Government's continuing commitment to transparency and accountability. It is consistent with the Government's framework for prudent and responsible financial management and has again been independently reviewed by the Auditor-General.

The 2002-03 Budget takes the proceeds of Victoria's strong economic performance over the past two years and reinvests them to ensure all Victorians have the opportunity to contribute and share in the benefits of a thriving and innovative Victorian economy.

It invests for our future, for the future of our children, and the future of Victoria.

A handwritten signature in blue ink, which appears to read 'John Brumby'. The signature is fluid and cursive, with a long horizontal stroke at the end.

John Brumby MP
Treasurer

The Bracks Government's vision for Victoria is that by 2010 we will be a State where:

- *innovation leads to thriving industries generating high quality jobs;*
- *protecting the environment for future generations is built into all government decision making;*
- *there are caring, safe communities with equitable opportunities; and*
- *all Victorians have access to the highest quality health and education services all through their lives.*

Growing Victoria Together identifies the important strategic issues and these have guided budget and policy choices in the 2002-03 Budget. The strategic issues of importance identified are:

- *sound financial management;*
- *more jobs and thriving, innovative industries across Victoria;*
- *valuing and investing in lifelong education;*
- *high quality, accessible health and community services;*
- *safe streets, homes and workplaces;*
- *protecting the environment for future generations and promoting sustainable development;*
- *growing and linking all of Victoria;*
- *building cohesive communities and reducing inequalities;*
- *promoting rights and respecting diversity; and*
- *government that listens and leads.*

Sound Financial Management

The Government's financial strategy is to provide a sound and stable financial base to promote growth across the whole State. Only by providing a strong financial base is it possible to create jobs growth and deliver improved services.

A sound and stable financial base requires the maintenance of a substantial operating surplus and prudent levels of net financial liabilities. The 2002-03 Budget delivers:

- a substantial budget operating surplus of \$522 million forecast for 2002-03, and surpluses averaging around \$600 million for the following three years;
- the substantial operating surpluses and the Growing Victoria infrastructure reserve funds a significant infrastructure spending program;
- a reduction in general government net financial liabilities, excluding the Growing Victoria infrastructure reserve, from \$16.3 billion or 10.8 per cent of GSP as at June 1999, to \$15.9 billion or 7.1 per cent as at June 2006; and
- over the same period net debt, excluding Growing Victoria infrastructure reserve, is expected to fall by more than half from \$4.9 billion or 3.3 per cent of GSP in June 1999 to \$2.3 billion or 1.0 per cent of GSP in June 2006.

The Government's prudent financial management was acknowledged recently with the international ratings agencies, Standard and Poor's and Moody's, affirming Victoria's triple-A long-term credit rating.

Investing for our Future

Infrastructure

The strong themes of supporting sustainable economic growth and community accessibility through infrastructure provision are continued in the 2002-03 Budget. The 2002-03 Budget boosts investment in infrastructure assets by \$3.0 billion total estimated investment (TEI) – including Scoresby Freeway.

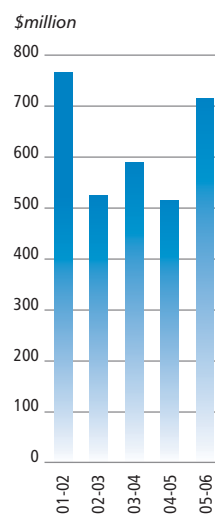
Other key projects included in the 2002-03 Budget are:

- \$101 million Royal Melbourne Showgrounds redevelopment;
- \$100 million towards an Australian synchrotron;
- \$77 million towards the Wimmera-Mallee pipeline;
- \$61 million Yarra Precinct Arts Integration project;
- \$40 million residential aged care strategy and rural health redevelopment and upgrade program; and
- \$32 million Royal Melbourne Hospital redevelopment.

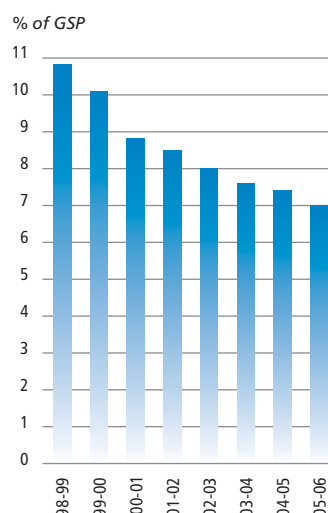
More specifically, total infrastructure investment announced in the budget includes:

- \$1.3 billion for transport;
- \$217 million for health and community services.
- \$216 million for education and training;
- \$187 million for innovation;
- \$81 million for justice and public safety; and
- \$77 million for environment.

Budget Highlights



Substantial Budget Surpluses



Liabilities Falling

General Government Net Financial Liabilities (excluding Growing Victoria)



Highlights

Thriving and innovative industries across Victoria

The 2002-03 Budget focuses on enhancing Victoria as an innovative economy by:

- positioning Victoria as a global player in fields such as biotechnology, advanced manufacturing, design, information and communication technologies (ICT), through initiatives totalling \$139 million over four years in addition to \$148 million TEI in asset investment. This includes the doubling of the current level of funding for medical research infrastructure and the construction of Australia's first synchrotron facility; and
- assisting Victorian business to become more innovative and competitive through *Building Tomorrow's Businesses Today*. This comprises \$262 million in significant business taxation relief over the next four years and \$63 million in output initiatives, in addition to \$39 million TEI in asset investment, aimed at improving the way that Victoria does business.

Valuing and investing in lifelong education

In the 2002-03 Budget a key priority is improving access, driving innovation and excellence in education, from preschool to post-compulsory years. The Government has allocated \$334 million over four years in output initiatives in addition to asset investment of \$216 million TEI to:

- support learning in the early years of schooling by reducing the average class size in prep to year 2 and through the implementation of an early years numeracy program;
- improving participation and achievement in education through a new Access to Excellence initiative and a Middle Years Reform and Innovations program;
- addressing equity and access issues by funding additional Koori educators and home liaison officers to provide education services and support to Koori students; and
- putting at least 900 additional teachers into schools across Victoria.

Ensuring high quality, accessible health and community services

The 2002-03 Budget aims to turn around Victoria's health system with better facilities, new approaches and more health workers to give Victorians the highest quality of care.

In this budget the Government has committed \$1.2 billion over four years in output initiatives in addition to asset investment of \$217 million TEI to:

- build, improve and integrate hospitals and community health services;
- link and invest in services for children;
- support older people to live active lives; and
- tackle health issues linked to inequality through programs to respond to the growing need for community and home-based disability support services and by improving housing services for people in need.

Highlights



Creating safe streets, homes and workplaces

In the 2002-03 Budget, the Government has committed \$81 million TEI to asset investment as well as \$34 million for new initiatives over four years to prevent crime and maintain community safety by:

- enhancing police services by providing police with upgraded equipment, and modernising metropolitan and rural police stations;
- ensuring a seamless transition of emergency call taking and dispatch services and implementation of the Statewide Integrated Public Safety Communication Strategy; and
- improving the safety of all Victorian road and transport users.

Promoting sustainable development and protecting the environment for future generations

In the 2002-03 Budget the Government is allocating funds of \$130 million over four years for output initiatives and \$77 million TEI for asset investment specifically designed to value and protect Victoria's water, forest and land resources by:

- providing more secure and higher quality water supply;
- the construction of the Wimmera-Mallee pipeline;
- ensuring the long-term future of Victorian forests and regional communities; and
- supporting the sustainable management of Victoria's agricultural land and ski fields.

Building cohesive communities and reducing inequalities

The Government in the 2002-03 Budget has committed funds for initiatives which will generate more jobs, strengthen our communities and create new opportunities.

The budget will allocate:

- \$12 million to progress the Government's vision of achieving reconciliation between indigenous and non-indigenous Victorians; and
- \$192 million to initiatives which will make communities better places to live and work. This includes redevelopment of the Royal Melbourne Showgrounds, enhancing the cultural assets of Victoria and developing state-of-the-art facilities ahead of the 2006 Commonwealth Games.

Promoting rights and respecting diversity

The Government recognises that the diverse cultural backgrounds, languages and abilities of Victorians are some of the State's greatest strengths.

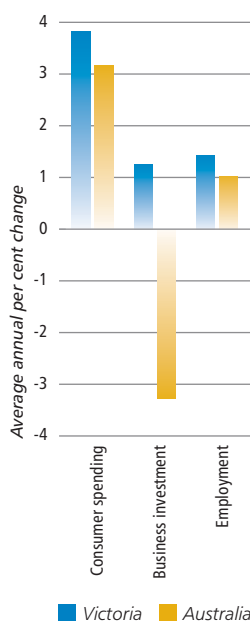
The 2002-03 Budget builds on the Government's commitment to support and enhance the role of the Victorian Multicultural Commission through the continuation and expansion of the current community grants program.

The Government has committed \$8.3 million to improve access to legal aid, victim support and alternative resolution procedures.

Highlights



The Victorian economy performed strongly over the past year, exceeding the national average in key measures such as consumer spending, business investment and employment.



Leading in Key Measures

The Victorian economy has proved its resilience over the past 12 months – weathering the storm of weaker global economic conditions. Over the period, the Victorian economy has exceeded the national average in the key measures of consumer spending, business investment and employment. Domestic demand rebounded strongly over calendar 2001, particularly in the second half, underpinned by consumer spending, government capital expenditure and an acceleration in housing construction.

The Victorian labour market recorded further solid gains following on from its exceptionally strong employment growth in 2000-01. The unemployment rate is below the Australian average.

Recent evidence of a global recovery is positive for the 2002-03 outlook.

Victorian economic growth is now estimated at 3.75 per cent in 2001-02, exceeding the original budget estimate of 2.75 per cent, and 3.5 per cent in 2002-03.

Employment is forecast to grow 1.5 per cent in 2002-03, following 1.25 per cent in 2001-02.

Private business investment grew in 2001, in contrast to a national decline.

Inflation is well down from its peak following the introduction of the GST and is in line with the national increase.

Wage growth is forecast to remain restrained at 3.50 per cent throughout the outlook period.

Victorian economic projections (%)

	Actual 2000-01	Forecast 2001-02	Forecast 2002-03	Projection 2003-04	Projection 2004-05	Projection 2005-06
Economic growth	2.4	3.75	3.50	3.50	3.50	3.50
Employment growth	3.5	1.25	1.50	1.50	1.50	1.50
Unemployment rate	6.0	6.25	6.00	6.00	5.75	5.50
Inflation	6.0	2.75	2.25	2.25	2.25	2.25
Wages growth	3.4	3.75	3.50	3.50	3.50	3.50

Leading the Way



Where the money comes from

Total revenue of \$25 282 million is projected for 2002-03, representing a \$275 million (or 1.1 per cent) increase on the 2001-02 revised estimate. This moderate increase reflects:

- low growth in taxation revenue (0.5 per cent) due mainly to:
 - moderation in property market activity;
 - the full-year effect of the Government’s 2001-02 tax reform initiatives announced under the *Better Business Taxes* package combined with the \$83 million of business tax relief measures provided in 2002-03; and
 - the full-year effect of the abolition of financial institutions duty and stamp duty on quoted marketable securities from 1 July 2001.
- total Commonwealth grants remaining largely unchanged, because of a reduction in Victoria's share of the grant pool, a reduction in Commonwealth first home owner grant payments, and the Commonwealth’s decision to unilaterally withdraw \$134 million of funding in 2002-03 from the States and Territories.

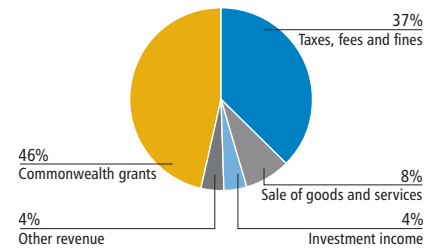
Where the money goes

Total expenses are expected to rise to \$24 760 million in 2002-03 representing an increase of \$519 million (2.1 per cent) on the revised 2001-02 estimate. This is due largely to additional funding associated with implementing new output initiatives including:

- 2002-03 Budget output initiatives of \$317 million;
- output initiatives of \$161 million previously announced in the *2001-02 Budget Update*;
- the full-year impact of output initiatives announced in the 2001-02 Budget (\$47 million); and
- an increase in depreciation expense (\$57 million), reflecting the combined impact of revaluation of existing assets and the substantial boost to infrastructure provided by the Bracks Government since the 2001-02 Budget.

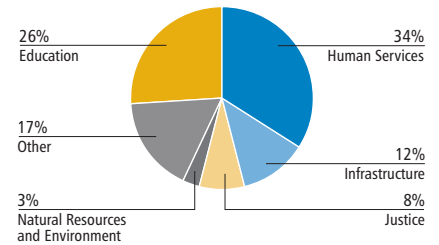
Revenue 2002-03

Total revenue \$25 282 million



Expenses 2002-03

Total expenses \$24 760 million



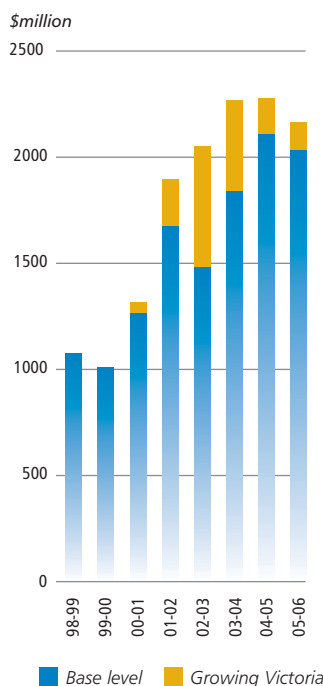
Revenue/Expenses



The 2002-03 Budget boosts investment in infrastructure assets by \$3 billion (TEI) – including Scoresby Freeway.

In *Growing Victoria Together* the Government identified the following priority infrastructure actions:

- building fast, reliable and efficient transport and communications infrastructure;
- better linking Melbourne and regional ports to industry and agricultural centres across Victoria; and
- connecting more Victorians to the internet and other new technologies.



Boosting Victoria's Infrastructure

General Government Sector Net Asset Investment

In addition, the Government is aiming to rebuild and modernise the State's social infrastructure including schools, hospitals, prisons, police stations, community services and recreational and cultural resources – the building blocks of a strong, prosperous and equitable society.

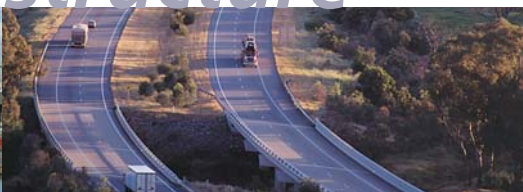
The strong themes of supporting sustainable economic growth and community accessibility through infrastructure provision are continued in the 2002-03 Budget. The 2002-03 Budget commits \$3.0 billion TEI to boost infrastructure assets. This includes a \$445 million contribution towards the Scoresby Freeway from the Commonwealth Government.

This infrastructure spending includes:

- \$1.3 billion for transport;
- \$217 million for health and community services;
- \$216 million for education;
- \$187 million for innovation;
- \$81 million for justice and public safety; and
- \$77 million for environment.

Over the period 2002-03 to 2005-06 annual expenditure on fixed assets will average \$2.2 billion. This increased level of expenditure will result in growth of real capital stock over the four years to June 2006 of over 11 per cent, far outstripping projected population growth of around 4 per cent.

Building Infrastructure



Fast, reliable and efficient transport and communications infrastructure is essential to link and connect our people, our communities and our businesses.

A key priority for the Bracks Government over the past two years has been upgrading Victoria's road and rail transport system including the provision of funding for standardising rail gauges, reintroducing country passenger rail services and introducing regional fast rail between regional centres.

Better links for regional Victoria

The 2002-03 Budget provides a major boost for transport services for regional Victoria continuing the Government's commitment to modernising and restoring transport services in rural and regional communities.

Initiatives funded in 2002-03 include:

- \$70 million TEI for the Calder Highway, between Kyneton and Faraday;
- \$15 million TEI to improve the safety and efficiency of the road network including:
 - \$5.6 million TEI to perform capital works along the Henty Highway between Heywood and Cherrypool;
 - \$4.2 million TEI for Bayside Road in Geelong;
 - \$3 million TEI to conduct further works along the Henty Highway between Cherrypool and south of McKenzies;
 - \$2 million TEI to make safety improvements along the Maroondah Highway between Healesville and Narbethong;
 - \$500 000 to widen the Wallan Overpass to facilitate the safe passage of cyclists and pedestrians from the township of Wallan over the Hume Freeway to the railway station at East Wallan; and

- other funding initiatives to better link rural and regional Victoria including:
 - \$9 million TEI to upgrade the Warrnambool rail line; and
 - \$7.8 million over four years for 27 new and improved bus services in regional Victoria.

Linking the suburbs

The 2002-03 Budget will provide better links between suburban communities through better access to public transport services and safer roads including:

- construction of the Scoresby Freeway;
- electrification of the rail line from Broadmeadows to Craigieburn to extend frequent metropolitan train services to growth suburbs such as Roxburgh Park and Craigieburn (\$98 million TEI and \$7.2 million in operating costs from 2005-06);
- extension of tram route 75 to Vermont South and an enhanced bus service from there to Knox Activity Centre (stage one of Knox tram extension) – \$31 million TEI and \$12 million in operating costs over the next four years;
- upgrading key arterial suburban roads (\$62 million TEI) including Narre Warren-Cranbourne Road in Narre Warren, Frankston-Cranbourne Road in Langwarrin, Fitzgerald Road in Laverton, Macedon Street Bridge in Sunbury and Edgars Road in Epping;
- a massive boost to suburban bus services, including 25 new or upgraded bus routes around Melbourne (\$36 million in operating costs over four years); and

- upgrading of pedestrian rail level crossings (\$13 million TEI).

Planning for the future

The 2002-03 Budget also provides a focus on planning for the future through the Government's Transit Cities and Yarra Plan initiatives.

Key initiatives include:

- \$6.5 million TEI to build on the Transit Cities schemes for urban consolidation; and
- \$7 million TEI for the redevelopment of Sandridge Bridge and Queensbridge Square as part of the Yarra Plan.

Development of Victoria's ports

The 2002-03 Budget also provides a \$10.3 million TEI package for:

- \$5.1 million to establish a dual-gauge rail access to Lascelles Wharf at the Port of Geelong; and
- \$5.2 million to support a detailed feasibility investigation into channel deepening in Port Phillip Bay.

A Budget for all Victorians – Key Highlights

Major new asset investments will commence in all regions of the State in 2002-03, as illustrated.

Central Highlands/Wimmera

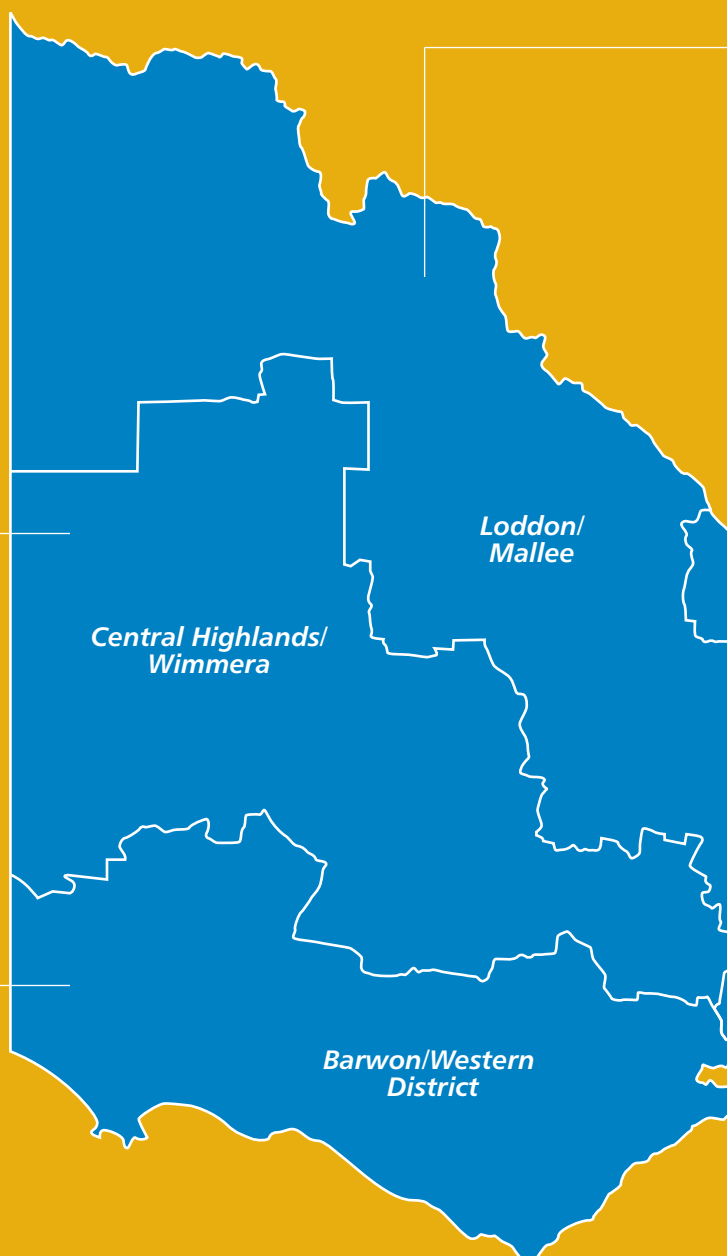
- Wimmera-Mallee pipeline
- Henty Highway upgrade between Cherrypool and south of McKenzies
- Two police station replacements at Beaufort and Gordon
- Stawell District Hospital redevelopment
- Major modernisation and upgrading of five schools across the region
- Horsham Court upgrade
- Rural ambulance co-locations with health services in Ararat and Hopetoun

Barwon/Western District

- Warrnambool rail line upgrade and Lascelles Wharf rail connection
- Linking rural economies – Henty Highway and Bayside Road upgrades
- Redevelopment of Lorne Hospital
- Three police station replacements – Cressy, Macarthur and Smythesdale
- Major modernisation and upgrading of 14 schools across the region including a new school at Lara and a major school redevelopment on the Bellarine Peninsula
- Rural ambulance co-locations with health services in Colac

Statewide

- Infrastructure and medical equipment upgrade for health services, dental health facilities and public health laboratories
- Ambulance service facilities development
- Massive school infrastructure program across Victoria including 15 new or replacement schools and 98 modernisation and upgrades
- Upgraded preschool facilities
- Commonwealth Games facility developments



Loddon/Mallee

- Wimmera-Mallee pipeline
- Duplication of Calder Highway between Kyneton and Faraday
- Establishing Maryborough Education Precinct
- Major modernisation and upgrading of four schools across the region
- Four police station replacements at Inglewood, Merbein, Pyramid Hill and Tarnagulla
- Court upgrade at Bendigo
- Rural ambulance co-locations with health services in Kyneton

Goulburn/Ovens-Murray

- Linking rural economies – Maroondah Highway upgrade and Wallan overpass
- Major modernisation and upgrading of seven schools across the region
- Court upgrade at Wangaratta
- TAFE facilities upgrade at Wodonga
- Police station replacement at Whitfield
- Beechworth Hospital and Nursing Home upgrade

Goulburn/
Ovens Murray

Gippsland

Melbourne

Gippsland

- Centre for Energy and Greenhouse Technologies
- Two police station replacements at Bendoc and Bunyip
- DNRE office replacement
- Major modernisation and upgrading of ten schools across the region including a new specialist school at Bairnsdale
- Health and aged care facility upgrades in Omeo and Bairnsdale

Melbourne's Suburbs

- Scoresby Freeway
- Upgraded roadworks including Macedon Street Bridge, Edgars Road, Fitzgerald Road, Narre Warren-Cranbourne Road and Frankston-Cranbourne Road
- Rail electrification to Craigieburn and Knox Tram extension to Vermont South
- Angliss, Dandenong and Royal Melbourne Hospital redevelopments
- New schools and modernisations across Melbourne
- New police stations at Coburg and Footscray
- Royal Melbourne Showgrounds redevelopment
- Melbourne Sports and Aquatic Centre redevelopment

Thriving and Innovative Industries Across Victoria

The Government recognises that innovation and new technologies are key drivers of economic and jobs growth. Key initiatives in the 2002-03 Budget will assist Victorian business and industry to become more innovative and competitive, support new industries and boost exports.

The Government's *Building Tomorrow's Businesses Today* policy, announced on 22 April 2002, delivers a package of major initiatives to grow businesses and new jobs. It delivers the strategic direction, resources and on-the-ground support to give Victoria:

- a highly competitive, friction-free business environment;
- more innovative business and innovative economy;
- a strong international focus;
- strong business linkages and networks;
- a sustained performance in starting and growing new business; and
- productive and cooperative workplaces.

Creating a more competitive business environment

The Government's strong financial position enables further cuts in business taxes of \$262 million to 2005-06, providing an additional boost to jobs and growth in Victoria by:

- increasing the payroll tax threshold from \$515 000 to \$550 000 from 1 July 2002, a year ahead of schedule;

- reducing the payroll tax rate from 5.45 per cent to 5.35 per cent from 1 July 2002, a year ahead of schedule;
- further reducing the payroll tax rate from 5.35 per cent to 5.25 per cent from 1 July 2003. The payroll tax initiatives will further stimulate business growth and employment and represent a 9 per cent reduction in the payroll tax rate under the Bracks Government;
- increasing the land tax threshold from \$125 000 to \$150 000; and
- abolishing stamp duty on unquoted marketable securities from 1 July 2002, a year earlier than scheduled.

In total, across *Better Business Taxes* and *Building Tomorrow's Businesses Today*, the Government has announced tax cuts of over \$1 billion in its first term of office.

Cutting red tape

\$27 million for building partnerships between government and business through initiatives such as the land exchange and EASY Government which will be used across government to cut paperwork, simplify reporting and provide rapid access to information.

Exports and innovation

\$8 million to provide a range of programs for Victorian firms seeking to expand internationally. In addition, \$5.2 million for investigating the feasibility of channel deepening in Port Phillip Bay.

Connecting markets and industries

\$6 million in initiatives that connect markets and industries and help develop networks and clusters.

The agenda for new manufacturing

\$27 million to encourage the growth of the manufacturing industry and to create high-value manufacturing employment in Victoria.

Tourism

\$18 million for new opportunities in tourism, including \$10 million from the Regional Infrastructure Development Fund to support new tourism developments in regional areas.

Agriculture and regional industries

\$26 million to promote innovation, improve skills and business management, tackle disease and boost exports in the food and fibre industries.

Significant funds are provided to improve access for regional exporters to the Port of Geelong as well as \$77 million towards the new Wimmera-Mallee pipeline.

\$11 million to build on the Government's existing regional development programs to grow the whole State.



Turning good ideas into good businesses, in order to grow new jobs and opportunities, is a key component of a successful innovative economy.

Innovation is the 21st Century driver of economic growth, high quality jobs, wealth and improved living standards.

Growing Victoria Together sets out as a priority the creation of new jobs by promoting new ideas and technologies.

The Government recognises the key role it plays in ensuring Victoria has globally competitive industries and sustainable high-value jobs.

The Government is committing \$139 million in new output initiatives over four years, as well as \$148 million TEI in asset investment, to position Victoria as a global player in fields such as biotechnology, advanced manufacturing, design, information and communication technologies (ICT), and environmental technologies.

Innovation and new technologies not only transform existing industries but also create the industries of the future.

Key initiatives in the 2002-03 Budget target these industries and assist Victorian business become more innovative and competitive. These include:

- \$100 million towards the construction of a \$157 million synchrotron facility to provide Victoria with a national platform for ground breaking research. \$2.9 million per annum has been committed to project manage the construction of the facility;

- \$27 million over four years to implement the Biotechnology Strategic Development Plan;
- \$6.7 million over four years to support new technology commercialisation activities, including the Centre for Innovation and Technology Commercialisation;
- \$35 million over four years to boost operational infrastructure support to Victoria's health and medical research institutes;
- \$12 million over three years to establish the Centre for Energy and Greenhouse Technologies to advance energy efficiency and greenhouse reducing technologies;
- \$9.2 million over two years to further boost Victoria's design capabilities and position Victoria as an international centre of design; and
- \$48 million TEI over the next four years for the Telecommunications Purchasing and Management Strategy (TPAMS) which will streamline and modernise the Government's telecommunication infrastructure and service provision.

In addition, to drive the innovation agenda, the Government recently created a new portfolio of Innovation and established the Department of Innovation, Industry and Regional Development, including a new Office of Innovation.

- Driving Innovation

- **Synchrotron**
- **Biotechnology**
- **Commercialisation**
- **Medical Research**
- **Design**
- **Environmental Technologies**
- **ICT**

Innovative Industries



Valuing and Investing in Lifelong Education

– Innovation, Access and Excellence

Access to world-class, lifelong education is the key to our children's future, Victoria's prosperity and the success of an innovative economy. Education and training open the door to high quality jobs, to a full and creative life and a sense of common citizenship.

Growing Victoria Together underpins the Government's commitment to education as its top priority. That commitment is reinforced by the record investment in education and training made by the Government in its previous two budgets.

The 2002-03 Budget continues to ensure that Victoria's preschool services, schools and TAFE institutes have the people, resources, community links and technology that they need to achieve excellence, create exciting learning environments, boost student participation and achievement, and improve opportunities for all Victorians.

The priority initiatives targeted in the 2002-03 Budget are focused on achieving the Government's goals and targets, specifically:

Improving access and driving innovation and excellence in education, from preschool to post-compulsory education is the Government's top priority.

- \$27 million over four years to improve the health, development, learning and wellbeing of children before they start school through reforms to preschools and a new BEST START initiative;
- \$334 million over four years to provide better access to education excellence and to build on solid foundations already laid in public education in Victoria, including:
 - \$78 million over four years to support learning, meet higher enrolment growth and improve literacy and numeracy in the early years of schooling;
 - \$82 million over four years for a new Access to Excellence initiative, which ensures all schools across the State are meeting the needs of young Victorians. In 2002-03 an additional 300 teachers will be placed in about 100 secondary schools experiencing higher absentee rates and lower literacy and numeracy skills;
 - \$84 million over four years for a new Middle Years Reform and Innovation Program initiative. This will provide grants to a total of 250 clusters of primary and secondary schools;
- \$48 million over four years towards the statewide roll-out of the new Victorian Certificate of Applied Learning (VCAL) into more schools across Victoria;
- \$31 million funding boost over four years to make Victoria's school bus service fairer, safer and more accessible for all students;
- \$3.6 million over four years for an additional 15 Koori educators and 6 Koori home liaison officers; and
- \$8 million over four years to continue the youth Freeza events program.

The 2002-03 Budget will provide at least an additional 900 teachers across Victoria in government schools.

In addition, the 2002-03 Budget provides a \$216 million building program for more than 110 Victorian schools and TAFE institutes across the State. Facilities will be completely rebuilt or refurbished, providing modern, energy efficient teaching spaces for science, computers and technologies, libraries and classrooms.

Innovation, Access and Excellence





Lifelong Education

This budget continues to turn around Victoria's health system with better facilities, new approaches and more health workers to give Victorians the highest quality of care.

The Bracks Government recognises the importance of access by all Victorians to high quality services. Delivering high quality, accessible health and community services is one of the highest priorities under *Growing Victoria Together*.

Enhancing hospitals and health services

The rebuilding of Victoria's public health will continue, with funding provided to treat more patients, employ more nurses and tackle hospital waiting lists.

In 2002-03 the Government extends the multi-year Hospital Demand Management Strategy with \$464 million over four years focused on emergency services and elective surgery. This will provide for more beds to treat extra patients, including 34 000 patients in hospital emergency departments and 14 000 extra elective surgery, renal, palliative care and radiotherapy patients.

In addition, hospitals will receive \$169 million over four years to assist in funding superannuation and medical supply costs.

The 2002-03 Budget also provides for:

- \$61 million to expand community and hospital based mental health services and to open more mental health hospital beds across Victoria;
- \$14 million over four years to expand dental health services, breast screening and women's health initiatives;
- \$29 million over four years for Home and Community Care Services to support people, particularly the frail and elderly, to continue living active lives in their own homes; and
- \$20 million over four years to boost ambulance services and employ 43 additional paramedics across Melbourne and regional Victoria.

Health and Community Services



Investing in better hospital facilities

The 2002-03 Budget continues rebuilding Victoria's public health system with significant investment in new hospital, medical equipment, upgrades and redevelopments.

Key initiatives include:

- an additional \$25 million in 2001-02 and \$20 million in 2002-03 for medical equipment including intensive care ventilators, mobile x-ray units, electronic adjustable beds and other equipment;
- \$20 million investment to upgrade critical hospital plant infrastructure;
- \$32 million to redevelop the Royal Melbourne Hospital, including replacement and fit out of wards to provide 120 beds and installation of a helipad to further develop the trauma service;
- \$19 million for the Angliss Hospital including a new and expanded emergency department and critical care/high dependency unit;
- \$10 million to expand and refurbish Dandenong Hospital;
- \$40 million to continue the redevelopment and upgrade of rural health and public sector residential aged care facilities;

- \$6 million for further redevelopment of Stawell Hospital to enhance operating theatres, the radiology unit and emergency services and for the redevelopment of the Lorne Community Hospital;
- \$10 million for fire safety works; and
- \$4.8 million to upgrade ambulance stations and facilities including co-location with other health services in Kyneton, Ararat, Colac and Hopetoun.

Investing in improved community services

The 2002-03 Budget delivers a substantial investment to help build stronger communities through enhancing community services, with an emphasis this year on families, children, people with a disability, older people and homeless people. Key initiatives include:

- \$60 million over four years for a new approach to the delivery of child protection and placement services. This initiative will enhance the child protection workforce by easing the workload on direct line staff and building a stronger system;
- \$5 million TEI in upgrades to residential care facilities across Victoria;

- \$20 million package over four years for increased demand for community and home-based disability services and the Futures for Young Adults program;
- \$25 million over four years as the first stage of redevelopment of the Kew Residential Services. The first stage will provide for 100 people to be relocated from Kew Residential Services into new community residential units;
- \$10 million TEI to assist people with a disability to live in the community;
- \$15 million TEI to redevelop juvenile justice facilities, including replacement of the existing Senior Youth Training facility (Turana); and
- \$8.8 million over four years towards tackling homelessness.



Creating Safe Streets, Homes and Workplaces

Improving safety and confidence in places Victorians live and work is one of the Government's priorities in Growing Victoria Together.

The Government is committed to preventing crime and maintaining community safety whether in public places, roads, homes or workplaces. This requires highly skilled, well-resourced police and emergency services, respect for the rights of all citizens and cohesive communities.

Police

The Bracks Government is very proud of its achievement to provide 800 additional frontline police. Victorian police numbers are now well over the 10 000 mark. In 2000 Victoria had the lowest proportion of victims of crime against both property and persons of all the States.

In addition to the critical boost to police numbers, the Government has provided new stations and equipment to help police in their fight against crime. Since October 1999, 20 new stations have been approved for construction in the metropolitan area and major regional centres and 31 country police stations are underway.

A further \$21 million is provided for replacement police stations in Footscray and Coburg.

The 2002-03 Budget provides a further \$5 million for the replacement of 12 police stations in smaller country towns across Victoria.

Emergency communications services

Initiatives in the 2002-03 Budget also enhance the responsiveness of police and emergency services, including funding of more than \$50 million to ensure a seamless transition of emergency call taking and dispatch services.

Funding is also being provided for the ongoing management of a number of emergency service telecommunications projects. The additional resources will strengthen the capacity of government to deliver efficient and reliable communication services to Victoria's emergency services organisations. The Statewide Integrated Public Safety Communications Strategy is a ten-year strategy to ensure Victoria's emergency services organisations are equipped with robust and appropriate communications equipment.

Road safety

Improving the safety of all Victorian road and transport users is a key objective of *Growing Victoria Together*. In the 2002-03 Budget the Government has committed a record amount to improving transport infrastructure as well as \$11 million to reducing death and serious injury from road accidents by 20 per cent over five years.

Safe Streets, Homes and Workplaces



The Bracks Government is committed to a better quality of life for current and future generations, by ensuring our economy, our society and our environment are developed in a balanced way.

In the 2002-03 Budget the Government is continuing to protect our precious environment in order to maintain our healthy, diverse and enjoyable national, state and metropolitan parks, rivers, catchments and coastal and marine environments.

Key initiatives in the 2002-03 Budget are designed to value and protect Victoria's resources, particularly forests, water and land.

Valuing our forests

In protecting our forest resources the Government has committed \$80 million to Our Forests, Our Future. This package will ensure the long-term future of our forests and regional communities. It comprises a new timber licensing and pricing system and a statewide assistance program and new institutional arrangements.

In addition, the budget will include a \$21 million package over four years for Box-Ironbark forests and woodlands. This package includes a structural adjustment package for affected Box-Ironbark forest industry workers and businesses, and establishment costs for parks, state forests and reserves.

Valuing our water resources

The 2002-03 Budget provides funding to the construction of the Wimmera-Mallee pipeline project. The Government has allocated \$77 million, subject to the Commonwealth

committing to its share of the funding and the detailed design for the project confirming its feasibility. The project will see 17 500 kilometres of ageing and inefficient open channels – stretching from the Grampians to the Murray – converted to piping.

Other initiatives include:

- \$26 million (including \$15 million in 2001-02) will be provided to improve the health of Victoria's precious rivers, including the Murray River;
- \$4 million will be allocated for dam safety improvements; and
- \$13 million over four years for the continuation of the Government's Gippsland Lakes rescue package.

Valuing our land resources

The 2002-03 Budget also invests in the sustainable management of Victoria's agricultural land and ski fields, including:

- \$6 million over four years to implement the Government's vision for Second Generation Landcare;
- \$4 million over four years for improving risk management of our alpine resorts; and
- \$3 million over three years for a statewide fox eradication program.

Sustaining our environment

The 2002-03 Budget also provides \$12 million for a Centre for Energy and Greenhouse Technologies. The Centre will facilitate research and development into cutting edge sustainable energy technologies. In addition, \$2.8 million is provided towards the Cooperative Research Centre for Clean Power from Lignite.

Promoting Sustainable Development and Protecting the Environment for Future Generations

Key initiatives are designed to value and protect Victoria's resources.

Environment



The Government has committed funding for projects which will generate more jobs, strengthen our communities and create new opportunities.

The 2002-03 Budget aims to strengthen communities to ensure that there is support for families, job opportunities and improved access to affordable, high quality services.

Reducing inequalities and strengthening communities

The 2002-03 Budget delivers a whole-of-government commitment to strengthen the capacity of the Koori community to deliver real improvements in economic and social wellbeing.

The Government is providing \$12 million over four years and \$1.9 million ongoing to target areas of indigenous disadvantage, and will progress reconciliation between indigenous and non-indigenous Victorians. The package includes funding for:

- development and implementation of a community-led indigenous family violence strategy;
- initiatives to assist members of the stolen generation; and
- provision of additional funding support to local indigenous community organisations.

The Government is also committed to reducing inequalities with an emphasis on vulnerable groups and those most in

need. Funding of \$8.8 million over four years will strengthen the capacity of the homeless services system to respond to the complex needs of homeless people, strengthen services for the victims of family and domestic violence, and provide support for people in private rental housing.

In addition, measures in this budget will expand the supply of public housing and make housing more affordable. At least an extra 1500 public and community housing units will be created and \$12 million is provided from the Office of Housing for neighbourhood renewal projects across the State. The budget also allocates \$13 million in 2002-03 to reform, streamline and expand concessional arrangements to enable more Victorian families and people on low incomes to purchase their own homes.

Better places to live and work

In the 2002-03 Budget the Government will commit \$101 million for the redevelopment of the Royal Melbourne Showgrounds. The redevelopment will provide significant economic benefits for Victoria, particularly rural and regional areas of the State.

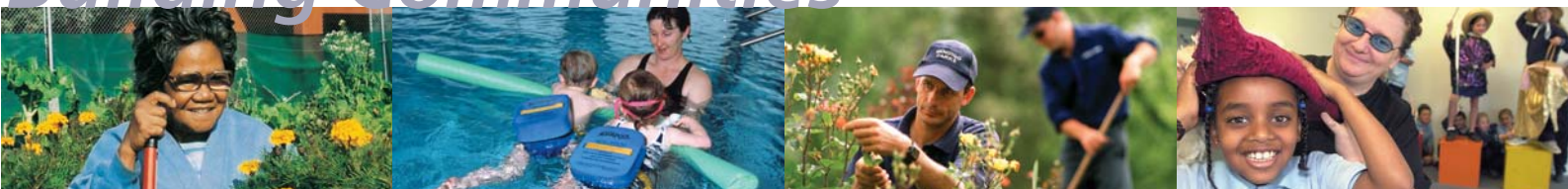
The 2002-03 Budget also provides for an injection of \$84 million into Victorian sport with a focus on developing state-of-the-art facilities ahead of the 2006 Commonwealth Games, including the contribution of:

- up to \$50 million, including \$7 million in 2002-03, for the redevelopment of the Melbourne Sports and Aquatic Centre. The redevelopment will involve the construction of a 12 000 seat capacity competition pool as well as car parking and leisure water facilities; and
- \$10.4 million in 2002-03 to the Melbourne 2006 Commonwealth Games Organising Committee to continue the detailed planning and coordination of the Games.

The budget provides \$106 million boost for arts and cultural projects, including:

- \$24 million over four years for new exhibitions and maintenance of state collections for the Melbourne Museum, State Library, Heide Museum of Modern Art and the Malthouse Plaza complex; and
- \$61 million over five years for the Yarra Precinct Arts Integration project.

Building Communities



The Victorian Government recognises that the diverse cultural backgrounds, languages and abilities of Victorians are some of the State's greatest strengths.

The 2002-03 Budget builds on the Government's commitment to support and enhance the role of the Victorian Multicultural Commission through the continuation and expansion of the current community grants program. The program provides support to ethnic and community-based organisations for activities and projects that support the State's culturally and linguistically diverse communities.

In addition, a number of new initiatives will be introduced in 2002-03 to improve access to services for culturally and linguistically diverse Victorians. The Victorian Office of Multicultural Affairs, in consultation with government departments, will be implementing a number of innovations and improvements to the quality and provision of interpreting services for Victorians accessing government services. A particular emphasis of the strategy will be on improving language services for rural and regional communities.

The Government has provided \$8.3 million in funding to progress a number of new initiatives in order to improve legal aid, victim support and dispute resolution services to develop a strategically integrated vision for the Victorian justice system and to build faster, better and more accessible communication links.

Respecting Diversity



The Government is continuing to lead the way in its uptake and application of ICT and the modernisation of public and community service delivery.

The 2002-03 Budget provides a major funding boost to improve the ICT interface between government and the community and build the capacity of the public sector to manage knowledge, communications and information. Key initiatives include:

- \$48 million TEI and \$29 million to support operations over four years through the Telecommunications Purchasing and Management Strategy (TPAMS) to streamline the Government's telecommunications service and establish a whole-of-government electronic directory;
- a substantial investment to improve communications systems for emergency services across Victoria, including funding for a Mobile Data Network Project to equip emergency service vehicles with data terminals, a statewide Personnel Alerting System to provide pagers to emergency services across the State, and for the Metropolitan Mobile Radio project. Funding will be determined upon appointment of successful tenders;

- \$8.2 million for the Victorian Electronic Records Strategy, including an Electronic Records Centre of Excellence, to ensure important digital information is securely managed and accessible in the long term;
- \$2 million for a range of EASY Government initiatives announced in *Building Tomorrow's Businesses Today*, to transform the way businesses interact with the Government; and
- \$24 million TEI for a new electronic Land Exchange, announced in *Building Tomorrow's Businesses Today*, providing business with a single point of access to state and local government land information and transactions.

These initiatives will contribute to Victoria's growing status as an international leader in the modernisation of government.

Modernising Government



2002-03 Victorian Budget Overview

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