

CHAPTER 1 – SERVICE AND BUDGET STRATEGIES

- The Victorian economy has been substantially impacted by the Global Financial Crisis and the bushfires that affected parts of Victoria in February 2009. An ongoing commitment to deliver services that matter to Victorians while maintaining fiscal discipline and the State's triple-A credit rating has put the Government in a strong position in what are difficult times for governments across the world.
- This budget delivers for Victoria with investment in infrastructure to secure jobs in cooperation with the Commonwealth Government's *Nation Building – Economic Stimulus Plan*. The Budget provides \$7 billion of funding for infrastructure investment in 2009-10 to secure up to 35 000 jobs and help soften the impact of the Global Financial Crisis.
- The budget announces funding of \$6.5 billion over five years and enhances the Government's service delivery objectives as set out under *Growing Victoria Together*. Significant additional funding is included in this budget to support Victorian Government schools, sustain the capacity of health and hospital services and assist disadvantaged Victorians.
- In response to the February 2009 bushfires, the Government has taken swift action to assist people to get their lives back on track and for communities to begin the important rebuilding process. This budget includes funding of \$908 million over five years and \$78 million TEI for bushfire response and recovery.
- During a downturn, it is vital that any additional education and training effort be directed to the skills required for tomorrow's workforce. In the budget, the Government continues to build on the *Securing Jobs for Your Future: Skills for Victoria* statement with a further \$141 million over five years and \$70 million TEI for skills related initiatives including implementation of the Commonwealth Government's Productivity Places Program.
- Victorian government schools will receive a significant boost of \$2.9 billion for infrastructure funding in this budget. This includes \$402 million TEI from the State Government to continue the rebuilding and modernising of all government schools under the *Victorian Schools Plan*, and \$2.4 billion for Victorian education infrastructure under the Commonwealth Government's *Building the Education Revolution* initiative.

- The *2009-10 Budget* provides \$1.1 billion over five years and \$177 million TEI for health and hospital services, including funding provided by the Commonwealth under National Partnership Agreements. This includes funding to expand hospital and community health service delivery and infrastructure, implement hospital and health workforce reforms, and increase rural and regional dental services.
- The *2009-10 Budget* delivers substantial funding commitments for the first tranche of initiatives included in the \$38 billion *Victorian Transport Plan*. Funding of \$4.9 billion is provided in cooperation with the Commonwealth Government to deliver new services and infrastructure to begin the transformation of Victoria's transport system.
- In partnership with the Commonwealth, the Government will deliver a \$1.7 billion boost to social housing through the *Nation Building – Economic Stimulus Plan* and the National Partnership Agreement on Social Housing. This is expected to deliver over 5 000 new houses and stimulate jobs in the construction sector.
- The *2009-10 Budget* commits a further \$330 million over four years and \$80 million TEI to strengthen the justice system, enhance policing and expand corrections services. This funding will improve safety and help build a confident, friendly and safe Victoria.
- The Government continues to provide targeted service delivery for disadvantaged Victorians under *A Fairer Victoria*. The budget provides \$125 million over four years to continue reforms to increase the quality of services provided in the Out of Home Care sector and \$10 million TEI to commence the redesign of existing facilities to create more welcoming environments.
- To continue to promote good mental health in Victoria the budget provides \$108 million over four years and \$74 million TEI to support the treatment and recovery of those with mental health issues. This includes \$24 million provided through the Sustaining Health Services Capacity initiative.
- Protecting the environment is a key government objective, and this budget provides \$32 million over four years and \$6.5 million TEI to establish four new national parks as part of the *River Red Gums* strategy.

GROWING VICTORIA TOGETHER

Growing Victoria Together is the Government's vision to 2010 and beyond that articulates the Government's priorities to make Victoria a better place in which to live, work and raise a family. *Growing Victoria Together* has put Victoria in a strong place to meet some of its most difficult challenges, and the *2009-10 Budget* is consistent with this vision. In the midst of a global economic slowdown and the significant response to the February 2009 bushfires, the Government is committed to maintaining a strong fiscal position, delivering services and investing in infrastructure to achieve the *Growing Victoria Together* vision for:

- a thriving economy;
- quality health and education;
- a healthy environment;
- caring communities; and
- a vibrant democracy.

Growing Victoria Together balances a combination of social, economic and environmental visions and measures and sets out 10 shared goals for Victoria's future, which are assessed against a framework of progression measures.

Table 1.1: *Growing Victoria Together: A Vision for Victoria to 2010 and beyond*

Vision	Goals
THRIVING ECONOMY	More quality jobs and thriving, innovative industries across Victoria Growing and linking all of Victoria
QUALITY HEALTH AND EDUCATION	High quality, accessible health and community services High quality education and training for lifelong learning
HEALTHY ENVIRONMENT	Protecting the environment for future generations Efficient use of natural resources
CARING COMMUNITIES	Building friendly, confident and safe communities A fairer society that reduces disadvantage and respects diversity
VIBRANT DEMOCRACY	Greater public participation and more accountable government Sound financial management

This chapter provides an overview of the service delivery initiatives included in the *2009-10 Budget* that support the Government's vision as set out in *Growing Victoria Together*. Full details of initiatives by department can be found in Appendix A. The Election Commitments Implementation Report Card in Chapter 4 summarises the implementation of the Government's election commitments under *Labor's Financial Statement 2006*.

A key commitment of *Growing Victoria Together* is regular reporting on the progress that the Government has made towards achieving its visions and goals. The Government's seventh *Growing Victoria Together* Progress Report is included at Appendix B to this budget paper.

Responding to the Global Financial Crisis

Victoria's recent history of fiscal discipline and strong economic growth means the Government is well positioned to respond to the Global Financial Crisis and the subsequent economic slowdown. Strong economic fundamentals, including solid population growth and the highest rate of building approvals in the nation, complemented by recent reforms to business regulation and the planning system, make the State an attractive jurisdiction to invest in. A diverse economic base has allowed economic growth to average 2.8 per cent a year since 1999-2000. Fiscal discipline and a commitment to maintaining a triple-A credit rating over a decade of strong economic growth has the Government well positioned to respond to the downturn.

The *2009-10 Budget* has been framed against the deteriorating global and domestic economic environment. It delivers a record level of investment in infrastructure that will secure jobs in the short term and ensure Victoria is well positioned when the economy recovers. The budget also builds on the Government's long-term service delivery vision to increase liveability for Victorians, their families and communities.

The budget takes action to protect jobs, generate jobs and attract new investment that will result in jobs.

Record infrastructure investment program

The *2009-10 Budget* will deliver the largest infrastructure program in the State's history in partnership with the Commonwealth Government. Victoria will benefit from this investment as public projects position Victoria for the economic recovery and future growth. Accelerating investment in public infrastructure will balance any decline in private sector investment resulting from the economic downturn, and be a key source of employment opportunities in the State, generating tens of thousands of jobs in construction over the next four years.

The infrastructure investment program in this budget includes the following:

- \$4.9 billion under the *Victorian Transport Plan* (VTP). This is the first of the VTP funding announcements, which will increase the capacity of the transport network and enhance productive capacity in the future;
- \$2.9 billion in education facilities and schools, including \$402 million TEI from the Victorian Government, recognising that Victoria's economic and social progress is increasingly linked to knowledge, skills and innovation;
- \$1.7 billion for social housing infrastructure under the Commonwealth Government's *Nation Building – Economic Stimulus Plan* and the National Partnership Agreement on Social Housing, with a portion of this funding to be provided to housing associations to deliver projects; and
- \$177 million TEI to invest in health services through funding hospital and community health facility enhancements and upgrades.

These *2009-10 Budget* announcements build on other major infrastructure projects currently underway or nearing completion, which are securing jobs and transforming the state. These include:

- a new Royal Children's Hospital, which will combine world-class health facilities with an iconic design;
- the new Melbourne Convention Centre, which when combined with the Exhibition Centre will be the largest convention and exhibition facility in Australia;
- the Channel Deepening Project, which will maintain the Port of Melbourne's status as the largest and most efficient container port in Australia and deliver ongoing economic benefits to the State;
- a desalination plant, which will provide 150 billion litres of water each year – more than a third of Melbourne's annual needs; and
- a new rectangular stadium in the Melbourne and Olympic Park precinct, which will enhance Melbourne's reputation as the home of Australian sport.

This record infrastructure investment will create world-class infrastructure and offer significant long-term returns to the Victorian economy, increasing the economic, social and environmental benefits for the current and future generations.

Responding to the bushfires

The February 2009 Victorian bushfires were the worst in Australian history in terms of the scale and breadth of the fires, 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 Government immediately responded by partnering with the Commonwealth Government and the Red Cross to set up the 2009 Victorian Bushfire Appeal Fund to support fire victims. Donations from Australians and abroad have been very generous with more than \$330 million raised. An independent advisory panel established to determine how best to use the donations has already allocated more than \$240 million to support bushfire victims and assist in the rebuilding and recovery process.

The Government has committed significant resources to fighting the fires and introduced a range of initiatives to support individuals, businesses and communities affected by the bushfires. The Commonwealth Government has shared the cost of many of these initiatives on a dollar for dollar basis, under the National Disaster Relief and Recovery Arrangements and has also worked in partnership with Victoria to deliver programs and support, and ensure services are integrated.

To ensure that Victoria is well prepared to manage and respond to future bushfires, the Government announced a Royal Commission into the 2009 Victorian bushfires, to be led by Justice Bernard Teague. The Royal Commission has broad terms of reference and will investigate the causes and responses to the bushfires and provide recommendations on bushfire prevention, response policy and practices. An interim report will be released on 17 August 2009 and the final report is due by 31 July 2010.

Ahead of the interim report, this budget increases funding to emergency services organisations in recognition of the vital role they will continue to play in Victoria's ability to prepare for, respond to and recover from future bushfires.

The budget provides a total of \$908 million over five years and \$78 million TEI for bushfire response and recovery.

Fighting the fires and emergency management

Emergency services organisations responded to fires across Victoria in the 2009 summer. The *2009-10 Budget* includes:

- \$344 million for fire suppression activities undertaken, including Department of Sustainability and Environment (DSE), Country Fire Authority (CFA), and Metropolitan Fire Brigade operations, inter-jurisdictional assistance, aerial measures and containment line restoration;
- \$24 million for additional police resources required to respond to the fires, including support from Victoria Police and police from other jurisdictions;
- \$6.5 million for coronial hearings and victim identification services; and
- \$5.6 million for bushfire emergency stabilisation works, including stabilising waterways, treating exposed contamination sites and addressing sedimentary issues.

Supporting bushfire affected individuals

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

- \$70 million over two years for case managers to ensure that people can access the range of services that they need;
- \$33 million and \$2.8 million TEI for compassionate assistance, including temporary housing assistance, funeral expenses, emergency health and medical services, counselling services, and emergency hardship grants;
- \$6.5 million for operational costs in managing the delivery of a range of bushfire relief and recovery services;
- \$4 million for storage and logistics to ensure that donated goods are distributed efficiently and equitably;
- \$2 million for the State Government donation to the Red Cross Bushfire Appeal Fund; and
- tax relief through the waiving of stamp duty on replacement homes and vehicles, waiving Land Victoria search and registration services fees, and free replacement of driver licences and vehicle registration.

Assisting bushfire affected businesses

The Government recognises that businesses and trade in a number of areas have been affected by the bushfires. The budget provides:

- \$51 million for a business assistance package to assist small businesses and primary producers through measures including subsidised low-interest loans, business assistance grants and business re-start mentors;
- \$10 million for a tourism package to encourage tourists to visit regions economically affected by the bushfires through a cooperative marketing, branding and rebuilding program and redevelopment of tourism and visitor facility infrastructure;
- \$5.1 million for assistance to primary producers, including treating and managing bushfire affected livestock, and repairing or replacing fences;
- \$4 million for VicForests to commence management of salvage operations in the burnt and damaged Central Highlands forest estate; and
- \$1.6 million to assist businesses and communities by providing advice, information, grants and other services.

Rebuilding communities

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

- \$46 million over two years for a program for clean-up and demolition of hazardous debris to allow rebuilding to commence;
- \$21 million over two years for the establishment of the Victorian Bushfire Reconstruction and Recovery Authority, which will oversee and coordinate the rebuilding of communities;
- \$16 million to support local councils recover and rebuild, including the establishment of Municipal Emergency Coordination Centres, relief centres and repair and restoration of council assets;
- \$15 million to restore roads and public transport services in bushfire affected areas;
- \$10 million for the Community Recovery Fund which includes grants for sports clubs, community events and other community facilities;
- \$4.8 million to support schools, kindergartens and students affected by the bushfires;
- \$1.7 million to support volunteer organisations by providing a range of grants; and
- \$0.9 million for community building and neighbourhood houses to assist with emergency and relief operations.

Preparing for the future

The Government recognises the vital role of emergency services organisations in preparing for, responding to and managing future bushfires.

This budget provides \$165 million over five years and \$76 million TEI for emergency services, including:

- \$121 million over four years and \$46 million TEI to maintain and improve emergency services communications for the public and between emergency services organisations;
- \$40 million over five years and \$29 million TEI to the CFA and the Victoria State Emergency Service (VICSES) for modern fire fighting equipment and additional operational staff; and
- \$3.9 million to retain and recruit emergency services volunteers and recognise the efforts of volunteer organisations that supported the Government's response to the 2009 Victorian bushfires.

This budget also provides:

- \$40 million over two years for the Royal Commission into the 2009 Victorian Bushfires;
- \$1 million for communication and training material to ensure that the new bushfire building standards are adopted; and
- \$0.5 million for research to investigate the impacts of bushfires.

In addition, as reported in *2008-09 Budget Update*, \$53 million over five years has been provided for additional fire management resources to boost prevention and suppression capacity to meet future bushfire challenges.

Working cooperatively with the Commonwealth Government

The Victorian Government has long been a leader in the pursuit of national reforms and improvements to Commonwealth-State relations through the National Reform Agenda. Working cooperatively with the Commonwealth, the Government has been influential in driving policies and strategies that will deliver improvements in productivity, efficiency and innovation throughout Australia.

In a new era of a cooperative relationship with the Commonwealth Government, the Council of Australian Governments (COAG) meeting in November 2008 produced new agreements to deliver reforms to service delivery areas such as health, education, skills and workforce development, disabilities, and housing. In total, COAG announced a funding package including \$96 billion over five years for all states and territories to be invested in the five new National Specific Purpose Payments. As well as this, new National Partnerships payments will fund specific projects and reward states that deliver on nationally significant reforms.

At the February 2009 COAG meeting, new national coordination arrangements were agreed to ensure the timely and effective delivery of the Commonwealth Government's *Nation Building – Economic Stimulus Plan*. It is estimated that Victoria will receive around \$5 billion in economic stimulus payments from the Commonwealth, building on Victoria's sustained effort to invest in infrastructure at record levels. Funding to schools, social housing and roads will provide economic stimulus and deliver jobs, and Victoria will play a key role in implementing the package. The *2009-10 Budget* includes funding in these areas to maximise the benefits for all Victorians.

The Government is engaging with the Commonwealth Government in seeking access to the Building Australia, Health and Hospitals and Education Investment Funds as a means of complementing its own record infrastructure investment. In November 2008 COAG agreed to develop a process to better coordinate government and private sector infrastructure planning and investment across the nation. The Commonwealth Government is making a significant contribution to Victorian infrastructure through the *Nation Building – Economic Stimulus Plan*. The Victorian Government will continue to work cooperatively with the Commonwealth Government following Infrastructure

Australia's announcement on the allocation of funds in the coming months to ensure the best outcomes in infrastructure investment for Victorians.

The Commonwealth Government has agreed to provide \$550 million nationally over five years under the Seamless National Economy National Partnership to the states to deliver regulatory reforms that will benefit businesses and strengthen the economy. These reforms will complement the successful work that Victoria continues to undertake through the *Reducing the Regulatory Burden* initiative. The Commonwealth Government has allocated an initial Seamless National Economy Partnership Payment of \$25 million to Victoria to drive reforms in areas such as deregulation and competition. Subsequent reward payments will be available once milestones have been achieved.

MORE QUALITY JOBS AND THRIVING, INNOVATIVE INDUSTRIES

During a downturn it is vital that any additional education and training effort be directed to skills required for a twenty-first century workforce. Maintaining training effort in areas that will flourish again when demand picks up will ensure that skill bottlenecks do not constrain growth in the recovery.

The *2009-10 Budget* invests in initiatives that will expand the capacity of the Victorian training system and meet the needs of workers and employers.

Investing in the State's skills base

A key role for government that is accentuated during an economic downturn is to meet increased demand for training by providing more opportunities for people who need to upgrade their skills. The Government took the initiative of reforming the vocational education and training (VET) system before the economic downturn took hold through the \$316 million *Securing Jobs for Your Future: Skills for Victoria* statement. The statement delivers an additional 172 000 training places to meet the needs of individuals and employers.

From 1 July 2009, some Victorians will begin to benefit from a new VET system that is responsive to the needs of individuals and employers and will guarantee a place for anyone who wishes to train at a higher qualification level by 2011. Skills reform will greatly assist Victorians who have been displaced from the workforce or who need to upgrade their skills. A more highly skilled workforce will position Victoria to take advantage of the economic recovery when it occurs.

The Victorian Government has also joined with the Commonwealth to ensure Victorians continue to gain the skills they need during the economic downturn through the Productivity Places Program.

The *2009-10 Budget* provides \$141 million over five years for additional investment in skills related initiatives including:

- \$10 million over two years to continue the New Workforce Partnerships program, which creates projects linking Victorian jobseekers facing persistent labour market disadvantage to jobs;
- \$14 million over two years for the Skills to Transition program which will create over 6 000 training places in 2010 for targeted groups at Certificate I to IV levels;
- \$22 million for Victoria's contribution to the Income Contingent Loans scheme which is to be administered by the Commonwealth Government and will allow students at Diploma and Advanced Diploma levels to defer the costs of their tuition until they reach a specified income threshold;
- \$14 million over four years to ensure that job-seekers who enrol in qualifications at Certificate I to IV levels are not required to pay a personal contribution for their tuition; and
- \$50 million over three years for an additional 15 000 training places under the Productivity Places Program which will help meet an expected increased in demand for training places during a period of slower economic growth.

In addition, in this budget the Victorian Government is:

- making a \$67 million TEI contribution towards a new state-wide TAFE Student Management Solution that will replace a number of systems nearing the end of their technological life, enable better management and coordination of students' pathways and needs to assist in delivering skills reform; and
- providing \$3 million for the development of an Aviation Centre of Excellence at the Kangan Batman Institute of TAFE in Tullamarine.

Education Investment Fund

Since coming to office, the Government has provided over \$420 million TEI in infrastructure funding to Victorian TAFE providers. The Commonwealth Government's Education Investment Fund presents an opportunity for Victorian TAFE providers, universities and research institutes to accelerate their infrastructure programs and provide a stimulus to the economy.

The Commonwealth Government has also established a \$500 million Teaching and Learning Capital Fund for VET as part of the *Nation Building – Economic Stimulus Plan* that will provide infrastructure grants of up to \$8 million to all Victorian TAFE providers and a competitive grants process for additional projects. The Government will work with successful institutes to ensure funded projects can begin as soon as possible.

Improving vocational education and training opportunities

The Government recognises the importance of providing young people with a range of opportunities to meet their vocational interests and addressing skills shortages in traditional trades and emerging industries.

The *2009-10 Budget* includes:

- \$25 million for one year to extend the Apprentice/Trainee Completion Bonus which will encourage employers to continue to employ apprentices and trainees during the economic downturn;
- \$15 million over two years to improve access for government school students to nationally accredited vocational subjects as part of the Victorian Certificate of Education and Victorian Certificate of Applied Learning programs; and
- estimated Commonwealth funding of \$146 million to Victorian government schools for Trade Training Centres.

Accelerating planning to create jobs

The Government is clearing the path for key building projects to create more jobs and provide a boost to the Victorian economy. The *2009-10 Budget* provides \$5.2 million over four years to expand the Government's development facilitation role and establish a one-stop-shop assessment and approval process to streamline planning decisions for key projects.

The planning permit assessment and approval process is currently paper based. The *2009-10 Budget* provides \$7 million TEI and \$3.4 million over four years to make all planning applications electronic and available online, significantly reducing the time required to process applications and improving the clarity and certainty of the application process.

Building Our Industries for the Future

In November 2008, the Government announced its industry and manufacturing strategy *Building Our Industries for the Future*, which provides a blueprint for industry during a time of uncertainty.

The strategy brings together \$245 million of initiatives that will assist Victorian industries to identify new opportunities that will create jobs and grow exports. The centrepiece of the strategy is the \$50 million Industry Transition Fund which will assist firms that are strategically important and able to move into emerging markets by investing in new technologies, developing skills and creating sustainability through the economic downturn.

Also included in the plan are several initiatives aimed at strengthening specific industry sectors including:

- \$8 million over four years for the Defence Industry Acceleration Program;
- \$6.8 million over four years for the Victorian Automotive Manufacturing Action Plan;
- \$4.2 million over four years for the Export Clusters Program; and
- \$1.2 million over four years for financial services initiatives.

In the *2009-10 Budget*, the government will provide \$1.2 million over two years to establish the Transport Infrastructure Manufacturing Scheme to boost Victoria's capability to manufacture trains, buses and other major transport assets, helping to create jobs and support Victorian industry.

Innovation: Victoria's Future

In order to maintain its competitive advantage in a complex global environment, Victorian industries must find new ways to add value through innovation to continue to maintain and create jobs. Since the 2008-09 Budget, the Government has renewed its innovation policy in the form of the *Innovation: Victoria's Future* statement.

Innovation: Victoria's Future brings the total of innovation-related initiatives announced since 1999 to \$3.4 billion, including two previous generations of the Science, Technology and Innovation initiative.

Innovation: Victoria's Future includes:

- \$145 million over four years for Victoria's Science Agenda Investment Fund;
- \$40 million over four years to support highly innovative small and medium enterprises;
- \$35 million over four years to improve information and communication technology capability; and
- \$20 million over four years for the Biotechnology Strategic Development Plan.

GROWING AND LINKING ALL OF VICTORIA

In the face of strong population growth the Government is responding to growing demand for transport infrastructure and services across the State.

In December 2008, the Government released its long term vision for the Victorian transport system, the *Victorian Transport Plan* (VTP). The goal of the \$38 billion VTP is to transform Victoria's transport networks for a more liveable, productive and sustainable state.

The *2009-10 Budget* provides over \$4.9 billion in funding to deliver new services and infrastructure including projects to be delivered in partnership with the Commonwealth against key VTP objectives to begin the transformation of Victoria's transport system:

- *Linking rural, regional and metropolitan Victoria* – the continued growth of regional Victoria is supported through major investment in transport links to support key regional communities and industries, improve safety on the transport network and meet current demand and future growth.
- *Better public transport – trains, buses and trams* - significant new capacity will be built into the existing network, while short, medium and long term initiatives will be introduced to extend the reach of the public transport network into growth areas.

- *Moving around Melbourne* – a range of measures have been funded to deliver new and upgraded roads that cater for all users, while reducing congestion and improving safety.
- *Shaping Victoria and taking practical steps for a more sustainable state* – the budget provides funding for integrating transport and development to enable more people to live closer to their workplaces and other opportunities, and initiatives to move towards a more sustainable and low emission transport system.
- *Strengthening Victoria's and Australia's economy* – investment in projects that improve connections between freight origins and destinations in metropolitan Melbourne and across regional Victoria.

The *2009-10 Budget* delivers a number of commitments in the first full year of the VTP providing a significant economic boost to the state with new investment and thousands of direct and indirect jobs. Of the 47 State prioritised projects identified in the VTP, 34 projects will commence in the 2009-10 year or earlier, with a further range of road and rail projects to be commenced in partnership with the Commonwealth Government, under the Nation Building (AusLink II) program.

The State Government is also continuing to work with the Commonwealth Government to secure support through the Building Australia Fund to deliver additional key transport projects for Victoria.

Better Roads

Linking rural, regional and metropolitan Victoria

In partnership with the Commonwealth Government, the Government will commence a number of Nation Building (AusLink II) road projects in regional locations with a total TEI of \$716 million.

State regional arterial roads will also be enhanced to better connect regional communities and support ongoing investment in regional Victoria. The *2009-10 Budget* will provide \$102 million TEI to deliver improvements and upgrades.

Moving around Melbourne

A range of measures have been funded to ensure metropolitan roads cater for all users, while reducing congestion and improving safety.

The Government will construct the Peninsula Link, a 25 kilometre connection between EastLink at Carrum Downs to the Mornington Peninsula Freeway at Mount Martha to improve traffic flow, unblock congestion in the Frankston area, and better link communities. This budget provides \$354 million TEI to ensure work commences on this project in 2009-10. Peninsula Link has a budgeted cost of \$750 million under the VTP. The State Government continues to work cooperatively with the Commonwealth Government to secure a funding contribution to deliver this initiative in partnership.

In addition, work will commence on the Dingley Arterial linking Perry Road and Springvale Road at Westall Road with funding of \$75 million TEI provided in the *2009-10 Budget*. A program of new and upgraded arterial routes and priority outer suburban roads will also commence in 2009-10 with funding of \$29 million TEI to improve safety and capacity.

The State Government, in partnership with the Commonwealth Government will separate the rail and road level crossing at Springvale Road, Nunawading, allowing for the smooth flow of traffic and trains, as well as planning for future grade separations, at a total of \$142 million TEI.

The budget also provides state funding for the commencement of a number of Nation Building (AusLink II) projects around the metropolitan area to be delivered in partnership with the Commonwealth Government. The TEI for these projects is \$1.1 billion.

Better public transport – trains, buses and trams

The *2009-10 Budget* provides significant new investment to increase the capacity of the existing public transport network over the short to medium term. Funding of \$721 million TEI and \$62 million over four years will deliver:

- 20 new metropolitan trains and associated maintenance and stabling facilities – bringing the total number of new metropolitan trains on order to 38; and
- a package of innovative approaches to address rail service efficiencies across the network.

The *2009-10 Budget* also provides funding of \$904 million TEI to extend rail services to growth areas including:

- \$559 million TEI to construct the 5 kilometre duplication from Keon Park to Epping and to extend the metropolitan rail network by 3.5 kilometres from Epping to South Morang including the construction of a new premium station at South Morang;

- \$195 million TEI to extend the metropolitan rail network by 15 kilometres through the electrification of the track between Watergardens and Sunbury; and
- \$151 million TEI for new stations to cater for growing communities at Williams Landing, Lynbrook and Caroline Springs.

The *2009-10 Budget* continues the Government's investment in improving public transport safety with funding of \$19 million over four years for 50 extra transit police, and \$8.7 million TEI to upgrade safety and amenity at metropolitan stations. This is in addition to \$4 million provided under the Taxi Rank Safety Program which will provide grants to local government to install and upgrade taxi rank infrastructure to improve amenity and safety at highly patronised taxi ranks.

The *2009-10 Budget* also provides \$81 million TEI and \$173 million over four years for additional metropolitan bus services including:

- the Doncaster Area Rapid Transit service which will upgrade the key peak hour commuter bus routes from Doncaster into the central business district to a 10 minute service frequency in peak periods;
- the further roll-out of the SmartBus Yellow orbital network from Whitehorse Road to Melbourne Airport; and
- the expansion of a range of metropolitan bus services into new suburbs.

The *2009-10 Budget* will also provide \$5 million TEI to enable procurement planning to commence for the purchase of up to 50 new low floor trams for Melbourne.

Strengthening public transport in regional Victoria

The *2009-10 Budget* provides \$8.7 million TEI to commence upgrades to railway stations in regional Victoria. Funding will provide for car parking upgrades and improved amenity and safety measures.

In addition to the existing order of 54 regional train carriages, the *2009-10 Budget* includes funding of \$19 million TEI and \$8.5 million over four years to re-establish passenger rail services to Maryborough.

Further, funding of \$5.9 million TEI and \$17 million over four years has been provided to improve bus services in the Greater Geelong Region.

The *2009-10 Budget* also includes \$20 million over two years to upgrade rural airports across the State.

Toward a sustainable transport system

The Government recognises the need for new and innovative approaches to facilitate a shift to a sustainable and lower emissions transport system to help Victorians preserve their environment.

In addition to initiatives that increase the frequency, reliability and safety of public transport, the Government has committed funding to implement its Cycling Strategy. Funding of \$13 million TEI is provided for bicycle lanes and shared walking and cycling paths, including the extension of the Federation Trail between Millers Road, Altona and Williamstown Road, Yarraville. The budget also provides funding of \$10 million to improve rail trails and off-road walking and cycling paths in regional Victoria.

The *2009-10 Budget* also provides funding of \$5 million over four years for a new public bicycle hire scheme for inner Melbourne.

To encourage change in public behaviour and attitudes, \$4.2 million over four years is provided for initiatives that promote the use of low emission vehicles and \$5.4 million over four years is provided to encourage Victorians to car pool to work and school.

HIGH QUALITY, ACCESSIBLE HEALTH AND COMMUNITY SERVICES

Victorians enjoy one of the longest life expectancies in the world, however the quality of life can be affected by ill health. In order to continue the improvement in Victorians' life expectancy, the Government is committed to making sure that health and community services continue to be accessible and of a high quality. Since 1999, the Government has invested in delivering better health outcomes and provided an additional \$3.8 billion to expand the capacity of the hospital sector. This investment has enabled our hospitals to now provide over 600 000 more treatments than in 1999, including 350 000 extra admissions. An additional \$5.1 billion TEI has also been allocated to rebuild and refurbish health, aged care and community services facilities since the Government came to office.

The *2009-10 Budget* expands on this investment and delivers on a number of agreed COAG reforms.

Sustaining our health system and working with the Commonwealth

In November 2008, COAG agreed to a significant boost for health funding, which will increase services to the community and build the foundations for genuine reform. The National Healthcare agreement is worth approximately \$14.7 billion over five years and a new practical framework for health reform will be introduced including transparency, accountability and performance measurement. It will require all sectors to work together – government, community and private sector – to embrace reform and commit new resources to investing in the health of all Australians. It will also support people to take responsibility for their own health and wellbeing. The Intergovernmental Agreement on Federal Financial Relations also introduces a number of supporting National Partnerships focused on taking the pressure off public hospitals, and investing in the health workforce and preventive health measures.

The *2009-10 Budget* provides \$1.1 billion over five years for health and hospitals, including funding provided by the Commonwealth under National Partnerships.

Sustaining our hospitals and health workforce

Through the National Partnership Agreement on Hospital and Health Workforce Reform, Victoria will work with the Commonwealth to pursue reforms and improvements in the health and hospital sector, to address increasing demand pressures driven by factors such as an ageing population and the increased incidence of chronic disease.

The *2009-10 Budget* commits \$781 million over five years to expand hospital services. This investment will meet Victoria's commitments to expand sub-acute and emergency department services under the National Partnership, as well as providing extra funding for additional acute inpatient services, and growth in essential services such as renal dialysis and chemotherapy.

Key initiatives include:

- \$350 million over five years to expand inpatient services and open an additional 100 acute beds, which will treat an additional 39 500 patients in Victoria's public hospitals;
- \$179 million over five years to expand sub-acute services, which will improve the management of patient flow. This includes \$148 million for new sub-acute beds and \$17 million for the expansion of the Transition Care Places Program;
- \$57 million over five years to relieve system pressure and increase access to emergency care;
- \$45 million over four years to enable more patients to receive medical services such as renal dialysis, chemotherapy and radiotherapy;
- \$64 million over five years and \$1 million TEI for critical care and retrieval services, including neonatal cots and intensive care beds;
- \$24 million over five years for the Hospital Admission Risk Program and additional community rehabilitation services to treat patients; and
- \$24 million over four years for new mental health services, including new inpatient beds at Maroondah Hospital, an enhancement of the specialist residential services at Ambermere and increased community support for mental health patients with severe symptoms.

On top of this investment, an additional \$45 million in 2009-10 is also provided for an elective surgery blitz to treat an additional 9 000 patients.

The National Partnership also recognises the critical importance of investing in the health workforce in order to meet the future challenges of the health system. The *2009-10 Budget* provides \$72 million over four years for Victoria's contribution to clinical placement subsidies and a national registration and accreditation scheme.

As part of reforms to increase efficiency in public hospitals, the *2009-10 Budget* allocates \$35 million over four years to meet Victoria's commitment under the National Partnership Agreement on Hospital and Health Workforce Reform to support the

implementation of a nationally consistent activity based funding system. In addition, the Victorian Government will promote better utilisation of hospital resources by providing \$25 million in 2009-10 for Support for Public Hospitals, to fund clinical practice improvements and a range of cost control reforms.

The *2009-10 Budget* also provides:

- \$27 million over three years for Victoria's contribution to the National E-health Transition Authority to enable it to continue its existing work program;
- \$7.8 million over four years to extend and enhance communicable disease initiatives, including prevention and screening for tuberculosis; and
- \$2.7 million over two years for the National Partnership Agreement on Preventive Health, with an initial focus on the development of an implementation plan prior to significant investment commencing in 2011-12.

Rural and regional dental care

The Government has a strong commitment to improving the dental health of Victorians, allocating \$21 million over four years for those who have difficulty accessing or affording treatment.

This funding will address the shortage of dentists in rural and regional Victoria by commissioning new training clinics in Wodonga and Bendigo.

The Government will also address long waiting lists in Melbourne and regional Victoria, including Ballarat, Geelong and Moe by enabling an extra 20 000 public dental patients to be treated. This will include the provision of general dental care and dentures to those in the greatest need.

Health care facilities

Since 1999, the Government has invested \$4.8 billion to build or refurbish health and aged care facilities. The Government is currently improving suburban hospitals at Sunshine, Frankston, Dandenong, Kingston Centre and Caulfield, and is completing the development of the Royal Children's Hospital.

The *2009-10 Budget* provides an additional \$177 million TEI for hospital and community health assets, including:

- \$55 million TEI to upgrade facilities and infrastructure at Bendigo Hospital;
- \$30 million TEI for an expansion of services at Geelong Hospital;
- \$26 million TEI for the construction of a new Integrated Care Centre at Warrnambool Hospital;
- \$20 million TEI for a redevelopment at Ballarat Hospital including coronary services and an expansion of the special care nursery;

- \$19 million TEI to redevelop the Alexandra District Hospital, including capital contributions of \$3.7 million from health agencies;
- \$6.4 million TEI for a new operating theatre suite and recovery services at Sunbury Day Hospital;
- \$3.1 million TEI to provide accommodation for the Rosebud Community Health Centre, which was destroyed by fire in 2008;
- \$2.5 million TEI for the Monashlink Community Health Centre Oakleigh; and
- \$1 million TEI to expand critical care services in metropolitan and regional Victoria.

The Commonwealth's Health and Hospitals Fund also provides a significant opportunity for a further boost to health infrastructure in Victoria. Announcements regarding specific projects to be funded will be made once Commonwealth consideration of applications is completed.

Mental health reform

The Government continues its focus on promoting good mental health, and supporting the treatment and recovery of those who experience mental health problems. The *2009-10 Budget* provides significant new investment to continue implementing *Because Mental Health Matters: Victorian Mental Health Reform Strategy 2009-2019*.

Funding of \$84 million over four years is allocated to new measures focused on early intervention and effective and coordinated health and social care that will enable people with mental health conditions to lead fulfilling lives. Key initiatives include:

- \$38 million over four years to build foundations for recovery and participation through coordination of care for people with multiple needs, and providing supported housing and court support services;
- \$21 million over four years to provide increased support for young people experiencing mental health problems; and
- \$11 million over four years for an enhanced triage referral service including a follow up service that ensures people seeking assistance have accessed appropriate care.

In addition, \$24 million over four years for new mental health services is funded as part of the Sustaining Health Services Capacity initiative.

The *2009-10 Budget* will provide new mental health care facilities, including:

- \$66 million TEI for a redevelopment and expansion of mental health services provided by Dandenong Hospital; and
- \$8 million TEI for Youth Prevention and Recovery Care Services in Bendigo and Frankston.

The expansion of services at Geelong Hospital will also provide an additional eight mental health care beds.

Seniors and aged care

The Government continues its commitment to services that enhance the capacity of senior Victorians to maintain their independence and personal safety in the home and engage in the community. Key initiatives include:

- \$50 million over four years for additional Home and Community Care Services which provide practical support to enable people to remain in their own home;
- \$5.8 million over four years to provide personal alerts and monitoring services to an additional 4000 senior Victorians; and
- \$2 million over two years to boost the *Men's Sheds* program, which provides opportunities for men to learn new skills and get involved in their local community.

The *2009-10 Budget* provides \$3 million TEI to continue the Aged Care Land Bank Program. This will enable senior Victorians to access residential aged care close to their family and neighbourhoods, by providing land in inner and middle suburbs to not-for-profit agencies to build aged care facilities.

HIGH QUALITY EDUCATION AND TRAINING FOR LIFELONG LEARNING

Education is the Government's number one priority. The Government's goal in education and early childhood development is to ensure children and their families are consistently supported from birth to adulthood. This goal was behind the creation of the Department of Education and Early Childhood Development in 2007, and the ongoing focus on developing strong literacy and numeracy skills in primary school as a basis for advanced education and training.

The *2009-10 Budget* acts on this goal by providing further support to the Government's *Blueprint for Education and Early Childhood Development* and a historic level of funding to implement the *Victorian Schools Plan* and *Building the Education Revolution*. The Budget also reflects Victoria's strong commitment to work in partnership with the Commonwealth Government and other states to pursue ambitious educational reforms as outlined by COAG in November 2008.

A significant investment in Victorian Government schools

The *2009-10 Budget* announces a record investment in government schools. The investment recognises that high quality school infrastructure is critical to delivering excellent educational outcomes. The infrastructure build will also provide for immediate construction activity to stimulate the economy and create jobs. This historic level of investment will lead to a \$2.9 billion injection of new funding into Victorian government schools.

The *Victorian Schools Plan* has committed \$1.9 billion of State investment over four years towards schools with the goal of rebuilding or modernising all government schools over 10 years. This budget continues the Government's investment with a further \$402 million TEI instalment of the *Victorian Schools Plan*.

The Commonwealth Government builds on that plan with a significant contribution through the *Building the Education Revolution* initiative. The State and Commonwealth Government funding commitments demonstrate the importance both governments place in creating and sustaining jobs; and positioning schools to provide the educational needs of future generations.

The Victorian investment of \$402 million TEI in the *2009-10 Budget* will provide:

- \$128 million TEI for modernisation projects;
- \$92 million TEI for regeneration projects;
- \$47 million TEI for priority projects including a replacement school at Glenroy Specialist School;
- \$31 million TEI to purchase land for new schools;
- \$25 million TEI for four new schools;
- \$24 million TEI for co-educational Select Entry Schools at Berwick and Melbourne's West;
- \$19 million TEI for new energy efficient relocatable classrooms which will provide flexible solutions to the changing accommodation needs of schools due to enrolment growth or emergencies such as fires;
- \$16 million TEI for the replacement of relocatable buildings with permanent modern facilities at rural schools;
- \$12 million TEI for three Maths and Science Specialist Centres; and
- \$7.6 million TEI for *Better Schools Today* projects.

The funding from the *Building the Education Revolution* initiative and *Victorian Schools Plan* will be used collaboratively to ensure that the opportunities provided to schools are maximised. Construction on projects under the *Building the Education Revolution* initiative will commence immediately.

The *Building the Education Revolution* initiative provides \$2 billion to government schools to build major new infrastructure for primary schools and all special schools as part of the *Primary Schools for the 21st Century* program. Buildings that will be funded include libraries, multipurpose halls, indoor sporting centres, performing arts centres and classrooms. Where a school already has a contemporary library or hall, refurbishment of existing facilities will take place.

A further \$209 million will be allocated to Victorian government schools for maintenance and minor works as part of the National School Pride program. This program will enable Australian schools – primary and secondary, government and

non-government – to undertake construction of small scale infrastructure and/or minor refurbishment projects.

Funding for science and language centres in secondary schools will also flow to those Victorian secondary schools that have the greatest need as well as a demonstrated capacity to build the facilities within the 2009-10 financial year. The final amount of funding to be allocated to Victorian schools will be subject to a competitive bidding process.

Supporting early childhood – the importance of a good start early in life

The 2008 *Blueprint for Education and Early Childhood Development* outlines the Government's five-year reform agenda for education and early childhood services. Victoria has a high level of participation in kindergarten and learning programs, and as part of the *2009-10 Budget*, the Government is providing funding of \$14 million in 2009 to ensure sufficient kindergarten places are funded to meet the recent growth in the birth rate.

The *2009-10 Budget* also allocates \$211 million in funding from the Commonwealth Government for the National Partnership on Early Childhood Education to help Victoria meet the COAG target of delivering access to 15 hours of preschool a week to all four year olds by 2013.

Increasing support for the Victorian school system

The Government, as part of the *2009-10 Budget*, is substantially increasing support to the Victorian school system through:

- \$46 million for the continuation of 200 teaching and learning coaches who will work with teachers in selected schools to build their capacity to improve student learning outcomes, particularly in maths and science;
- \$54 million for capital grants to non-government schools in need as announced in the *2008-09 Budget Update*; and
- \$2.5 million for a community engagement project that will develop local and state-wide information for families and communities on twenty-first century approaches to learning and teaching, including changes to school configurations, new forms of curriculum and the role of technology in the classroom.

National Partnerships – a new way of delivering improved educational outcomes

Victoria is working cooperatively with the Commonwealth Government to deliver key reforms in the areas of teacher quality, literacy and numeracy, and low socio-economic status school communities. These reforms will be delivered through National Partnerships arrangements, which aim to improve educational outcomes.

These reform areas were also identified by the Victorian Government in the 2008 *Blueprint for Education and Early Childhood Development* for which funding was announced in the 2008-09 Budget. The 2009-10 Budget will provide a further \$38 million in additional state funding beyond Victoria's required co-investment under the National Partnership agreements. This will ensure Victoria achieves COAG targets across a range of key education areas, such as teacher quality and literacy and numeracy.

The Commonwealth Government will provide funding to schools through National Partnerships in the 2009-10 Budget, including:

- \$24 million over four years for the National Partnership on Improving Teacher Quality in acknowledgement that improving and maintaining the quality of the teaching workforce in this country will be fundamental to any overall improvements in Australian schooling;
- \$27 million over two years for the National Partnership on Literacy and Numeracy to fund a range of approaches to accelerate improvement in literacy and numeracy outcomes for targeted students and schools; and
- \$275 million over seven years for the National Partnership on Low Socio-economic Status School Communities to fund a range of within school and out-of-school reforms that will support the educational and wellbeing needs of students and schools in low socio-economic status communities.

This new funding, in combination with existing Victorian Government funding already targeting these action areas, will make a real difference to educational outcomes and student performance.

Implementing the Digital Education Revolution

The Commonwealth Government's Digital Education Revolution program aims to make sustainable and meaningful change to teaching and learning in Australian schools by preparing students for further education, training and life and work in a digital world.

The 2009-10 Budget recognises the Commonwealth Government's investment of \$497 million for the National Secondary School Computer Fund, to provide for the purchase and deployment of computers for government and non-government secondary school students in years to 9 to 12. In addition, the Victorian Government is providing \$12 million of funding over four years to assist with the implementation of this initiative.

As part of *Labor's Financial Statement 2006*, the Victorian Government is also providing \$7 million for computers in schools to enable up to 7 000 new or replacement computers to be purchased by government schools. In addition, the *2009-10 Budget* provides \$12 million for the continuation of 50 Ultranet coaches to work with government schools in implementing Ultranet, a state-wide online teaching and learning ICT system.

PROTECTING THE ENVIRONMENT FOR FUTURE GENERATIONS

The government has demonstrated a commitment to protecting the environment. The Government remains committed to actively constructing and managing the natural environment in order to achieve the state's social and economic goals and to preserve the diverse environment for future generations to enjoy.

Protecting the environment

In 2009-10 the Government will deliver comprehensive strategies relating to the environment that address land issues, biodiversity and climate change.

As a signatory to the Murray-Darling Basin Agreement, Victoria is committed to its role in the national process to protect and enhance the most important water resource in Australia. The Government provides funding to the Murray-Darling Basin Authority to develop and implement policies and programs that are aimed at addressing the environmental and efficiency issues that historically have limited the effectiveness of water management policy between multiple jurisdictions.

River Red Gums

Recognising the importance of the environment, the Government is allocating \$32 million over four years and \$6.5 million TEI to the River Red Gums strategy – a far reaching initiative that will establish four new national parks and introduce significant changes to public land management. The project forms the Government's response to the Victorian Environment Assessment Council's River Red Gums Forests Investigation Report and delivers on the *Victoria's National Parks and Biodiversity* election policy to create new national forest parks. Acknowledging the impact of this initiative on timber industry jobs, the strategy includes a structural adjustment package aimed at assisting the transition of timber workers into new employment, including active forest management.

The River Red Gums strategy will also facilitate the voluntary take up of fencing by private land owners along river frontages and undertake structural works to deliver and manage environmental water. These works will be built in wetlands which have high environmental value and will include regulators and channels, either direct from the rivers or from irrigation supply systems. The community will benefit from significantly increased opportunities for recreational use of the new national parks and the expansion of other parks and conservation reserves.

Upgrading parks and conservation areas

This Budget reinforces the Government's commitment to improving Victoria's parks through a \$24 million parks package. The package contains initiatives that will enhance public amenity at parks across the state, including:

- \$4 million TEI to upgrade and plan for key infrastructure across Port Phillip and Westernport Bays;
- delivering on an election commitment, State funding of \$10 million TEI and \$4 million over four years will be combined with a Commonwealth Government contribution to increase the size of the Point Nepean National Park and open the site of the Quarantine Station to the community;
- \$2 million over four years to maintain and improve Yarra Bend Park's existing assets and conservation areas;
- \$2 million TEI to provide additional works at the Frankston Reservoir and Dingley Chain of Parks; and
- \$2 million TEI to allow priority works to be undertaken at six outer urban parks including Tarneit, Melton, Yan Yean and Narre Warren.

EFFICIENT USE OF NATURAL RESOURCES

The Garnaut Review confirmed that Australia will be adversely affected by global warming and needs to accelerate action to reduce greenhouse gas emissions. The Government is committed to playing a leading role in national and international efforts. The Commonwealth Government's Carbon Pollution Reduction Scheme White Paper represents a major step in Australia's transition to a low-carbon economy. Analysis of the implications of the White Paper and public consultations through the Premier's Climate Change Summit will inform a Victorian Government Climate Change Green Paper to be released in mid 2009. Following this, a broad public consultation program will be conducted before finalising a Victorian climate change policy in a white paper to be released later this year.

Large-scale solar facilitation

The *2009-10 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's Renewable Energy Demonstration Program, this funding will facilitate the construction of a solar power station that can produce about 330 gigawatt hours of electricity a year or enough power to run 50 000 homes. With the new power station likely to be situated in the north of the State, this project will drive investment and create jobs in regional Victoria.

This initiative builds on existing government support for the solar industry, and the proposed premium feed-in tariff applicable to roof-top photovoltaic systems. Combined with the State's \$50 million contribution to the Solar Systems large-scale power plant, it is a key pathway for delivering low emissions energy and diversifying Victoria's renewable energy supply, which is currently sourced predominantly from hydro and wind power.

Gippsland regional infrastructure development

Victoria has one of the world's largest reserves of brown coal. Although this resource has traditionally been used for electricity generation, emerging technologies including non power technology to produce export commodities have the potential to attract major investment and enable the future development of the coal industry in a carbon constrained, 'green' economy.

The *2009-10 Budget* provides \$1 million for the Gippsland Regional Infrastructure Development initiative, which will commence the identification of road, rail and port infrastructure needed to support the growth of coal based industries in regional Victoria. This is the first step in removing barriers to investment and creating new employment opportunities in the Latrobe Valley.

Biosecurity

Biosecurity is fundamental to the health, wellbeing and prosperity of all Victorians. It is essential that Victoria remains vigilant towards harmful pests and diseases that affect agriculture and the natural environment in other parts of the world in order to maintain market access and support trade and jobs. To this end, the Government has provided \$13 million during 2008-09 to manage and eradicate outbreaks of fruit flies, locusts and potato cyst nematode.

However, the Government recognises that emerging biosecurity threats will require different strategies and capabilities to those employed previously. With this in mind, the Government is developing a new biosecurity strategy that will build on the existing system and introduce an integrated, flexible and innovative approach to biosecurity risks across all sectors. Implementation of the strategy commences later in 2009 with a refocusing of current programs and an emphasis on collaboration between government, industry and the community.

BUILDING FRIENDLY, CONFIDENT AND SAFE COMMUNITIES

In October 2008, the Government released *Justice Statement 2* which provides a renewed focus on maintaining and improving services in Victoria's justice system. The *2009-10 Budget* commits a further \$330 million over four years and \$80 million TEI to strengthen the justice system, enhance policing and expand corrections services.

Improving access to Justice

Access to justice will be improved with \$57 million over four years to address over-representation of offenders from disadvantaged and marginalised backgrounds, reduce re-offending and better respond to the needs of people with mental health issues who come into contact with the justice system. Initiatives funded in the *2009-10 Budget* include:

- \$25 million in 2009-10 for Victoria Legal Aid, which provides essential duty lawyer services and legal representation to disadvantaged Victorians who are unable to afford legal assistance;
- \$14 million over four years through the *Victorian Mental Health Reform Strategy* to trial a new Mental Health List pilot in the Melbourne Magistrates' Court to better meet the needs of people with a mental illness. This will provide additional support to offenders including mental health assessments, and referrals to appropriate community based services to help reduce the underlying causes of offending;
- \$11 million over two years to extend the Court Integrated Services Program, which provides offenders from disadvantaged backgrounds with a multidisciplinary intervention program and priority access to treatment services to reduce re-offending; and
- \$7.5 million over four years to ensure the continuation of the Sentencing Advisory Council to inform, educate and advise on sentencing issues and ensure that properly informed public opinion is incorporated into the sentencing process.

The successful Family Violence Court Division operating at the Ballarat and Heidelberg Magistrates' Courts will continue, with the allocation of \$11 million over four years. This reaffirms the Government's commitment to improving the safety of all Victorians experiencing family violence, and holding perpetrators accountable for their behaviour.

The Government is working with Victorians to build stronger and safer communities. This budget provides \$31 million over four years for communities and service providers to work together to address local justice issues, including:

- \$26 million over four years to extend the Neighbourhood Justice Centre pilot in Collingwood. This builds community involvement in the justice system and pioneers a new approach to deliver justice more effectively. The centre provides mediation, restorative justice and crime prevention programs which to date have shown improved completion rates for community corrections and lower breach rates for family intervention orders.
- \$4.5 million over two years to build on the Graffiti Prevention and Removal Strategy which will clean up an estimated 350 000 square metres of graffiti (equal to an area almost the size of 18 MCG playing fields) and assist communities to deliver local responses to graffiti.

Safety and crime prevention

Since coming to office, the Government has boosted police resources, resulting in an extra 1 400 frontline police being employed. As announced by the Government in the 2007-08 Budget, an additional 350 sworn officers will be recruited before November 2010. This investment together with the efforts of Victoria Police has resulted in a 24.5 per cent reduction in the overall crime rate since 2000-01.

This budget commits an additional \$54 million over four years and \$28 million TEI to reduce crime, improve public safety and provide Victoria Police with improved infrastructure to ensure Victoria remains the safest place to live in Australia.

To deter and disrupt serious and organised crime, \$14 million over four years is provided to continue the Asset Confiscation Scheme which restrains and forfeits property used in, or derived from criminal activity

To boost safety on the public transport network and increase passenger security, \$19 million over four years has been committed for an additional 50 transit police to patrol the network, consistent with the VTP. This will take the total number of transit police to 250 and allow for more patrols on trains and trams, especially at night.

In this budget, the Government will continue to upgrade police infrastructure. Funding of \$28 million TEI and \$4.8 million over four years will be used to replace or upgrade 10 police stations in rural and regional Victoria. This includes stations at Castlemaine, Axedale, Buninyong, Koo Wee Rup, Pyalong, Balmoral, Riddells Creek, Korumburra, Lara, Mortlake and seed funding for South Melbourne and Prahran. To provide improved working facilities for police, \$16 million over two years is allocated for refurbishments to Victoria Police accommodation at the World Trade Centre.

Road safety

Many Victorians are impacted by road trauma each year with speed, drink driving and drug-impaired driving being major contributors. Under the Government's road safety strategy, *Arrive Alive 2*, the Government aims to save an estimated 100 extra lives and prevent around 2 000 serious injuries a year by the end of 2017. The *2009-10 Budget* provides additional funding of \$127 million over four years and \$28 million TEI to support the fight against the road toll through a range of road safety initiatives.

More than 30 per cent of fatal accidents on Victorian roads are caused by speed. In the *2009-10 Budget*, \$102 million and \$22 million TEI will be provided towards enhancing enforcement of speed restrictions through the allocation of additional mobile camera hours, upgrades of red-light road safety camera technology, and additional moving mode radars in police vehicles. This enhanced detection will focus on high speed zones in country areas and better location targeting of high-risk crash sites.

While the impacts of drink driving are well known, drug driving is emerging as a major contributor to trauma on our roads, with over 30 per cent of drivers involved in fatal crashes on our roads having one or more impairing drugs in their blood. The Budget provides \$9.7 million over four years and \$0.3 million TEI for Victoria Police to conduct an additional 20 000 drug tests each year.

Current legislative provisions under the Vehicle Impoundment Scheme allow vehicles to be confiscated for a period of 48 hours where police find a driver poses a significant risk to road safety. These risks include hoon related offences as well as repeated driving while disqualified and extremely high level speeding. Since hoon laws were introduced in June 2006, police have impounded vehicles on over 7 300 occasions. The *2009-10 Budget* provides \$9.9 million to expand the Vehicle Impoundment Scheme. Legislation will be put before Parliament to lower the excessive speeds covered under the scheme, expand impoundment provisions relating to unauthorised driving, and expand the impoundment of vehicles driven by repeat drink and drug drivers.

Corrections

The *2009-10 Budget* allocates \$61 million to support the corrections system. This includes an additional 100 temporary beds across the prison system. These beds will provide additional capacity in the system prior to and following the opening of the new 350 bed prison at Ararat.

Home Detention is a community based alternative to imprisonment, used for relatively low risk offenders. This program is currently in a pilot phase and will be extended to allow judges to choose this as a 'front end' sentence for appropriate offenders. The benefits of Home Detention include lower reoffending rates, and an increased likelihood that offenders will maintain family relationships, continue in employment and contribute to the community, while still providing an effective deterrent.

Emergency Services

The *2009-10 Budget* provides \$165 million over five years and \$76 million TEI for emergency services organisations. This aims to improve the capability of Victoria's emergency services organisations through a package of initiatives to strengthen communication capability between emergency services organisations during an emergency event, improve capacity to respond to 000 calls from the public, provide critical new infrastructure to respond to events and prepare for future emergencies, and retain and recruit volunteers.

Funding of \$102 million over four years and \$45 million TEI has been provided to 'Project 000 Response', for emergency service organisation communications and response to 000 emergency calls.

Components of this initiative include:

- Ongoing emergency call taking and dispatch of emergency services for the CFA and VICSES by the Emergency Services Telecommunications Authority (ESTA). This will ensure a high quality first link in the chain of events for emergency response services. Emergency calls for ambulances in regional Victoria will transition from five separate call centres to an integrated ESTA service to further improve response and attendance of emergency services;
- Strengthened communications between emergency services by improving network access for Regional Radio Dispatches for the CFA and VICSES, enhanced capability for the Emergency Alerting System Pagers, and new radios for VICSES to enable them to acknowledge dispatches and coordinate emergency responses effectively;
- Pagers and radios for DSE personnel which are compatible with the CFA, to ensure a coordinated response to fire on both public and private land; and
- Integrated DSE and CFA fire maps at ESTA which will further enhance coordination between all emergency services organisations in responding to fires.

To further enhance communications during an emergency, \$19 million over four years and \$1.3 million TEI has been provided to improve radio coverage deficiencies which currently exist in four geographic blackspots.

To continue the Government's commitment to high quality infrastructure for emergency services, funding of \$23 million TEI and \$30 million over four years is provided to the CFA to upgrade fire fighting equipment, infrastructure and additional operations staff. This includes replacement of ageing pumper trucks, tankers and operational support vehicles to maximise emergency response capability and provide additional protection for fire crews in the case of burnovers to ensure volunteer safety. CFA will also procure 42 additional ultra-light tankers to improve response to lightning strikes and backburning operations, particularly in remote and rugged terrain.

Funding of \$6.6 million TEI and \$3.7 million over four years is provided to sustain critical VICSES assets. This will enable VICSES to replace rescue trucks and equipment and continue delivery of vital emergency services. Additional funding of \$6.8 million over four years will increase the subsidy provided to VICSES Volunteer Units to continue to attract and retain volunteers. This will help meet day-to-day operating costs, including maintenance of motor vehicles, supplies and provision of local unit operational support and training.

Funding of \$3.9 million has also been provided to retain and recruit volunteers and recognise the effort of volunteer organisations that supported the Government's response to the February bushfires.

Investing in the arts

The government continues to support a strong arts and cultural sector, enhancing access across the community and maximising the potential contribution of the arts to a flexible, dynamic economy.

The *2009-10 Budget* provides \$69 million in funding for arts related initiatives, including:

- \$21 million TEI to assist in maintaining the existing asset base of State owned cultural facilities through minor capital works and equipment renewal;
- \$23 million over three years for the Victorian Arts Centre to support enhanced public programming and provide safe facilities that meet the needs and expectations of visitors and the community;
- \$9.2 million over three years to renew permanent exhibitions at Museum Victoria's three sites and to undertake a regional touring exhibition;
- \$6.2 million over four years in additional support for Victorian Opera;
- \$5.2 million over four years for the State Library of Victoria to continue enhancing access to collections and to support planning for the restoration and refurbishment of the Queen's Hall; and
- \$3 million TEI to upgrade and improve facilities at the Geelong Performing Arts Centre, including the main performing space and associated rehearsal spaces of the Ford Theatre.

Supporting grassroots sporting organisations and investing in sporting facilities

In this budget, the Government will continue to support grassroots sporting organisations and aim to increase the involvement of people in sport. The Government recognises the importance of continuing to invest in elite sporting facilities to maintain Melbourne's position as Australia's sporting capital. Work has commenced on a masterplan for the redevelopment of Melbourne Park to ensure that Melbourne continues to be the home of the Tennis Grand Slam of the Asia Pacific.

The *2009-10 Budget* provides \$13 million over three years and \$13 million TEI to support sporting organisations and upgrade facilities. Initiatives include:

- \$5.7 million over three years for grants to improve soccer facilities in the community;
- \$4.5 million over three years and \$1.2 million TEI to improve sporting facilities at the Melbourne Sports and Aquatic Centre and the State Netball Hockey Centre;
- \$1.2 million over two years to continue the Country Football and Netball grants program;

- \$1.7 million to continue the popular *Our Club, Our Future Sporting Uniform Grants* program for two years;
- \$7 million TEI towards the construction of a State Basketball Centre at Knox which will become the new home of Basketball Victoria;
- \$5 million TEI to continue planning for the redevelopment of the Melbourne and Olympic Park precinct.

A FAIRER SOCIETY – REDUCING DISADVANTAGE AND RESPECTING DIVERSITY

A Fairer Victoria

The Government's strong record in economic management has provided the means for delivering services which promote a stronger and fairer society and build the resilience of individuals and communities. Substantial investments in universal programs have provided a strong foundation from which all Victorians can benefit, with additional support directed to particular groups and places to assist them to participate in these benefits. The Government remains committed to protecting its vulnerable members and build Victoria's collective capacity and resilience to meet the challenges during difficult times such as the economic downturn.

The Government will continue to invest in the education, housing, health and well being of its citizens. Alongside major investments in these programs, the Government is also pursuing long term reforms in particular service systems to maximise the outcomes for disadvantaged Victorians. Funding is provided in the *2009-10 Budget* to continue the *Because Mental Health Matters: Victorian Mental Health Reform Strategy 2009-2019* and to continue reform of the Out of Home Care system with a particular emphasis on improving placement quality and increasing prevention and diversion programs. The *Justice Statement 2* will continue to focus on breaking the cycle of crime and build individual's connection and accountability to their community while systemic discrimination is being tackled through the Government's response to the review of the *Equal Opportunity Act 1995*.

Increasing the supply of social housing

As part of the *Nation Building – Economic Stimulus Plan*, the Commonwealth Government and the state governments have agreed to an ambitious construction program that will significantly boost the supply of social housing stock and stimulate jobs in the construction sector. The Victorian Government will provide opportunities for the not-for-profit housing sector to participate in the delivery and overarching management of these projects.

Recently announced funding for Victoria includes:

- \$172 million for the construction of 667 new social housing dwellings under Stage One of the *Nation Building – Economic Stimulus Plan*; and
- \$99 million over two years for repairs and maintenance work that will benefit up to 5 600 social housing dwellings and enable the retention of at least 1 600 properties that would otherwise be unsuitable for occupancy.

The Victorian Government is working with the Commonwealth on proposals for approval by August 2009 under Stage Two of the *Nation Building – Economic Stimulus Plan*, which is expected to provide a further \$1.3 billion to deliver around 4 300 new houses in Victoria.

Access to safe and secure housing for disadvantaged people will also be enhanced through \$99 million over two years for the National Partnership Agreement on Social Housing, which will provide approximately 488 new dwellings.

Reducing homelessness

The Government maintains a strong commitment to assisting vulnerable Victorians and Victoria will work with the Commonwealth Government to reduce the number of people who are homeless.

As well as delivering on commitments under the *A Place to Call Home* initiative announced in 2008, the *2009-10 Budget* allocates \$105 million over four years for a package of initiatives under the *National Partnership Agreement on Homelessness*, comprising:

- \$36 million over four years to intervene earlier to stop people becoming homeless;
- \$16 million over four years for services that help break the cycle of homelessness by providing integrated housing and social support; and
- \$53 million over four years to improve and expand the homeless service system.

Additional assistance will also be provided for clients in the mental health and justice systems who are homeless or at risk of homelessness.

Supporting people with a disability

The Government is continuing reform of disability services by committing \$87 million to improve outcomes for people with a disability by building their skills and capabilities to live independently, and promoting community inclusion. The Government's reform program complements the directions of the National Disability Agreement.

Building on the biggest ever investment in disability services of \$233 million over five years announced in the 2008-09 Budget, the Government will provide an additional \$68 million over four years for improved support, including:

- \$30 million over four years to provide additional individual support packages;

- \$17 million over four years for additional services to assist school leavers transition to employment or access further education and community activities;
- \$12 million over four years to assist the day services sector to transition to individual service models; and
- \$9 million over four years to improve the early childhood intervention services program and to build a common assessment approach for children with a disability.

Funding of \$19 million TEI is also provided for enhanced facilities including:

- \$14 million TEI for 13 new purpose-built houses to enable the relocation of young people with high care needs from residential aged care services to more age-appropriate facilities; and
- \$5 million TEI to make community facilities more accessible for people with a disability.

Closing the gap in Indigenous health outcomes

The Government is committed to closing the 17 year gap in life span between Indigenous and Non-indigenous Victorians. The *National Partnership on Closing the Gap in Indigenous Health Outcomes* will see Victoria and the Commonwealth Government work together on a multifaceted approach to reduce Indigenous chronic disease through targeted primary health care services.

The *2009-10 Budget* will provide \$47 million over four years to:

- promote healthy lifestyle choices for Indigenous young people including smoking cessation and healthy transitions to adulthood;
- assist universal health services to become more culturally competent; and
- provide training to the clinical health workforce in Aboriginal Community Controlled Organisations and Community Health Services.

Improving the lives of Indigenous Victorians

Addressing Indigenous disadvantage requires improvements in outcomes during the early years. The *National Partnership on Indigenous Early Childhood Development* will establish two Indigenous Children and Family Centres in Victoria to deliver integrated services including early learning, child care and family support programs. The \$22 million in funding over six years will also increase access to antenatal care, and teenage reproductive and sexual health services, and maternal and child health services.

The Government will also invest \$9.7 million over four years in a range of initiatives designed to improve the life and well being of Indigenous Victorians. This includes

- \$6.2 million over four years to extend services for the Stolen Generations to ensure that this assistance is maintained for both individuals and communities;

- funding to extend both the Aboriginal Land and Economic Development and Koorie Business Network programs which will increase workforce participation rates of Indigenous Victorians;
- funding for continuation of governance arrangements in Lake Tyers and high priority projects which build individual and community leadership; and
- strengthening the Indigenous community's capacity to protect Aboriginal heritage through efficient assessment of planning applications.

Assisting vulnerable children

The Victorian Government recognises that children living away from their families due to serious abuse or neglect are amongst the State's most vulnerable. Building on recent investments in the child protection system, the *2009-10 Budget* invests an additional \$160 million over four years to further strengthen Victoria's response to children at risk.

This additional investment will provide:

- \$125 million over four years to continue reform of Out of Home Care services provided to children who are unable to live with parents or extended family. Initiatives include additional placements for children removed from their family; further support to community agency providers of residential care; expanded capacity in programs which provide intensive in-home assistance to children, young people and their families to resolve difficulties; creating a new intensive in home support option for children with challenging behaviours; expanded behavioural and psychological treatment services for children living in placement services; establishing a community mentor program for children in placement services to ensure these children have access to positive and encouraging adult role models; and, providing cultural competence training for placement services to better meet the needs of indigenous children;
- \$10 million TEI is also provided to continue a program of renovating, upgrading and if necessary, replacing residential care facilities to ensure building designs promote good quality care for children and young people;
- \$14.6 million over four years to enhance the capacity to respond to children in crisis outside of office hours. This funding will enable expansion of the after hours child protection emergency service, the streetwork outreach service to young people, and the advocacy and alternative accommodation service which supports those young people at risk of being remanded; and
- \$10.5 million over four years to continue the sexual assault counselling services for children and support further reduction in waiting times.

Autism State Plan

The *2009-10 Budget* provides \$8.3 million over four years for the Autism State Plan to improve assessment, diagnosis and support to Victorians with Autism Spectrum Disorders, their families and carers. This includes:

- \$4.2 million over four years for mental health service enhancement which will provide greater access to mental health services, particularly for young children and adolescents; and
- \$4.1 million over four years to improve support to pre-school children and young people of school age, and provide staff development opportunities.

This investment builds on the December 2008 commitment to acknowledge Autism Spectrum Disorders as a neurological impairment under the *Disability Act 2006*. The initiatives will complement the existing service system and link to other key Government initiatives including the *Blueprint for Education and Early Childhood Development* and the *Because Mental Health Matters: Victorian Mental Health Reform Strategy 2009-2019*.

Creating stronger communities

The *2009-10 Budget* provides \$41 million over four years to contribute to the building of strong and resilient communities with high levels of trust and social participation, with measures including:

- \$17 million over four years to extend 17 Neighbourhood Renewal sites in Victoria, assist two sites to transition to a mainstream approach, and establish two new sites;
- \$8.9 million over four years to extend the eight Community Renewal sites in Craigieburn, Chelsea, Frankston North, Hampton Park, Laverton, Rosebud West, Bayswater North and Whittington to six years;
- \$12 million to support the provision of community amenities and infrastructure to improve liveability and social inclusion in growth areas; and
- \$3.7 million over four years and ongoing for additional coordination hours, including funding for a further 33 Neighbourhood Houses.

In addition, the budget includes \$44 million over four years to increase the water and sewerage concession cap for 2009-10 to assist low income households manage water price increases. The concession provides a 50 per cent discount on water and sewerage bills up to a maximum cap. The maximum cap will increase from \$187.90 in 2008-09 to \$216.60 in 2009-10, an increase of 14.2 per cent. Funding will also be provided for the Water Wise program, to assist low income households reduce their water usage.

Promoting respect – volunteering

The *2009-10 Budget* includes funding of \$9.3 million to improve the engagement of all Victorians, particularly young people, in volunteering. Volunteering allows people to improve their skills, gain experience and be involved in their community. The additional funding will support volunteer and community organisations develop new types of volunteering opportunities that attract young people to volunteering, fostering a stronger sense of respect for self and respect for others.

GREATER PUBLIC PARTICIPATION AND MORE ACCOUNTABLE GOVERNMENT

Accountability

The Auditor-General's Office provides assurance to the Victorian Parliament on accountability and performance of Victorian public sector agencies and authorities. To maintain delivery of Parliamentary Reports and Services and Audit reports on Financial Statements, \$2.3 million is provided in 2009-10. This will achieve ongoing reporting to Parliament and the community on the efficiency and effectiveness of the Victorian public sector.

The Office of the Ombudsman Victoria is responsible for the independent investigation of complaints about state government departments, public statutory bodies and local government. Additional funding of \$2.3 million over five years is provided to enable Ombudsman Victoria to meet growing community expectations associated with its increased jurisdiction and community profile.

Public Records Office Victoria is the archive of the State of Victoria, managing the State's records for use of the public and the Government. The *2009-10 Budget* provides \$7.1 million TEI and \$3.3 million over four years to Public Records Office Victoria to maintain and renew essential infrastructure and facilities to ensure that government records are securely managed and accessible over the long term. This will improve access to state records and help maintain an open and accountable government.

Making government more efficient

In previous budgets, the Government has made commitments to adopt a whole-of-government approach to shared services in order to achieve more efficient government administration, while not reducing service delivery. The *2009-10 Budget* includes output funding of \$66 million over three years and \$29 million TEI to implement the Efficient Technology Services project. This will allow Government to change the way it does business by consolidating and rationalising information

technology infrastructure to deliver services. Current technologies that are not compatible make it difficult to enhance services through a whole-of-government approach. By removing departmental boundaries, the Government is aiming to improve services to the community and deliver long-term savings.

Gambling licences review

To assist with the transition to the post-2012 gambling licence arrangements, the *2009-10 Budget* provides funding of \$29 million over four years. The funding is provided to undertake competitive bidding processes, further develop the new licence arrangements for gaming machines, wagering and keno and to ensure the industry is prepared to operate under the new arrangements from 2012. Funding is also provided to ensure high standards for monitoring and regulation takes place.

SOUND FINANCIAL MANAGEMENT

Victoria's financial performance remains solid despite the Global Financial Crisis. A decade of sound financial management has positioned Victoria to deal with these uncertain times. The state has maintained its triple-A credit rating and delivered a solid operating surplus. Since 1999-2000, the Government has announced over \$5.3 billion worth of tax cuts. The tax cuts include those announced in the 2008-09 Budget which delivered the biggest tax cuts in a decade, further encouraging business investment and economic growth. Victoria's tax system is now one of the most competitive in the nation, making Victoria an attractive place to conduct business. This competitive tax environment, combined with the Government's solid position, allows for ongoing services and prosperity for Victorians during these challenging times.

Maintaining Victoria's triple-A credit rating

In the last decade, the government has been committed to maintaining net debt and financial liabilities at prudent levels and retaining the State's triple-A credit rating. Ratings agencies use a variety of measures when examining the credit worthiness of states, or more specifically in rating the securities issued by them. This includes both net debt and net financial liabilities of the general government sector and the non-financial public sector which are measures of overall indebtedness. They also look at the capacity of jurisdictions to service the obligations arising from these measures. Maintaining a triple-A credit rating is an important part of maintaining the State's ability to borrow to fund its infrastructure investments and reduce the burden of repaying the cost of borrowing.

State Revenue Management System

State taxation revenue in Victoria is collected by the Victorian State Revenue Office (SRO). The SRO administers the State's taxation legislation and collects a range of taxes, duties and levies. In 2007-08, the SRO collected almost \$9.6 billion in revenue for the Victorian Government. In order to ensure consistency and fairness in the collection of State taxation revenue, the SRO aims to maximise its taxpayer compliance activities. The *2009-10 Budget* provides \$12 million over four years to expand business intelligence capabilities and enhance targeted audit, investigation and detection of taxpayer non-compliance to help meet this aim. In addition, \$10 million TEI is provided to upgrade and extend the SRO's core revenue management system, eSys.