

# 2003-04 Victorian Budget Overview

## Growing Victoria Together



getting on with the job

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2003-04 Budget Paper set includes:  
Budget Paper No 1 - Treasurer's Speech  
Budget Paper No 2 - Budget Statement  
Budget Paper No 3 - Budget Estimates  
Budget Overview

*Published by the Department of Treasury and Finance*

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ISSN 1 440-6969*

*Published May 2003 by authority*

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# Treasurer's Message



## THE GOVERNMENT CONTINUES TO DELIVER RESPONSIBLE FINANCIAL MANAGEMENT AND MAINTAIN A SUBSTANTIAL OPERATING SURPLUS, WHILE MEETING OUR ELECTION COMMITMENTS AND INVESTING IN THE KEY DRIVERS OF GROWTH: EDUCATION, INNOVATION AND INFRASTRUCTURE

The 2003-04 Budget meets the challenges of these difficult and uncertain times and confirms the Bracks Government's commitment to sound financial management and long-term planning. It makes the fair and responsible decisions necessary to secure Victoria's future and deliver high living standards, high quality jobs and strong economic growth.

The 2003-04 Budget is being delivered against the backdrop of some of the most challenging circumstances in years, with the downturn in international markets, continuing global uncertainty, the drought, the recent bushfires and the impact of public transport privatisation all adding pressure to the State's finances.

Despite these pressures, the Victorian economy is proving resilient and robust in a difficult global climate, with growth of 3.75 per cent forecast for 2003-04. Victoria's unemployment rate is at a 13-year low, business investment is at a record high and regional Victoria is enjoying a strong economic and employment resurgence.

The Government continues to deliver responsible financial management and maintain a substantial operating surplus, while meeting our election commitments and investing in the key drivers of growth: education, innovation and infrastructure.

The budget includes a program of reform to deliver more modern, efficient and effective government, including significant savings from greater administrative efficiency and a refocusing of the State's employment and training programs to ensure young Victorians acquire the skills and qualifications they need to take up high quality, high-wage jobs.

The budget delivers further

reductions in the payroll tax rate, introduces a payroll tax exemption for paid maternity leave and creates a new concession from motor vehicle duty for people with disabilities.

Education continues to be the Government's top priority, with substantial new resources directed towards driving excellence in education, recruiting additional teachers and building and upgrading schools.

The Government continues to rebuild Victoria's health system, with new investment in public hospitals, medical technology and regional health services. The budget includes a boost for mental health services and a major package of support for people with disabilities and their families.

Further improvements in community safety are delivered, with a focus on emergency services, counter-terrorism and building new police stations across the State. An additional 600 front-line police will be recruited.

The budget renews the highly successful Regional Infrastructure Development Fund for a further five years, funds packages of support for Victoria's primary industries and small country towns, and directs significant funds towards rebuilding communities suffering the effects of the drought and bushfires.

Investment in Melbourne's growing suburbs continues, with a focus on improving transport links and revitalising the city's middle and outer suburbs.

The Government's commitment to protecting the environment is reflected in substantial new funding for the more sustainable use of Victoria's water, forest and energy resources and the creation of a single national park from Anglesea to Cape Otway.

The budget makes provision for the 2006 Commonwealth Games, including new and upgraded sports facilities and a new bridge connecting the MCG with Birrarung Marr and the Yarra River.

The 2003-04 Budget builds on the Government's first-term record of achievements. It gets on with the job of providing decent and responsible government, meeting the challenges and seizing the opportunities facing Victoria – ensuring all Victorians have the opportunity to be part of a strong and prosperous State.

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

JOHN BRUMBY MP  
Treasurer

# Building On The First Term



## DELIVERING ON ELECTION COMMITMENTS

The 2003-04 Budget delivers the Bracks Government's 2002 election commitments within an ongoing framework of sound financial management.

## BUILDING ON VICTORIA'S STRENGTHS

Over the past three years, the Bracks Government has delivered significant improvements to health, education and community safety, and invested heavily in better infrastructure across the State, with an emphasis on improving transport linkages and rebuilding country Victoria. Key first-term achievements include:

- placing over 3 000 extra teachers and staff back into education;
- investing over \$800 million to build better schools and TAFEs, including 16 new schools and five replacement schools;
- attracting more than 3 300 nurses back into the health system to improve standards of health care;
- opening 12 new ambulance stations and placing over 260 new paramedics on the road;
- deploying an extra 800 police on the streets;
- building 65 new police facilities across Victoria;
- commencing projects in the Government's *Linking Victoria* strategy which aims to revitalise Victoria's transport links;
- providing funding to deliver fast rail links between Melbourne and Geelong, Ballarat, Bendigo and the Latrobe Valley, and other regional rail lines;

- introducing the Regional Infrastructure Development Fund for capital works in rural and regional communities, with initial funding of \$180 million;
- providing funding to build the Wimmera-Mallee pipeline that will save 93 000 megalitres of water per annum currently lost through evaporation from open channels;
- increasing the Snowy River's flow to 6 per cent of the original flow as the first step in the agreement with the Commonwealth and NSW Governments to restore it to 28 per cent; and
- establishing the world's first comprehensive and representative system of marine national parks and sanctuaries along the Victorian coast.

In the 2003-04 Budget, the Bracks Government is delivering on its commitments, building on the strong record of achievement, and getting on with the job of building a smarter, safer and healthier Victoria.

# 2003-04 Budget Highlights

## SOUND FINANCIAL MANAGEMENT

The Government remains committed to providing a sound and stable financial base to promote growth across the State, deliver improved services and secure Victoria's long-term economic, social and environmental prosperity.

Despite a climate of global uncertainty and significant additional demands on the budget from the statewide drought and bushfires, the Government is delivering substantial operating surpluses in excess of the \$100 million target, maintaining low levels of net financial liabilities and reinforcing Victoria's strong triple-A credit rating. The 2003-04 Budget delivers:

- a substantial budget operating surplus of \$245 million for 2003-04, and surpluses averaging \$391 million for the following three years;
- an investment boost through new projects with a total estimated investment (TEI) of \$1.2 billion to commence in 2003-04;
- net infrastructure investment averaging \$2.5 billion per annum, with a record high \$2.6 billion in 2004-05, reflecting the Government's significant ongoing infrastructure spending program;
- a reduction in net financial liabilities, as a percentage of gross state product (GSP), from 8.6 per cent at 30 June 2002, to 8.0 per cent at 30 June 2007 (excluding the Growing Victoria infrastructure reserve); and
- net debt remaining low over the outlook period, at a projected 1.4 per cent of GSP at June 2007.

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

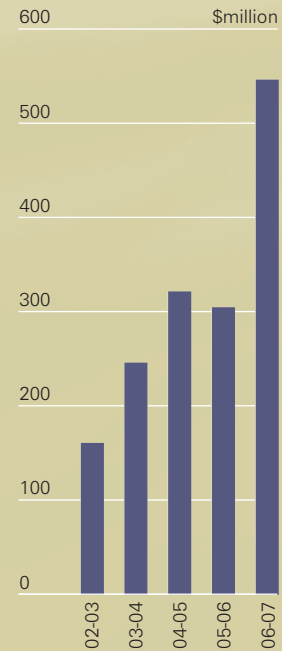
The Government has reviewed its delivery of services and programs and will make savings of \$141 million in 2003-04, rising to \$167 million in 2006-07, through improved administrative efficiency, productivity gains and the reform and better targeting of services.

## GROWING AND LINKING ALL OF VICTORIA

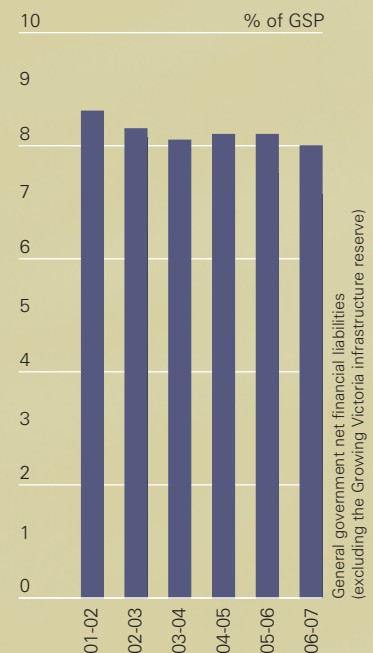
The 2003-04 Budget commits \$278 million over four years in output initiatives and \$273 million TEI in asset investment to continue delivering a more modern, efficient and integrated transport system across the State and better link regional communities. Key initiatives include:

- renewing the \$180 million Regional Infrastructure Development Fund, including a \$70 million extension of the natural gas pipeline to regional Victoria;
- constructing the Pakenham Bypass (\$121 million);
- upgrading outer-metropolitan arterial roads (\$28 million);
- improving Melbourne's rail system (\$24 million); and
- developing Victoria's ports (\$30 million).

## BUDGET SURPLUS



## NET FINANCIAL LIABILITIES FALLING



# 2003-04 Budget Highlights



## THRIVING, INNOVATIVE BUSINESSES AND INDUSTRIES ACROSS VICTORIA

The Government commits \$60 million over four years in output initiatives to drive a strong, thriving and innovative economy, create job opportunities, and assist business to be more competitive. Key initiatives include:

- supporting Victoria's tourism industry (\$41 million); and
- addressing skills shortages in regional communities (\$10 million).

In addition, in October 2002 the Government committed \$310 million to innovation programs under the *Victorians. Bright Ideas. Brilliant Future.* package. Specific initiatives include:

- boosting science and research in rural Victoria (\$50 million);
- delivering the VicStart industry innovation program (\$25 million);
- additional investment in the synchrotron (\$57 million); and
- continuing the Government's competitive grants program to boost Victoria's research and development infrastructure (\$121 million).

## VALUING AND INVESTING IN LIFELONG EDUCATION AND TRAINING

The 2003-04 Budget commits \$789 million over four years in output initiatives and \$137 million TEI in asset investment to deliver world-class learning environments to all Victorians that promote excellence and support an innovative and competitive economy. Key initiatives include:

- 450 additional teachers in secondary schools (\$82 million);
- 256 additional student welfare officers in primary schools (\$50 million);
- providing new and upgraded schools across Victoria (\$107 million);
- reform of training programs, including a new completion bonus scheme to encourage employers to take on trainees and apprentices (\$72 million); and
- additional support for non-government schools in greatest need (\$70 million).

## HIGH QUALITY, ACCESSIBLE HEALTH AND COMMUNITY SERVICES

The Government is committing \$1.9 billion over four years in output initiatives and \$357 million TEI in asset investment to continue delivering high quality health and community services to all Victorians. Key initiatives include:

- delivering the 'first stage' of the Government's continuing commitment to the \$890 million Hospital Demand Management Strategy, which will provide an additional 900 nurses and health care staff and treat an extra 35 000 patient admissions per year in public hospitals and 47 000 presentations per year at emergency departments (\$464 million – first stage);



- providing new radiotherapy facilities (\$29 million);
- upgrading and integrating ICT systems across public hospitals and agencies (\$139 million);
- implementing the Children First strategy (\$88 million);
- improving health services for senior Victorians (\$71 million);
- boosting funding for disability services (\$75 million); and
- improving access to affordable housing for Victorians (\$89 million).

### SAFE STREETS, HOMES AND WORKPLACES

The Government is committing \$261 million over four years in output initiatives in addition to \$106 million TEI in asset investment to enhance crime prevention and community safety. Key initiatives include:

- an additional 600 police, taking the size of the police force to 10 900 officers (\$126 million);
- new or replaced police facilities across the State (\$66 million);
- implementing a handgun buyback program (\$21 million);
- funding towards an additional 219 metropolitan and CFA firefighters (\$11 million); and
- enhancing the State's counter-terrorism responsiveness (\$60 million).

### PROTECTING THE ENVIRONMENT AND PROMOTING SUSTAINABLE DEVELOPMENT

The 2003-04 Budget is committing \$208 million over four years in output initiatives and \$121 million TEI in asset investment to continue protecting Victoria's natural heritage and ensuring natural resources are used wisely and sustainably. Key initiatives include:

- projects to encourage sustainable water management through the Victorian Water Trust (\$93 million);
- protecting the Otways (\$14 million);
- assisting Victoria's farms to prevent and respond to disease and pests (\$24 million); and
- a major weed control program (\$24 million).

### BUILDING COHESIVE COMMUNITIES AND REDUCING INEQUALITIES

The Government is committing \$316 million over four years in output initiatives to continue building and strengthening communities across Victoria. Key initiatives include:

- assisting the long-term unemployed, young people, and other disadvantaged groups back into work or training (\$60 million);
- boosting community arts programs and cultural projects (\$138 million);
- improving sporting facilities in regional communities and under-resourced suburbs (\$34 million); and
- revitalising suburbs and neighbourhoods as part of *Melbourne 2030* (\$4 million).

### PREPARING FOR THE 2006 COMMONWEALTH GAMES

In the 2003-04 Budget, the Government is committing \$56 million TEI in asset investment for the Commonwealth Games preparation. Key initiatives include:

- upgrading infrastructure, particularly transport, in the Yarra precinct (\$31 million);
- constructing a temporary athletics track at the MCG (\$19 million); and
- building and upgrading major sporting facilities (\$6.5 million).

### PROMOTING RIGHTS AND RESPECTING DIVERSITY

The Government is committing to a range of initiatives to progress an environment of diversity, trust and tolerance throughout the State. Key initiatives include:

- boosting skilled migration (\$6 million);
- increasing funding for the Victorian Multicultural Commission's community grants program (\$1.2 million);
- increasing legal aid funding (\$14 million); and
- constructing a new courthouse complex in the Moorabbin area (\$18 million).

# Victoria's Economy – Growth Amid Uncertainty

## THE VICTORIAN ECONOMY CONTINUES TO PROVE ITS RESILIENCE IN THE FACE OF GLOBAL UNCERTAINTY, PERFORMING STRONGLY IN BUSINESS INVESTMENT, DOMESTIC DEMAND AND JOBS GROWTH AND RECORDING ITS LOWEST UNEMPLOYMENT RATE IN 13 YEARS

The Victorian economy has performed strongly, with growth exceeding the national average by almost one percentage point per annum over the five years to 2001-02.

Victoria's domestic demand remains strong in 2002-03, despite the drought and a sluggish world economy, highlighting the underlying strength of the State's economy. Business investment continues to exceed the national average (per capita), and housing construction remains solid. The strength of business investment, and non-residential construction in particular, reflects business optimism about Victoria's prospects.

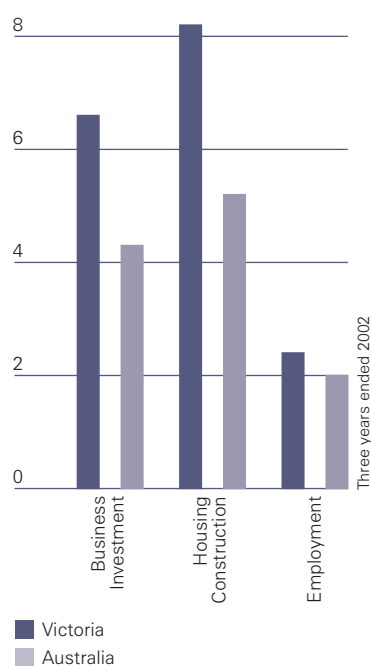
Victorian employment has continued to strengthen in 2002-03, with jobs forecast to grow at a high 2.25 per cent, and the unemployment rate falling to a 13-year low of 5.75 per cent.

The global economy began this year on a subdued note and the war in Iraq and the SARS outbreak have further clouded the near-term outlook. Together with the impact of the drought and bushfires, this should moderate Victoria's growth in 2002-03 to 2.75 per cent, before rebounding to 3.75 per cent in 2003-04 on the back of a global recovery and the ending of drought conditions.

Over the medium term, employment growth is expected to remain strong, driving further improvement in the unemployment rate. Despite this strength, wages should remain relatively subdued.

### LEADING IN KEY MEASURES

10% Average Annual Growth



### VICTORIAN ECONOMIC PROJECTIONS %

	Actual 2001-02	Forecast 2002-03	Forecast 2003-04	Projection 2004-05	Projection 2005-06	Projection 2006-07
Economic growth	4.9	2.75	3.75	3.50	3.50	3.50
Employment growth	1.1	2.25	1.00	1.50	1.50	1.50
Unemployment rate	6.3	5.75	5.75	5.50	5.25	5.25
Inflation	2.8	3.00	2.25	2.25	2.25	2.25
Wages growth	3.5	3.75	3.50	3.50	3.50	3.50

# Budget at a Glance

## WHERE THE MONEY COMES FROM

Total revenue of \$26 598 million is projected for 2003-04, representing a \$135 million increase (0.5 per cent) on the 2002-03 revised estimates.

The low growth in revenue is due to an expected moderation in property market activity and associated property tax revenues, a reduction in the payroll tax rate from 5.35 per cent to 5.25 per cent from 1 July 2003, moderate growth in Commonwealth Grants, and declines in investment income and other revenue sources.

The Government is also implementing several revenue initiatives in the 2003-04 Budget, including:

- tax assistance to families, land tax payers and the disabled through:
  - providing a payroll tax exemption for paid maternity leave;
  - extending the payment period for land tax liabilities; and
  - providing concessions and exemptions from motor vehicle stamp duty for vehicles that transport incapacitated persons in wheelchairs, or which have been modified to enable operation by a disabled person;
- a partial catch-up increase to fees and charges, including motor vehicle registration, that have not increased for some time, and ongoing annual indexation of all fees and fines set by regulation. The base motor vehicle registration fee will rise from \$140 to \$157 from 1 July 2003, and for the first time this increase will be directly channelled into improving Victoria's roads, through the Victorian Better Roads Trust; and

- replacement of the payroll tax exemption for apprentices and trainees with a new completion bonus scheme for employers of apprentices and trainees.

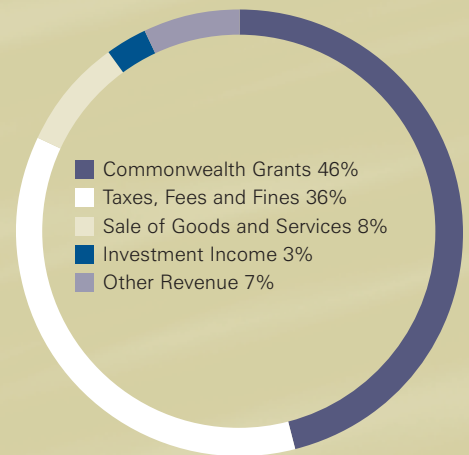
In addition, the 2003-04 Budget includes enhancing VicRoads' monitoring capabilities to ensure the appropriate application of the motor vehicle registration concession, and facilitating enhanced compliance by the State Revenue Office in relation to land transfer stamp duty on high value conveyances.

## WHERE THE MONEY GOES

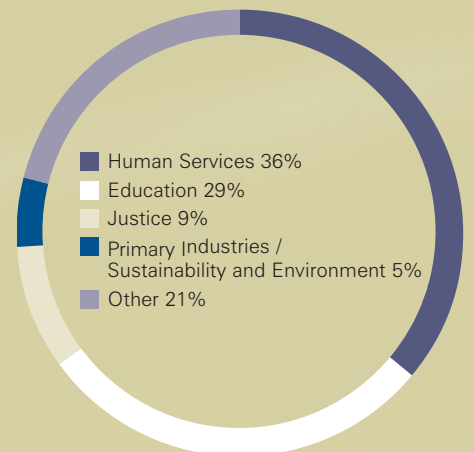
Total expenses are expected to be \$26 354 million in 2003-04, representing an increase of \$50 million (0.2 per cent) on the revised 2002-03 estimate. This increase primarily reflects additional net output funding of \$550 million, slightly offset by:

- the one-off impact of weak equity market performance and actuarial revisions in 2002-03 superannuation expense, contributing to a decline in expenses of around \$882 million in 2003-04;
- expected cessation or wind-down of various Commonwealth funded programs (around \$160 million); and
- a range of other one-off costs which boosted expenses by around \$358 million in 2002-03, including the drought relief package (\$85 million), and bushfire suppression and relief costs (\$139 million).

## REVENUE 2003-04



## EXPENSES 2003-04



# Building Victoria's Infrastructure

**IN ITS SECOND TERM, THE BRACKS GOVERNMENT WILL CONTINUE TO DELIVER A COMPREHENSIVE PROGRAM OF INVESTMENT IN TRANSPORT, SOCIAL, CULTURAL, ENVIRONMENTAL AND ECONOMIC INFRASTRUCTURE WITH THE GOAL OF GROWING, BUILDING AND LINKING THE WHOLE STATE**



Since coming to office, the Government has committed over \$5 billion to infrastructure projects across the whole of Victoria. Reflecting this significant infrastructure program, general government net infrastructure spending of \$2.6 billion in 2004-05 will be the biggest in the State's history.

This budget continues the Government's commitment to rebuild Victoria and create jobs by committing \$1.2 billion TEI to boost infrastructure assets. Key projects include:

- \$121 million towards the construction of the Pakenham Bypass;
- \$29 million for new radiotherapy equipment;
- \$139 million for upgrading and integrating ICT systems across public hospitals and agencies;
- \$53 million to conserve water resources through the Victorian Water Trust;
- \$107 million for new schools and upgrades across the State; and
- \$56 million towards facilities for the 2006 Commonwealth Games.

Total infrastructure investment announced in the 2003-04 Budget includes:

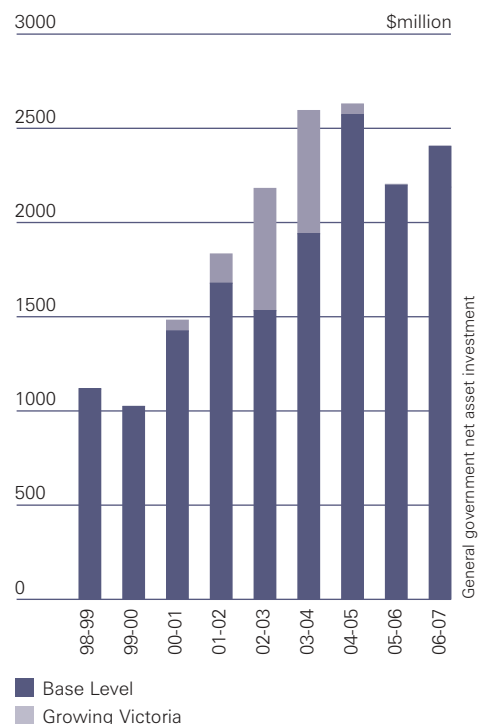
- \$273 million for transport;
- \$137 million for education;
- \$357 million for health and community services;
- \$106 million for justice and public safety; and
- \$121 million for the environment.

The budget provides around \$540 million of the \$2 billion of asset election commitments to be delivered over the second term of the Bracks Government.

This spending contributes to net infrastructure investment averaging \$2.5 billion per annum over the period 2003-04 to 2006-07. This significant level of expenditure well exceeds estimated depreciation of around \$1.1 billion per annum and results in growth of real capital stock over the four years to June 2007 of 10.7 per cent, compared to projected population growth of 3.9 per cent.

This investment reaffirms the Government's commitment to ensuring Victoria has the modern, efficient infrastructure necessary to remain competitive in a global economy and to attract investment and generate jobs.

## BOOSTING VICTORIA'S INFRASTRUCTURE



# Growing and Linking All of Victoria

## A MODERN, EFFICIENT AND INTEGRATED TRANSPORT SYSTEM

### IS VITAL FOR VICTORIA'S FUTURE, AND FOR LINKING AND CONNECTING COMMUNITIES AND BUSINESSES ACROSS THE STATE

In its first term, the Government established its *Linking Victoria* program to deliver a more efficient, reliable and modern statewide transport system. Projects include establishing fast rail links to regional Victoria, reopening country rail passenger lines, redeveloping Spencer Street Station and duplication of the Calder Highway.

In addition, the Government established the Regional Infrastructure Development Fund, with an initial allocation of \$180 million over three years to fund capital works projects in rural and regional communities.

The 2003-04 Budget commits \$278 million over four years in output initiatives and \$273 million TEI in asset investment to further improve and better integrate the State's roads, rail, public transport and ports, and better link regional communities with each other, Melbourne and the world.

#### GROWING AND LINKING REGIONAL VICTORIA

The Government will continue to improve links between Melbourne and all parts of Victoria, including:

- \$70 million TEI as part of the revised delivery strategy for the upgrade of the Calder Highway between Melbourne and Bendigo;
- \$5 million TEI to construct a new railway station at Grovedale to enhance rail services in Geelong;
- \$5 million TEI to improve road safety in country Victoria through a bypass around the town centre of Pyalong; and
- \$4.1 million TEI to begin initial planning for the Geelong Western bypass.

The 2003-04 Budget renews the successful Regional Infrastructure Development Fund for a further five years, allocating \$180 million to improve strategic transport links across Victoria, create new opportunities and better enable regional Victoria to work as part of an economic network. Specific initiatives include:

- \$70 million to extend pipeline infrastructure to regional Victoria to boost access to natural gas supplies; and
- \$20 million to attract investment in small towns and isolated communities to drive business opportunities and jobs growth.

#### GROWING AND LINKING THE SUBURBS

Communities across outer Melbourne will benefit from road and public transport initiatives totalling \$171 million as part of the Government's Linking the Suburbs program, including:

- \$121 million TEI towards the construction of a new 20-kilometre bypass around the Pakenham area;
- \$28 million TEI to upgrade outer-metropolitan arterial roads in Greensborough, Frankston and Carrum Downs;
- \$11 million over four years to improve bus services across Melbourne, and an additional \$2.6 million TEI to introduce SmartBus technology to south-eastern Melbourne; and
- \$8 million over three years to expand Victoria's network of cycling paths.

The Government will invest \$16 million over four years to enhance Melbourne's rail system, including development of a new ticketing system, and initiatives to improve rail safety and reliability. An additional \$7.2 million TEI is also provided to rehabilitate the Flinders Street Station concourse.

The Government is committed to harnessing private sector investment in the construction of the Mitcham-Frankston Freeway. When completed, this will deliver a vital linkage between ports, airports, major freight terminals and industrial precincts, while providing enormous benefits to motorists through improved travel times and road safety.

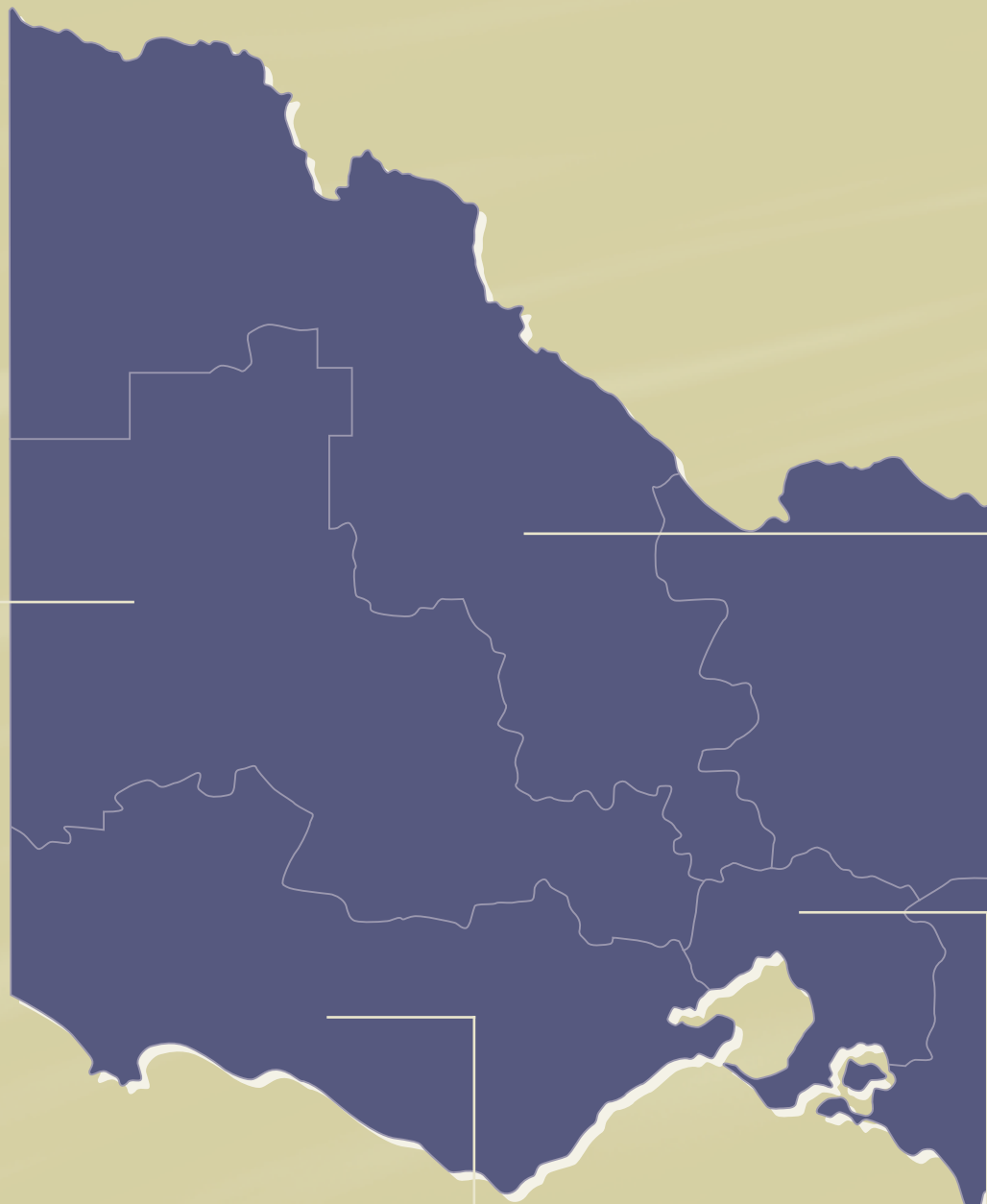
In April 2003, the Government announced that in order to deliver this vitally important transport link for the people of Melbourne's south-eastern suburbs by 2008, while maintaining the financial stability of the State and continuing to deliver major improvements in health, education and the environment, construction of the Freeway would be funded through tolls.

#### DEVELOPING VICTORIA'S PORTS

Port infrastructure is critical to Victoria's linkages with national and global economies. In addition to undertaking a study into the deepening of the Port of Melbourne, the 2003-04 Budget provides a number of initiatives to further develop Victorian ports, including:

- \$29 million TEI to construct a dual-gauge goods line at the Port of Geelong, and a new road overpass to the Port of Portland;
- \$1 million over three years to integrate the Port of Melbourne with the Dynon rail terminals; and
- \$3.6 million over four years to establish new community harbours, continue the marine communications program and establish a campaign for safe watercraft use.

# A Budget for All Victorians



## CENTRAL HIGHLANDS-WIMMERA

- Redevelopment of the facilities at the Nhill Hospital
- Modernisation of six primary schools and the construction of specialist facilities at Ballarat High School and the replacement of Rockbank Primary School
- Refurbishment of accommodation at the Lady Northcote Recreation Camp
- New Legal Aid office in Horsham

## BARWON-WESTERN DISTRICT

- Overpass construction at Cliff Street, Portland
- Construction of a dual gauge independent goods line at the Port of Geelong
- Geelong Western Bypass planning phase
- Stage Two construction of a new school at Bellarine and the modernisation of Geelong High School and Lara Lake Primary School
- Refurbishment of the Anglesea Recreation Camp
- Construction of a new railway station at Grovedale
- Replacement of a police station at Bannockburn

## LODDON-MALLEE

- Duplication of the Calder Highway
- Modernisation of Specimen Hill Primary School and continued construction of the Maryborough Education Precinct
- Replacement of three police stations at Bendigo, Nyah and Robinvale
- Redevelopment of aged care facilities in Red Cliffs
- Expand and upgrade communication equipment for Rural Ambulance Victoria

## GOULBURN-OVENS-MURRAY

- Construction of the Pyalong Bypass
- Reinstatement of the fire damaged Wodonga High School (Flying Fruit Fly Circus Campus), modernisation of three schools and the construction of specialist facilities at Rochester Secondary College and Lilydale High School
- Refurbishment of accommodation at the Howmans Gap Alpine Centre
- Replacement of five police stations at Mitta Mitta, Mt. Hotham, Myrtleford, Tallangatta and Woods Point
- Redevelopment of aged care facilities in Numurkah and Eildon

## GIPPSLAND

- Replacement of three police stations at Bairnsdale, Warragul and Swifts Creek
- Replacement of Traralgon Secondary College, modernisation of Maffra Primary School and the continued construction of the Gippsland Education Precinct
- Expand and upgrade communication equipment for Rural Ambulance Victoria
- Redevelopment of aged care facilities in Trafalgar



## MAJOR NEW ASSET INVESTMENTS ANNOUNCED IN THE 2003-04 BUDGET WILL DELIVER BETTER INFRASTRUCTURE FOR ALL VICTORIANS

## MELBOURNE

- Construction of the Pakenham Bypass
- Construction of six new schools and the Stage Two construction of Carrum Downs Secondary College, specialist facilities constructed at Vermont Secondary College and Lilydale High School, reinstatement of three fire damaged facilities, modernisation of 25 schools and the replacement of Carronbank School
- New and upgraded infrastructure for the Commonwealth Games, focusing on the Yarra precinct and sporting facilities in Melbourne
- Upgrade outer-metropolitan arterial roads in Greensborough, Frankston and Carrum Downs

- New police station at Caroline Springs and two replacement police stations at Brunswick and Pakenham
- New radiotherapy facilities at the Monash Medical Centre (Moorabbin Hospital)
- New courthouse complex in the Moorabbin area
- Upgrade of the Werribee Mercy Hospital emergency department
- Upgrade of the Dandenong Hospital
- Continued redevelopment of Flinders Street Station concourse
- Upgrade of the Police Forensic Laboratories
- Redevelopment of recreation camps at Mt Evelyn and Mt Eliza
- Relocation of the Victorian Foundation for Survivors of Torture and Trauma

## STATEWIDE

- Development of the health ICT strategy
- Major school infrastructure projects including six new schools, three replacement schools and modernisation of 38 schools
- Victorian Water Trust
- New biomedical and radiotherapy equipment in hospitals
- Maintain and upgrade teaching equipment in TAFEs
- A program of road safety infrastructure improvements in rural Victoria
- Fire Risk Management Strategy for health care facilities
- Improved access to affordable housing
- New cycle paths

# Thriving, Innovative Businesses and Industries Across Victoria



In the 2003-04 Budget, the Government is providing \$60 million over four years in output initiatives, in addition to \$310 million announced in October 2002 for the Innovation Statement, to continue building the foundations for a strong, thriving and innovative Victoria.

## DRIVING INNOVATION

To position the State as a forward-looking and globally connected economy, the Government announced, in October 2002, a \$310 million commitment to innovation programs in its Innovation Statement: *Victorians. Bright Ideas. Brilliant Future.* targeting five strategic areas: ICT, biotechnology, new manufacturing technologies, design and environment technologies.

This funding brings to over \$900 million the Government's total commitment to positioning Victoria as a global leader in innovation. Key initiatives over the Government's first term include committing to the construction of a synchrotron facility, providing funding to develop Victoria's biotechnology and medical research capacity, funding initiatives to encourage innovation in Victorian businesses, and boosting resources in Victorian schools and TAFEs to improve education in science and technology.

This budget has allocated part of the \$310 million funding towards specific initiatives, including:

- \$50 million over four years to boost science and research efforts to open up new opportunities in regional industries and improve the quality of life in rural and regional communities;

- \$121 million over five years to boost Victoria's research and innovation infrastructure through continuing the Government's competitive grants program;
- \$57 million over three years, building on the Government's \$100 million commitment in the 2002-03 Budget, to enable the construction of a national synchrotron – Boomerang 20 – representing a significant investment in Australia's scientific infrastructure;
- \$25 million over four years through VicStart to increase innovation in industry through encouraging greater levels of investment in research and development, facilitating access to finance, and maximising the benefits to Victorian industry from access to public sector research;
- \$4 million over four years for a new Smart Freight program to improve information flows in Victoria's freight industry; and
- \$2.9 million over three years to strengthen and develop innovation clusters, with the initial focus being on regional areas, to build on Victoria's strengths in food and agriculture, health, manufacturing, biotechnology and ICT.

In addition, the Government is committing \$10 million TEI towards establishing a Biotechnology Centre of Excellence at Monash University, \$5 million of which will be provided in 2002-03 through the existing Science Technology and Innovation grants program.



## THE GOVERNMENT CONTINUES ITS RECORD INVESTMENT IN INNOVATION AND NEW TECHNOLOGIES AS THE KEY DRIVERS OF ECONOMIC AND JOBS GROWTH, AND A VITAL ELEMENT IN VICTORIA'S FUTURE SUCCESS

### GROWING VICTORIA'S BUSINESSES

Over its first term, the Government implemented a number of reforms to help Victorian businesses become more competitive, more innovative and better connected to global markets.

This includes more than \$1 billion in business tax cuts over 2001-02 to 2005-06, taking Victoria from having the highest number of business taxes to the equal lowest, and implementing business growth initiatives in the *Building Tomorrow's Businesses Today* business statement.

This budget sees the implementation of the Government's last installment of payroll tax initiatives announced in *Building Tomorrow's Businesses Today*. From 1 July 2003, the payroll tax rate will be further reduced, from 5.35 per cent to 5.25 per cent. This represents a total 9 per cent reduction in the payroll tax rate since the Bracks Government came to office.

The Government supported a number of key initiatives in its first term to promote innovation and growth in Victorian businesses, including assisting the growth of manufacturing in Victoria and providing additional funding to promote Victorian exports and overseas investment.

The 2003-04 Budget continues to assist Victorian business, with key strategies including:

- \$10 million over four years to support communities across regional Victoria to address skills and labour shortages;
- \$2 million over four years to the StreetLife program to support Victorian small businesses;

- \$1.5 million over three years to maximise the benefits to Victorian businesses of hosting the 2006 Melbourne Commonwealth Games; and
- \$8 million over four years for the new Small Business Commissioner to promote a fairer environment for small business.

The 2003-04 Budget is also implementing a number of initiatives, totalling \$41 million over four years, to promote tourism across the whole State, with a key focus on enhancing the State's major events profile and assisting regional tourism operators to enhance the attractiveness of their communities.

### MODERNISING GOVERNMENT

In its first term, the Government provided strong leadership in ICT uptake and the modernisation of public and community service delivery. Key initiatives included a major investment to upgrade government ICT infrastructure, and the development of a new online government portal. These will improve the delivery of government services to all Victorians, and facilitate community access to government services.

The 2003-04 Budget continues the Government's investment to improve the ICT interface between government and the community to ensure that knowledge and information flows freely and communication is optimised. Key initiatives include:

- \$139 million TEI for the health ICT strategy, which aims to provide a modern, technically advanced and leading edge hospital environment;

- \$21 million TEI for an electronic medication prescribing program in key Victorian hospitals;
- \$33 million over four years for an eGovernment Implementation Plan that includes establishing a Chief Information Officer to monitor and coordinate ICT investment across government to contain growing ICT costs, improve system integration, and support better service delivery; and
- \$5 million TEI to improve police responsiveness to criminal activity through more modern computing and communications equipment, linking police IT systems to better identify and manage emerging crime trends.

In addition, the Government is implementing the Gateway initiative to achieve better capital investment outcomes across the Victorian budget sector, through better management of high-risk projects from independent reviews, enhanced monitoring, development of a multi-year investment strategy, and project life-cycle guidance material.

# Valuing and Investing in Lifelong Education

## EDUCATION CONTINUES TO BE THE GOVERNMENT'S NUMBER ONE PRIORITY IN ITS SECOND TERM IN OFFICE

A strong education system is vital to Victoria's future. Since coming to office, the Government has committed over \$800 million TEI in asset investment, provided over 3 000 extra teachers and staff and built 16 new schools and five replacement schools, to ensure that every Victorian has access to lifelong educational opportunities.

The 2003-04 Budget builds on the Government's first-term achievements by allocating \$789 million over four years in output initiatives as well as \$137 million TEI in asset investment to deliver a world-class learning environment that provides the foundation for Victoria's future social and economic prosperity in a dynamic and global economy.

To build on progress made towards achieving the Government's goals and targets for education and training and to meet future challenges, the Government will be implementing a reform strategy from 2003-04. This will ensure resources are best used to strengthen service delivery capacity and outcomes within the system.

### EXCELLENCE AND INNOVATION IN EDUCATION AND TRAINING

In its three previous budgets, the Government made significant investments in education and training, focusing on innovation, access and excellence. The 2003-04 Budget builds on that investment and will boost access to quality education and training pathways that promote excellence and support an innovative and competitive economy, including:

- \$82 million over four years for 450 additional teachers in secondary schools to promote specialisation within subject areas that best meet community needs;

- \$10 million TEI to support the additional teachers through providing state-of-the-art facilities and equipment in secondary schools to facilitate innovative teaching programs;
- \$2.3 million over four years to improve leadership in schools by expanding professional development opportunities for principals;
- \$6 million over four years to improve excellence in language education in secondary schools, including eight new centres of language education; and
- \$4.8 million over four years to provide follow-up assistance for school leavers to help the transition of post-compulsory students to work or further education and training.

The Government is directing \$72 million into initiatives aimed at refocusing training programs to target specific needs in the Victorian workforce and assist young Victorians to acquire skills and qualifications. This includes:

- replacing the current payroll tax exemption for wages paid to trainees and apprentices with a new completion bonus scheme in order to promote higher completion levels and ensure the labour market is supplied with a highly skilled workforce;
- meeting increased demand for alternative vocational education and training pathways in schools;
- improving opportunities for Victorians to acquire in-demand skills and qualifications; and
- enabling TAFEs to align teaching equipment to industry standards and provide specialised training equipment utilised in priority strategic industries.



## IMPROVED ACCESS AND EXPANDED OPPORTUNITIES

The Government will continue to reduce educational disadvantage and ensure all Victorians have access to learning institutions, regardless of their location or circumstances, by providing:

- \$50 million over four years for 256 student welfare officers in primary schools to prevent student disengagement and alienation from the education system, and provide a secure and supportive learning environment;
- \$96 million over four years for the disabilities program to support students with special education needs in government schools;
- \$70 million over four years to support non-government schools in greatest need and improve internet access to enhance multimedia learning and innovative delivery of education;
- \$5 million over four years to extend the Victorian Youth Development Program to all government secondary schools which provides opportunities for students to engage in programs that promote youth leadership and community participation;
- \$3.5 million TEI towards the Maryborough Education Precinct, which provides a specialised learning environment combining primary and secondary schools with a TAFE college; and
- \$2 million TEI towards the completion of the Gippsland Education Precinct.

## BUILDING BETTER SCHOOLS AND COMMUNITY ASSETS

Careful asset maintenance, including an ongoing refurbishment plan, is an essential feature of a world-class education system. The 2003-04 Budget includes:

- \$30 million TEI for the construction of six new primary and secondary schools across the State;
- \$52 million TEI to modernise 38 schools throughout Victoria;
- \$12 million TEI for the reinstatement of facilities in schools that were damaged or destroyed by fire; and
- \$5.1 million TEI to replace three schools in growth areas that have outgrown existing facilities.

# High Quality, Accessible Health and Community Services



Over the past three years, the Government has committed significant funding to rebuild Victoria's health system. This includes rebuilding hospitals and aged care facilities, recruiting an extra 3 300 nurses, opening 12 new ambulance stations, providing over 260 new paramedics, and implementing strategies to respond to growing demand for health services.

The 2003-04 Budget commits an additional \$1.9 billion over four years in output initiatives in addition to \$357 million TEI in asset investment to build on these improvements, focusing on promoting healthier lifestyles, developing alternative models of care, providing better children's services and improving Victoria's capacity to meet the needs of an ageing population.

## BETTER MANAGEMENT OF HOSPITAL DEMAND

The Government continues to rebuild Victoria's public health system, delivering \$464 million for the 'first stage' of the Government's continuing commitment to the \$890 million Hospital Demand Management Strategy, which will provide an additional 900 nurses and health care staff and treat an extra 35 000 patient admissions per year in public hospitals and 47 000 presentations per year at emergency departments.

The 2003-04 Budget also provides \$20 million over four years to reduce elective surgery waiting lists in rural Victoria, which will see 1 650 additional patients being treated each year.

## IMPROVED HEALTH CARE FACILITIES ACROSS VICTORIA

Over the past three years the Government has invested strongly in rural Victoria, rebuilding health facilities, increasing nurses, and expanding health and ambulance services and public health programs.

The 2003-04 Budget continues to provide better hospitals and health facilities in the suburbs and country Victoria, to ensure Victorians receive first-class health care. Specific initiatives include:

- \$10 million TEI to upgrade the Werribee Mercy Hospital emergency department, as well as develop a specialist palliative care unit;
- \$9 million TEI to expand the Dandenong Hospital emergency department;
- \$8.5 million TEI to redevelop the Nhill Hospital, including a new 35-bed ward; and
- \$2 million over two years to commence planning for the redevelopment of the Box Hill Hospital.

The Government is also providing \$17 million over four years to modernise and upgrade bush nursing hospitals, improve rural maternity services and boost the number of doctors, nurses and other health professionals in local rural communities.

**THIS BUDGET CONTINUES THE GOVERNMENT'S COMMITMENT TO  
TURNING AROUND VICTORIA'S HEALTH SYSTEM AND DELIVERING HIGH QUALITY,  
ACCESSIBLE HEALTH AND COMMUNITY SERVICES TO ALL VICTORIANS**

**MODERNISING HEALTH CARE**

Over the past three years, the Government has invested \$178 million TEI to ensure hospitals are using safe and well maintained medical equipment. The 2003-04 Budget continues to deliver a modern, technologically advanced and leading edge hospital environment, with key initiatives including:

- \$139 million TEI for a health ICT strategy to enable hospitals and health agencies to share IT systems and knowledge, to more reliably and effectively support hospitals in meeting current and future demands, and move to a new system of keeping health records electronically;
- \$22 million TEI for new biomedical equipment;
- \$29 million TEI to improve radiotherapy facilities at the Monash Medical Centre, and the Alfred and the Austin hospitals, to reduce waiting lists and improve patient outcomes;
- \$16 million TEI for the upgrading of critical infrastructure to support delivery of health services; and
- \$10 million TEI to better protect health care facilities from the risk of fire, with a particular focus on aged and acute care facilities.

**HEALTHIER COMMUNITIES**

The 2003-04 Budget implements initiatives to improve the overall health and wellbeing of the community, through providing better facilities and community health care services targeting senior Victorians, people with disabilities, and children. Specific initiatives include:

- \$88 million over four years for the Government's Children First strategy, including establishing centres for children and upgrading local maternal and child health centres to provide better services, building new preschool facilities in growth suburbs to extend childcare availability, providing better support to foster carers, and developing innovative approaches to early intervention and prevention of child abuse and neglect;
- \$71 million over four years to improve home and community services for senior Victorians. An additional \$26 million TEI is also provided to upgrade residential aged care facilities;
- \$30 million over four years to boost metropolitan and rural ambulance services, including new stations at Keilor Downs and Burwood, and new and upgraded regional services in Kangaroo Flat, Ballan, Omeo and Mallacoota;
- \$21 million over four years to improve dental health services;
- \$17 million over four years to deliver more women's health services, including better access to breast screening services;
- \$63 million over four years to improve mental health services, and an additional \$7 million TEI to expand services for children at the Western Hospital;

- \$75 million over four years to improve quality and access to services for children and adults with disabilities, as well as their families and carers, including enhanced housing and living options and the ongoing redevelopment of Kew Residential Services;
- \$176 million over four years to continue the successful Victorian Drug Strategy, which provides prevention, treatment and rehabilitation programs;
- \$89 million over four years to improve access to affordable long-term housing for all Victorians and expand services for homeless people; and
- \$10 million over four years for programs of prevention, early detection and intervention to reduce the impact of obesity and diabetes.



# Safe Streets, Homes and Workplaces

## ONE OF THE GOVERNMENT'S TOP PRIORITIES IS PREVENTING CRIME AND MAINTAINING VICTORIA'S POSITION AS THE SAFEST STATE IN AUSTRALIA

Since coming to office, the Government has committed \$785 million in output funding and \$646 million TEI in asset investment to ensure Victoria remains the safest State in Australia. This commitment includes recruiting an additional 800 front-line police, building 65 new police facilities across Victoria, developing and implementing a long-term corrections infrastructure program, and significant investment in technology for the emergency services.

This budget provides \$261 million over four years in output initiatives and \$106 million TEI in asset investment to continue the Government's commitment to crime prevention and community safety across the State, with an emphasis on enhancing police and emergency services capabilities and counter-terrorism responsiveness.

### MORE EFFECTIVE POLICE

The Government is delivering on its election promise to provide more and better resourced police on the streets, and a tougher, smarter approach to crime prevention, with major initiatives including:

- \$126 million over four years to provide an additional 600 police officers, further boosting the effectiveness, responsiveness and visibility of Victoria's police force and increasing the size of the Victorian police force to 10 900 officers;
- \$66 million TEI to provide new or replacement police stations in Bendigo, Brunswick, Bairnsdale, Caroline Springs, Pakenham, Warragul and 10 small country towns, building on the Government's \$133 million TEI investment in its first term to construct 65 new police facilities across Victoria;

- \$6 million TEI to boost the State's forensic crime solving capabilities with new analytical equipment and facilities;
- \$21 million over five years for a handgun buyback program, commencing on 1 July 2003, to remove up to 9 500 handguns from the community and tighten handgun ownership laws; and
- \$8.6 million over four years to prevent criminals benefiting from the proceeds of crime through expanded asset confiscation powers, and establishing a new reward fund to encourage information on serious unsolved crimes.

### MORE EFFECTIVE EMERGENCY SERVICES

In addition to the Mobile Data Network announced in last year's budget, the 2003-04 Budget continues to strengthen Victoria's much-needed emergency services. Specific initiatives include:

- \$11 million over four years towards 219 additional metropolitan and CFA firefighters; and
- \$19 million over four years to better value and equip emergency services volunteers, with a key focus on enhancing SES responsiveness.

### COUNTER-TERRORISM

The 2003-04 Budget improves the State's preparedness in the face of the potential terrorist threat, providing a \$60 million package over five years to enhance Victoria's whole-of-government approach to managing security and emergencies, with a key focus on:

- boosting the State's emergency response capacity with additional resources and better training and equipment for emergency services;

- a more coordinated approach to managing emergencies through a new Emergency Services Coordination Unit and a Chemical, Biological and Radiological Planning and Response Unit; and
- enhancing the Victorian digital map database.

These initiatives are in addition to a \$38 million package over five years already announced in November 2002 to enhance the Government's planning and response capabilities through establishing a new Counter-Terrorism Coordination Unit, State Crisis Centre, and boosting resources available to the Special Operations Group.

### ROAD SAFETY

Since coming to office the Bracks Government has invested \$273 million in road safety initiatives, which has contributed to an 11 per cent reduction in the road toll. However, an unacceptable number of road fatalities continue to occur, particularly in regional Victoria. The Government's road safety strategy *arrive alive!* aims to ensure Victoria has the highest possible standards of safety for all road users. As part of this strategy, the 2003-04 Budget commits:

- \$23 million over two years to fund reduced speed limits around primary and secondary schools in Victoria; and
- \$12 million in 2003-04 to improve road safety in rural Victoria, through a program of road infrastructure improvements, deployment of radar devices in high-risk rural areas, and measures to limit speeds of heavy vehicles.

# Protecting the Environment and Promoting Sustainable Development

## THE GOVERNMENT IS COMMITTED TO PROTECTING VICTORIA'S NATURAL HERITAGE AND USING OUR NATURAL RESOURCES SUSTAINABLY

The Government has committed \$1 billion over its first term to value and protect Victoria's natural resources, including restoring the Snowy River environmental flows, establishing marine national parks and sanctuaries, addressing salinity, and building the Wimmera-Mallee pipeline.

In the 2003-04 Budget, the Government is allocating \$208 million over four years in output initiatives and \$121 million TEI for asset investment to continue positioning Victoria as a world leader in environmental sustainability.

### SUSTAINING OUR WATER RESOURCES

To enhance the health and sustainability of Victoria's water resources and provide greater security of supply for users, the 2003-04 Budget commits \$40 million over four years in output initiatives and \$53 million TEI in asset investment, focusing on:

- upgrading irrigation systems and water supply in regional Victoria;
- delivering significant improvements to the ecological health of Victoria's rivers; and
- improving the quality of water supply for domestic users and encouraging water savings.

### SUSTAINING OUR FORESTS AND PARKS

Building on the Government's \$80 million *Our Forests, Our Future* package, the 2003-04 Budget commits \$23 million over four years to:

- promote the long-term future of Victoria's Otway Ranges through an early reduction in logging and woodchipping, and creating a single national park extending from Anglesea to Cape Otway; and

- improving protection of public native forests by replacing sawlog harvesting on public land with private plantations.

The Government is also providing \$32 million over four years to improve public safety on Crown land, and ensure national parks and conservation reserves are well maintained by employing 50 new park rangers.

### SUSTAINING OUR BIODIVERSITY

The Government continues to protect and improve the sustainability of Victoria's biodiversity and plant and animal health, with key initiatives including:

- \$24 million over four years to strengthen the capacity of Victoria's farms to prevent and respond to disease and pests; and
- \$24 million over four years for a major weed control program.

### SUSTAINING OUR ENERGY RESOURCES

The 2003-04 Budget provides \$13 million over four years to make Victoria a leader in greenhouse friendly strategies, increase the use of green power in government, and encourage the use of energy-efficient products.

### RESPONDING TO BUSHFIRES AND DROUGHT

The Government is addressing the severe consequences of the recent bushfires and drought, including:

- \$115 million for fire suppression costs and \$86 million to support community recovery, help restore the natural environment and rehabilitate infrastructure in bushfire-affected areas. Much of this funding was allocated in 2002-03; and
- more than \$85 million announced in 2002-03 for a package of initiatives to assist drought-affected farmers across 45 Victorian municipalities.



# Building Cohesive Communities and Reducing Inequalities

## BUILDING AND STRENGTHENING COMMUNITIES ACROSS VICTORIA IS A MAJOR SECOND-TERM PRIORITY FOR THE GOVERNMENT

The Government remains committed to working with communities to tackle their problems, improve services and secure their futures. The new Department for Victorian Communities will help build strong, resilient and confident communities across the State.

The 2003-04 Budget is providing \$316 million over four years in output initiatives to help support families, create job opportunities, and improve access to government and community services.

### HELPING PEOPLE GET INTO THE WORKFORCE

The Government is providing \$60 million over four years for a number of new or retargeted employment programs to assist the long-term unemployed, young people, and other disadvantaged groups back into work or training, including:

- \$39 million over four years for the Community Jobs program, which assists the long-term unemployed back into work or training;
- \$10 million over four years for the Jobs for Young People program, to create 1 100 new jobs and traineeships for young Victorians; and
- \$11 million over four years to support parents returning to work who have been out of the workforce.

### BRINGING SPORT, RECREATION AND ARTS TO ALL VICTORIANS

With the Commonwealth Games providing a unique opportunity to encourage greater participation in sport and recreation, the 2003-04 Budget provides a range of initiatives to make sport and recreation more accessible to the wider Victorian community, including:

- \$34 million over four years to improve sporting facilities in regional communities and under-resourced suburbs;
- \$21 million over four years to assist communities and sporting organisations deliver more sports and opportunities for physical activity;
- \$14 million over three years to upgrade Kardinia Park facilities to ensure the continuation of AFL games in Geelong;
- \$12 million over four years to establish new community centres in regional areas, and upgrade facilities in regional racing clubs; and
- \$3.6 million TEI in 2003-04 to improve sport and recreation camps around the State.

The budget delivers a major \$138 million boost for arts and cultural projects, including \$25 million to encourage community involvement in arts programs across Victoria, and additional support for Museum Victoria, the National Gallery of Victoria and the Australian Centre for the Moving Image.

### REVITALISING SUBURBS AND CITY NEIGHBOURHOODS

The Government is committed to retaining Melbourne's status as one of the world's most liveable cities. The 2003-04 Budget provides:

- \$4 million over four years to revitalise Melbourne's middle and outer suburbs as outlined in the Government's *Melbourne 2030* vision;

- \$8 million in grants over two years to communities to continue preserving Victoria's public heritage assets; and
- \$4 million to develop eight additional Transit Cities in key metropolitan and regional centres.

Measures in this budget will also improve access to affordable long-term housing for all Victorians.

### 2006 MELBOURNE COMMONWEALTH GAMES

The 2006 Commonwealth Games will be the largest event ever staged in Victoria. It offers a unique opportunity to showcase Melbourne to the rest of the world, promote the city and the State as prime tourist destinations, and improve community facilities for the use of all Victorians for many years to come.

The State will contribute \$474 million in operating costs and \$223 million TEI in asset investment to this important event. The Government has already announced \$167 million in projects. The 2003-04 Budget provides a further \$56 million TEI in asset investment, including:

- \$31 million to upgrade key infrastructure, particularly transport, in the Yarra precinct. This includes a new pedestrian bridge to link the MCG with other areas of Melbourne, better lighting, and improvements to Jolimont Station;
- \$19 million to construct a temporary athletics track at the MCG; and
- \$6.5 million to build a state mountain bike facility, replace the Olympic Park athletics track and upgrade the State Netball and Hockey Centre.

# Promoting Rights and Respecting Diversity



## THE GOVERNMENT RECOGNISES BOTH THE ECONOMIC AND SOCIAL VALUE OF AN INCLUSIVE, COHESIVE, TOLERANT AND DIVERSE VICTORIAN COMMUNITY

To support the justice system and promote rights the Bracks Government has, over its first term, provided additional resources for Legal Aid, established a Native Title Unit, committed to an Aboriginal Justice Agreement, strengthened alternative dispute resolution services, funded improvements to courts infrastructure and passed the *Racial and Religious Tolerance Act*.

In addition, since coming to office, the Government has more than tripled the Victorian Multicultural Commission's community grants program to \$2.8 million, from \$750 000 in 1999, to support culturally and linguistically diverse communities throughout the State.

The 2003-04 Budget continues the Government's strong commitment to promote diversity, trust and tolerance within Victoria, and includes a further funding increase to the Victorian Multicultural Commission's grants program of \$1.2 million over four years.

Other initiatives in the 2003-04 Budget include:

- \$6 million over four years to increase migration to Victoria for skilled and business migrants, in particular to rural and regional Victoria;
- \$1.3 million over four years to provide new Koori maternity services;
- \$5 million TEI for specialist services for people who were the victims of torture and trauma in their countries of origin; and
- \$0.4 million over four years to establish a multilingual 'crime stoppers' line in major community languages for reporting crime.

The Government strongly believes in the values of respect, cooperation and the protection of the rights of all Victorians. The 2003-04 Budget strengthens Victoria's justice system, with key initiatives including:

- \$14 million over four years to improve legal aid services to give Victorians greater access to high quality, professional legal advice;
- \$5.2 million over four years to ensure domestic violence cases receive the attention they deserve by bringing together specialist expertise and targeted resources through a Domestic Violence Division in the Magistrates Court; and
- \$18 million TEI to improve access to justice in the southern metropolitan area by constructing a new courthouse complex in the Moorabbin area.

The Government will also take a significant step forward in recognising and valuing the importance of Victoria's indigenous community as the original inhabitants of the State. Funding is provided to meet the first in-principle agreement over a native title claim in Victoria, which is for the Wotjobaluk people in relation to the Wimmera region.

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