Victorian Budget Overview
Delivering for Victorian families
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The 2007-08 Budget delivers the commitments made to the Victorian people by the Bracks Government at the 2006 state election. The budget continues to create the conditions for sustainable economic growth in a difficult global environment, with a focus on building a competitive economy and tackling Victoria’s future challenges. The budget also delivers a major new affordable housing package and commences the biggest school rebuilding program in Victoria’s history.

Victoria continues to build the diverse and robust economy needed to succeed in a rapidly changing global environment, meet the demands of a growing population and tackle significant environmental challenges.

The Victorian economy is expected to grow by 2.75 per cent in 2006-07, increasing to 3.25 per cent in 2007-08, despite the impact of the drought. To sustain Victoria’s strong economy into the future, the 2007-08 Budget continues to give priority to investments and reforms that will drive higher productivity, create high quality jobs and maintain Victoria’s competitive advantage.

For the eighth consecutive year, the Government is delivering a surplus of at least $100 million, while maintaining our triple-A credit rating and continuing to invest in vital infrastructure. Since 2000-01, the Government has invested over $16 billion in infrastructure, averaging over $2.3 billion each year. The 2007-08 Budget provides for $13 billion over the next four years. The Government’s capital investment program is now the biggest in 40 years and is delivering vital infrastructure projects across the State.

Victoria continues to lead the way in driving a more competitive business environment through the transformation of the State’s taxation system. The budget provides further substantial tax relief. When added to initiatives enacted since the election, this takes to $1 billion tax relief and reduced business costs to Victorians over five years. Victorian employers will benefit from a $167 million cut in WorkCover premiums, the fourth consecutive reduction in premiums.

The budget begins the biggest school rebuilding program in Victoria’s history. Funding of $555 million TEI has been allocated for the first phase of the Victorian Schools plan which will rebuild or modernise every Victorian Government school within 10 years. This budget also provides an additional $349 million to encourage high performance across the government school system and $89 million to boost skills and employment.

The Government continues to rebuild Victoria’s health system, providing a further $1.9 billion for health, aged care and community services and infrastructure, including two new elective surgery centres, reduced waiting times in emergency departments, upgrades to public hospitals and medical equipment, and new investment to meet the growing demand in our hospitals.

Access to affordable housing is essential to support Victoria’s growing population. The budget delivers record investment in housing, including financing for 1 150 new public and social housing dwellings and the replacement of 1 200 run-down and ageing public housing units. The benefits of this major package extend beyond housing Victorians and their families: it will also create jobs, stimulate building activity and improve education and health outcomes.

Victoria’s future prosperity depends upon managing the impact of climate change and meeting environmental challenges. The Victorian Government has led Australia in its responses to these challenges and the 2007-08 Budget provides a further $291 million for sustainability, climate change, water and energy initiatives.

When complete, new water projects in Melbourne and provincial Victoria will provide in excess of 80 billion litres of water.

In transport, the Government’s capital works program is building the best transport system in Australia. The budget invests more than $1.1 billion into the State’s transport network, including buying back Victoria’s regional rail freight network, purchasing 10 new trains, improving the metropolitan train network, upgrading major arterial roads and reducing fares for Victorians who travel long distances.

The budget also provides $485 million to improve community safety, including building eight new and replacement police stations and recruiting an additional 350 police.

Once again, the budget reflects the Government’s strong record of investment in provincial Victoria, with major new funding provided for regional services and infrastructure, and to assist regional communities deal with climate change, water management and bushfires.

The 2007-08 Budget meets the Government’s commitments to the Victorian people made during the 2006 election. It delivers these commitments within a framework of financial responsibility, while tackling our biggest environmental challenges and investing in the services that matter to Victorian families.

JOHN BRUMBY MP
Treasurer
Achievements to Date

The 2007-08 Budget delivers on the Government’s 2006 election commitments, and builds on the achievements of its first two terms, within an ongoing framework of sound economic and financial management.

The Government’s major achievements over the last seven and a half years include the following investments in Victoria’s people and its future:

• Since 1999, an additional $6.1 billion has been provided for education, resulting in an extra 7,300 teachers and staff in government schools, and the lowest class sizes in over a decade.

• Hospital funding has increased by 83 per cent, and Victoria’s hospitals now admit more than 1.3 million patients a year – over 300,000 more than in 1999. Waiting lists have been reduced by 10 per cent, and elective procedures increased by 14.5 per cent.

• Investment worth $396 million has been made in new public sector aged-care facilities, and ambulance services have been boosted with 123 new or upgraded stations and 925 more paramedics.

• Rural hospitals have admitted more than 50,000 additional patients since 1999.

• Mental health funding has increased by 73 per cent, with new services across the state and a $472 million commitment to the new national Mental Health Action plan.

• There are now more than 1,400 additional police and 150 new or upgraded police facilities throughout the state than in 1999.

• The Government has committed a record $1.7 billion to water projects, on top of the billions invested by Government-owned water authorities since 1999.

• More than $1.6 billion has been committed through *A Fairer Victoria in 2005 and 2006* to create opportunities and address disadvantage.

Sound economic and financial management by the Government has also delivered the following major achievements:

• a record $16 billion invested in infrastructure projects across Victoria since 2000-01;

• tax reform totalling more than $4 billion;

• maintenance of Victoria’s triple-A credit rating; and

• maintaining an operating surplus of more than $100 million.

The 2007-08 Budget builds on these achievements and capitalises on the strength and resilience of the Victorian economy to drive sustainable future economic growth and social development.
2007-08 Budget Highlights

Sound Financial Management
The Government has a strong track record of prudent financial and economic management. In 2007-08 the Government will again meet its commitment to maintaining a budget surplus of $100 million while upholding our triple-A credit rating and investing in vital infrastructure.

The 2007-08 Budget delivers:
• an operating surplus of $324 million for 2007-08 and surpluses averaging $424 million over the following three years;
• net infrastructure investment of $3.6 billion in 2007-08, averaging $3.3 billion over the four years to 2010-11; and
• low and sustainable levels of debt with net financial liabilities declining from 10.6 per cent of GSP in June 1999 to 6.1 per cent in June 2007 and remaining stable over the forward estimates.

The budget also delivers savings of $632 million over four years through the Efficient Government agenda, including savings of $292 million through Buying Smarter, Buying Less — requiring government departments to jointly purchase goods and services. These savings will be invested in frontline services.

Investing in Infrastructure
The Government has delivered record levels of infrastructure investment of over $16 billion since 2000-01 and has committed a further $13 billion over the next four years.

The 2007-08 Budget provides $2.9 billion TEI (total estimated investment) for projects including:
• $593 million TEI for education and skills related infrastructure;
• $583 million TEI for health, aged care and community services related infrastructure;
• $946 million TEI for transport related infrastructure;
• $200 million TEI for public housing; and
• $55 million TEI for climate change and water related initiatives.

A Competitive Business Environment
The 2007-08 Budget builds on previous initiatives to reduce business costs, support Victorian industry and create high quality jobs by providing:
• $508 million in further substantial land tax reform;
• a fourth consecutive reduction of 10 per cent in WorkCover premiums, taking premiums to their lowest ever levels;
• $66 million over four years for major events and tourism;
• $89 million over four years to boost skills and employment; and
• $177 million over five years in substantial cuts to stamp duty on new motor vehicles, benefiting both business and families.

These initiatives are in addition to action already taken by the Government to bring forward the planned reduction in the payroll tax rate from 5.15 per cent to 5.05 per cent to 1 January 2007.

Excellence in Education
The 2007-08 Budget delivers the first stage of the biggest school rebuilding program in Victoria’s history with a commitment of $555 million TEI and $349 million over five years for initiatives including:
• $360 million TEI for modernising, regenerating and replacing schools across Victoria;
• $50 million TEI for new schools in Melbourne’s growth areas;
• $50 million TEI to redevelop 30 technical wings at secondary colleges and renew equipment at all secondary colleges;
• $60 million TEI for a statewide, online teaching and learning system in government schools, called the Ultranet;
• $195 million to provide 300 Teacher Assistants, continue the employment of Primary Welfare Officers and promote innovation and excellence in teaching; and
• $14 million in output funding and $3.3 million TEI to attract high quality mathematics and science teachers, provide maths and science grants and encourage students to excel in these disciplines.

Affordable Housing
The budget provides a $510 million boost to housing, by increasing the affordability of housing and significant increases to public and social housing stock, including:
• $300 million for housing associations to increase the number of social housing units; and
• $200 million over four years for an additional 800 public housing units across Victoria.
This is in addition to the already enacted:

• $305 million reduction in land transfer duty for principal places of residence; and
• $234 million over four years to extend the Government’s $3 000 First Home Bonus until June 2009 and increase the Bonus to $5 000 effective from 1 January 2007, where the property is a newly constructed home. Taken together, this provides a $1 billion boost to housing affordability.

Meeting Environmental Challenges
To complement substantial investment set out in the Government’s sustainability framework Our Environment Our Future, the 2007-08 Budget includes $291 million of initiatives to help Victoria to meet climate change and other environmental challenges. These measures include:

• $10 million over three years for a new partnership with industry to reduce carbon emissions;
• $96 million over four years and $50 million TEI for recycling and other initiatives that will provide in excess of 80 billion litres of water;
• $6 million over four years for Government departments to purchase 25 per cent of their electricity used in buildings from renewable sources by 2010; and
• $34 million to provide rebates to consumers who upgrade to energy and water efficient products.

A World Class Health System
The 2007-08 Budget provides a boost to health services of $1.9 billion to ensure that all Victorians have access to high quality health care, including:

• an additional $692 million over five years for hospital services to provide an extra 72 000 outpatient appointments, treat an additional 234 000 emergency presentations, and to expand elective surgery capacity; and
• a $464 million TEI commitment to hospitals, ambulance and community health capital works as well as medical equipment, including $45 million TEI for the next stage of the Frankston Hospital redevelopment and $25 million TEI for the Western Hospital (Footscray) to upgrade patient facilities and critical infrastructure works.

Tackling Disadvantage
The 2007-08 Budget continues the Government’s focus on tackling disadvantage, including:

• $157 million over four years and $14 million TEI for children’s services, including building new children’s centres and making kindergartens effectively free for 17 000 low income families;
• $112 million over five years and $62 million TEI to support older Victorians and to ensure they remain healthy and active members of our community;
• $199 million over five years and $15 million TEI to improve services for people with a disability; and
• $20 million over four years to support Indigenous Victorians to create new opportunities and build stronger communities.

Community Safety and Justice
The Government continues to invest heavily in community safety to ensure Victoria remains one of the safest places to live, work and raise a family. The 2007-08 Budget provides further funding for more effective police and emergency services and legal, court and correctional services, including:

• $94 million over four years for 350 new police, 25 specialist ‘crime fighters’ and 25 forensic investigators;
• $86 million TEI for eight new police stations and the upgrade of another; and
• a $110 million package to reduce court delays, modernise correctional services and improve access to legal services.

Investing in Victoria’s Transport System
Building on the Meeting Our Transport Challenges statement announced in May 2006, the 2007-08 Budget continues to invest in building a modern, efficient system to meet Victoria’s growing transport needs.

The budget makes major new investment in rail services and infrastructure, including:

• $212 million TEI to buy back Victoria’s regional rail network and maintain the regional rail system;
• $362 million to acquire 10 new trains and their associated maintenance, stabilising and running costs;
• $158 million TEI for improvements to the metropolitan rail network; and

• $94 million over five years to reduce V/Line fares by 20 per cent, reduce bus fares on the Mornington and Bellarine peninsulas by up to 54 per cent and to abolish Zone 3.

The 2007-08 Budget also invests $236 million TEI and $10 million over two years in road projects and programs, including:

• $103 million TEI to upgrade key arterial roads in outer metropolitan Melbourne;

• $91 million TEI to improve regional roads, including Stage 4 of the Geelong Ring Road, extending it to Anglesea Road; and

• $30 million TEI for a targeted congestion improvements program.

Provincial Victoria

The Government’s vision for provincial Victoria, Moving Forward, outlined challenges, opportunities and practical options for regional communities. The 2007-08 Budget builds on the Government’s commitment to regional and rural Victoria by providing:

• $138 million for a bushfire recovery package to assist communities recover, rebuild, and move forward from the effects of recent bushfires;

• $52 million for water projects at Shepparton, Leongatha and Werribee;

• $20 million to improve water quality in small towns;

• $153 million for regional health care services and facilities;

• a $30 million boost to regional bus services;

• $123 million TEI to replace, modernise and rebuild regional schools;

• $42 million TEI for five new or rebuilt police stations; and

• $180 million TEI for a new biosciences research centre to protect primary industries from plant and animal diseases.

Maintaining Victoria’s Liveability

The 2007-08 Budget provides further funding for initiatives to build upon Victoria’s status as one of the world’s most liveable locations, including:

• $63 million to progress the development of Transit Cities in Footscray, Geelong and Ringwood to create vibrant transport and community hubs;

• $61 million over four years to extend the community support grants and community centres programs;

• a $76 million package for the Better Pools program and Community Sports Grants; and

• $63 million over four years for a range of arts programs, including support for small to medium sized arts organisations.
Over the past seven and a half years, the Government has created the conditions for strong economic growth in an increasingly challenging global environment. The Victorian economy is expected to grow by 2.75 per cent in 2006-07, consistent with the Australian average, rising to 3.25 per cent in 2007-08. The positive outlook for the coming year is underpinned by solid consumer spending, a recovery in new housing construction and the rural sector, high levels of business investment and continued strong population and employment growth. This follows growth of 2.7 per cent in 2005-06, broadly in line with the Australian average.

Victoria’s population continued to grow strongly in 2005-06, increasing by 1.4 per cent, above the national average. In 2005-06 Melbourne’s population increased by 1.3 per cent, or 941 persons per week – a greater amount than Sydney, Brisbane and Perth – while the population in regional Victoria grew by 1.4 per cent.

Employment growth has continued to be strong, participation rates are close to record highs, and the unemployment rate has fallen to very low levels not seen since 1990.

Victoria’s productive capacity continues to expand, with business investment growth averaging 10 per cent per year for the past six years and record building approvals, the highest in Australia, indicating ongoing growth in building activity. Despite the impact of the drought on the State’s cereals crop, total Victorian goods exports grew by 5.1 per cent over 2006.

The economy was affected by drought and summer bushfires in 2006-07, putting agricultural and tourism sectors under pressure. The drought is estimated to have subtracted between one half and one percentage point from Victorian GSP growth.

Victoria continues to lead the way in economic reform, spearheading the National Reform Agenda in order to enhance productivity and enhance workforce participation.

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<th>Key Economic Measures (a)</th>
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<td>Merchandise exports growth</td>
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(a) year to latest

Victorian economic projections %

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<td>Real gross state product</td>
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<td>Employment</td>
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<td>Population</td>
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Revenue
General government sector revenue and grants received are expected to increase by 2.8 per cent to $34.3 billion in 2007-08. Total taxation revenue is projected to increase by 1.0 per cent in 2007-08 relative to the revised estimate for 2006-07, below projected inflation of 2.5 per cent and well below nominal GSP growth of 5 per cent.

The 2007-08 Budget continues to create a more efficient and competitive tax system. Land tax reform worth $508 million over four years will benefit over 40 000 taxpayers by:
- increasing the tax-free threshold from $200 000 to $225 000;
- cutting the top rate of land tax from 3 per cent to 2.5 per cent, cutting the middle rate by one third and increasing the tax-free threshold from $200 000 to $225 000; and
- abolishing special land tax on primary production land that is wholly or partly in the metropolitan area.

These changes ensure that Victorian companies face the lowest levels of land tax in Australia for virtually all landholdings valued between $0.4 million and $4.5 million.

Other taxation measures include:
- reducing the effective motor vehicle duty rate to 2.5 per cent on new passenger vehicles valued between $35 000 and $57 009 (the Commonwealth luxury car tax threshold).
  This is in addition to the already enacted:
- cutting stamp duty for home buyers, by reducing the marginal rate for properties worth between $115 000 and $400 000 from 6 per cent to 5 per cent, and providing a saving of $2 950 over the subsequent range from $400 000 to $500 000; and
- bringing forward to 1 January 2007 the reduction in the payroll tax rate from 5.15 per cent to 5.05 per cent which was originally scheduled to apply from 1 July 2007.

Expenses and service delivery
Total expenses from transactions are expected to increase by 3.7 per cent to $33.9 billion in 2007-08 relative to the revised estimate for 2006-07. This represents an increase of $1.2 billion in 2007-08 and primarily reflects:
- new policy announcements made in this budget;
- general wages growth in line with government wages policy; and
- the impact of inflation on non-wage costs, such as the purchase of supplies and services.

Expenses from transactions are projected to increase by an average of 3.1 per cent a year over the forward estimates period. This is broadly in line with the projected population and price increase of 3.7 per cent over the same period.
The Government is continuing its record investment in new and upgraded infrastructure to drive economic growth, improve vital services and build better transport links.

Since 2000-01, the Government has invested over $16 billion in infrastructure, averaging over $2.3 billion a year. Including funding announced as part of the 2007-08 Budget, net infrastructure investment is expected to average $3.3 billion a year over the four years to 2010-11.

This record level of expenditure will exceed estimated depreciation by around $1.7 billion a year, and general government real capital stock will grow by 7.9 per cent over the four years to June 2011. This is significantly more than the 4.8 per cent projected population growth over the same period.

The Government’s ongoing investment in high quality infrastructure includes:

- investment in world-class health services, such as the new Austin and Mercy Hospitals and major redevelopments at the Royal Children’s and Royal Women’s Hospitals;
- projects to enhance Victoria’s liveability, including boosts to arts, cultural, recreational and sporting facilities;
- a record investment in education since 1999 to build and modernise schools throughout the State;
- projects of statewide significance that link and connect the whole state, such as the unprecedented $10.5 billion provided under the Meeting Our Transport Challenges statement;
- continuing high investment in provincial Victoria, including through the Regional Infrastructure Development Fund; and
- major new investment in science, research and innovation infrastructure.

The 2007-08 Budget announces asset projects with a TEI of $2.9 billion. This includes:

- $946 million TEI for significant improvements to Victoria’s transport infrastructure, including $340 million for additional train services;
- $555 million TEI for the first stage of the largest ever school capital program in Victoria’s history, which will deliver a total investment of $1.8 billion over this term of government;
- $200 million TEI to increase the supply of affordable housing through an expansion of the public housing system, plus additional funding of $300 million for housing associations to acquire social housing stock to replace run down public housing stock;
- $563 million TEI for health, community and aged care related infrastructure;
- $167 million TEI to strengthen and improve Victoria’s justice system as well as police and emergency services; and
- $180 million TEI for a new biosciences research centre, which will reinforce Victoria’s reputation as a global leader in biotechnology.

The 2005-06 net investment figure excludes $600 million return of surplus TAC capital.
A strong economy with successful businesses is essential to ensuring the prosperity and wellbeing of all Victorians.

Victoria’s competitiveness and productivity growth will depend upon reforms and initiatives that reduce the cost of doing business, support business to innovate and compete and improve the skills and capacity of Victoria’s workforce.

The Government leads Australia in delivering reforms that make it easier and cheaper to do business in Victoria, including tax cuts worth over $4 billion. Further, the Government has a strong agenda to reduce the regulatory burden on business. This includes its commitment to reduce the costs of regulation by 25 per cent within five years, the payroll tax harmonisation initiatives with NSW and playing a leading role in the COAG reform agenda in this area.

The 2007-08 Budget provides further initiatives to drive a more competitive Victorian economy.

Leadership on Tax Reform
The Government continues to lead the way in transforming Victoria’s taxation system to boost productivity and competitiveness. The 2007-08 Budget provides a further boost to Victorian business competitiveness through additional tax relief and reduced regulatory costs, by:

- slashing by more than 40 per cent the rate of stamp duty on new passenger vehicles priced between $35,000 and $57,009, from 4 per cent to 2.5 per cent;
- cutting the top rate of land tax from 3 per cent to 2.5 per cent, cutting the middle rate by one-third and increasing the tax-free threshold from $200,000 to $225,000; and
- reducing WorkCover premiums by 10 per cent, the fourth consecutive reduction, saving employers $167 million in 2007-08.

The taxation reform measures announced in the 2007-08 Budget will provide net tax relief to Victorian taxpayers of $835 million over five years.

These initiatives are in addition to the Government bringing forward to 1 January 2007 the reduction in the payroll tax rate from 5.15 per cent to 5.05 per cent which was originally scheduled to apply from 1 July 2007.

Skills for the Future
As part of Maintaining the Advantage: Skilled Victorians, the 2006-07 Budget provided $241 million for skills and training. The 2007-08 Budget continues the Government’s commitment to addressing skills shortages and building a highly skilled workforce. The budget targets a number of skill sectors of strategic significance within the Victorian economy and provides:

- $30 million TEI for the Stage 2 development of the Kangan Batman Institute of TAFE Automotive Centre of Excellence at the Docklands;
- $4.5 million TEI for the development of a Nursing Centre of Excellence at Box Hill TAFE to deliver world class nursing and allied health training in Victoria;
- $25 million in 2007-08 to extend the current Apprentice/Trainee Completion Bonus scheme;
- $6.7 million over four years to help job seekers and mature age workers find work in areas and industries with skills and labour shortages; and
- $8.3 million over four years to attract and retain skilled migrants.

Investing in Business and Industry
The 2007-08 Budget delivers initiatives to foster a healthy business environment, promote export growth and create new opportunities in emerging industries:

- $66 million over four years for major events and to support Victoria’s tourism industry;
- $9.9 million over four years to expand the Opening Doors to Export program, and create a new Victorian Export Network to promote Victorian industry’s capabilities in key export markets and establish collaborative export partnerships;
- $9.3 million over four years to continue the work of the Victorian Small Business Commissioner and reduce costs for small business;
- $8.1 million over four years to implement the Government’s Defence Industry Roadmap;
- $5.4 million over four years to expand the regional office network of the Industry Capability Network to make local sourcing and replacement services available to regional businesses; and
- $2.1 million for new Tiger Teams and Victorians Abroad to chase overseas investment opportunities.
The Government continues to invest in education as its first priority, recognising that Victoria’s economic and social progress is increasingly linked to knowledge, innovation and skills. For Victorians to continue to improve our standard of living and compete effectively with the rest of the world, we will need to be highly educated, skilled and trained.

To build an educated and skilled workforce and to give young Victorians greater opportunities, the Government has invested $6.1 billion in education since 1999, including the employment of an additional 7,300 teachers and support staff.

The Government has committed to a record investment in education infrastructure of $1.8 billion TEI over its third term. The 2007-08 Budget provides the first stage of this record investment with a commitment of $555 million TEI and $349 million over five years.

**Record Investment in Education**
The 2007-08 Budget commences the biggest school rebuilding program in Victoria’s history. The first stage of the program includes:

- $258 million TEI for modernising 89 schools across Victoria, including redeveloping 30 technical wings at secondary colleges and 16 science classrooms;
- $50 million TEI for seven new schools in Melbourne’s growth areas of Melton, Hume, Whittlesea, Wyndham, Casey and Cardinia;
- $27 million TEI for replacement schools in Albert Park, Ballarat, Stawell and Monash;
- $93 million TEI for school regeneration programs in Altona, Broadmeadows, Dandenong, Laverton, Bendigo, Wangaratta, Geelong and Colac; and
- $14 million TEI to replace relocatable buildings in six small to medium rural schools with modern permanent facilities.

**More Teachers and Higher Standards**
Students will receive more attention in the classroom and higher standards of teaching from budget initiatives that include:

- $35 million over four years to employ 300 Teacher Assistants in secondary schools to reduce the burden of administrative tasks on teachers;
- $80 million over four years to continue the employment of 256 Primary Welfare Officers to work within 450 high-need government primary schools across Victoria;
- $49 million over three years to continue the Schools for Innovation and Excellence program to continue the operation of 250 education clusters of primary and secondary schools across the education system; and
- $32 million over two years for the Teaching and Learning Innovation Fund to support new ways of teaching and learning.

**A World Class e-learning Environment**
The Government is committed to ensuring that all schools keep pace with modern teaching techniques and technologies. The budget provides:

- $60 million TEI for the new Ultranet, the statewide online teaching and learning system across government schools that will provide a single information point for parents, teachers and students; and
- $7 million TEI to purchase up to 7,000 new computers for students.

**A Focus on Mathematics and Science**
An increasingly technologically and technically-driven economy will require a high level of expertise in mathematics and the sciences. The budget invests in these disciplines through:

- $1.4 million over six years for 150 scholarships for talented maths and science graduates to train in education and become teachers in government schools;
- $11 million for maths and science equipment grants to improve outcomes for students in years 5 to 12; and
- $1.8 million over six years to create 50 places for suitably qualified professionals to train as teachers, with priority given to professionals who are eligible to be mathematics or science teachers.
Providing Additional Assistance to the Non-Government Sector
The Government is committed to a high quality education for all Victorians. Further to the investment made in the public education system, the budget provides funding support to students in the non-government sector, including:

- $30 million over four years for capital grants for needy non-government schools to upgrade or replace education facilities; and
- $83 million over four years to help non-government schools support needy students.

Developing our Talents
The budget provides funding to nurture and develop our most talented students, including:

- $10 million TEI to create a new sports school as part of the redevelopment of Maribyrnong Secondary College; and
- $1 million TEI for planning for two select entry coeducational schools.
Statewide

- Abolition of Zone 3 and 20 per cent reduction in V/Line fares
- Replacement and upgrade of medical equipment
- Increased public and social housing
- Additional police, forensic investigators and specialist ‘crime fighters’
- Implementation of the UltraNet across Victorian schools
- Rebates for efficient energy and water products
- Buy-back of the regional rail track and additional metropolitan train services
- New and improved parks and gardens
- New community support grants and centres
- Cuts to motor vehicle duty
**Gippsland**
- Modernisation of Kurnai College, Sale College and Drouin Secondary College
- Replacement of facilities at Drouin Primary School and Toora Primary School
- Redevelopment of the Leongatha Residential Aged Care Hospital Campus
- Ambulance station upgrades – Wonthaggi and Warragul
- New Foster police station
- CFA station replacements in Traralgon, Toora and Erica
- VicSES unit upgrade in Moe
- Development of a Latrobe Valley Clean Coal Authority
- New recycling water project in Leongatha
- Assist the re-opening of Historic Coal Mine in Wonthaggi

**Hume**
- Modernisation of Beechworth Secondary College, Euroa Secondary College and Kinglake West Primary School
- Replacement of Mooroopna North Primary School
- Wangaratta schools transformation
- New aged care and community health services at Nathalia District Hospital
- Ambulance station upgrade in Yea
- New Magnetic Resonance Imaging equipment in Shepparton
- Planning and design of new Transport and Logistics Centre at Wodonga TAFE
- CFA station replacements – Wangaratta, Wallan and Bonegilla
- VicSES facility upgrade – Wangaratta
- New joint Mitta Mitta CFA station and SES facility
- Modernisation of Shepparton Irrigation Area

**Melbourne**
- Modernisation of 25 schools and replacement of two schools
- Redevelopment of Frankston and Sunshine Hospitals
- Redevelopment of Peninsula Community Health Centre at Hastings
- Development of an Automotive Centre of Excellence at Kangan Batman TAFE
- New Box Hill and Sandringham police stations
- Arts Centre Precinct and Australian Centre for the Moving Image upgrades
- New centre for Books and Ideas
- Expansion of the rectangular stadium

**Grampians**
- Modernisation of Ballarat Secondary College – East campus, Black Hill Primary School and Inverleigh Primary School
- Replacement of Grevillea Park Primary School, Skene Street School, Lethbridge Primary School and Trentham District Primary School
- Ambulance station upgrades in Daylesford and Stawell
- Redevelopment of Ballarat Hospital and the Stawell and Murtoa Community Health Centres
- Stage 2 of the Ballarat Eureka Centre and Precinct
- New Ararat police station
- CFA station replacement – Halls Gap
- VicSES facility upgrades – Daylesford and Fiskville

**Hume**
- Modernisation of Beechworth Secondary College, Euroa Secondary College and Kinglake West Primary School
- Replacement of Mooroopna North Primary School
- Wangaratta schools transformation
- New aged care and community health services at Nathalia District Hospital
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- VicSES facility upgrade – Wangaratta
- New joint Mitta Mitta CFA station and SES facility
- Modernisation of Shepparton Irrigation Area

**Outer Suburbs**
- Expansion of ambulance services in Altona and Whittlesea
- New schools: Berwick South Primary School, Wyndham Vale P-12, Caroline Springs North P-9, Pakenham Lakeside Primary School, Point Cook Secondary College (Stage 2), Craigieburn North P-12 and Laurimar Primary School (Stage 2)
- Expansion of the Northern Hospital
- Planning of the Northern Institute of TAFE
- Road improvements in Cranbourne, Scoresby and Sunbury
- CFA station replacements – Dandenong, Warburton, Badger Creek, Whittlesea, Reefton and Christmas Hills
- MFB station replacement – Altona
- VicSES new and upgraded facilities in Wyndham and Whittlesea
- Sunbury police station upgrade and a new police station serving Langwarrin and Carrum Downs
- Australian Garden Stage 2 development
The Government recognises that secure and affordable housing forms the basis for educational and employment outcomes for individuals and the health and wellbeing of families. Over the past seven and a half years, the Government has acted to make housing more affordable for Victorians, through:

- significant investment in social housing, with over 10,000 public and community housing units built or acquired since 1999;
- new partnerships with not-for-profit community housing associations to provide additional social housing;
- upgraded public housing estates under the neighbourhood renewal program, which aims to deliver more jobs, safer streets and better homes;
- the provision of environmentally smart design in existing social housing, such as solar-powered hot water systems;
- providing assistance to first home buyers through the First Home Bonus and the First Home Owners Grant schemes; and
- taxation reforms to increase housing affordability, such as abolishing stamp duty on mortgages and expanding property stamp duty exemptions.

**Major New Housing Package**

The Government will deliver new and enhanced measures to increase housing affordability and accessibility. The 2007-08 Budget provides a massive boost to housing, including:

- $300 million for housing associations to acquire 1,550 new dwellings which will replace 1,200 run-down and ageing public housing dwellings;
- $200 million TEI over four years for an additional 800 public housing units across Victoria;
- $7.5 million over four years for accommodation and support for 16-19 year olds at risk of homelessness at four transitional accommodation sites in Casey, Melton, Whittlesea and the Yarra Ranges; and
- $2.1 million over three years to lift homeless support standards.

As previously enacted by the Government, the budget also provides:

- $305 million worth of stamp duty cuts, by reducing the stamp duty for homes priced between $115,000 and $500,000 and purchased as the principal place of residence; and
- $234 million over four years to extend the Government’s $3,000 First Home Bonus until June 2009 and increase the bonus to $5,000 effective from 1 January 2007 for a newly-constructed home.

Housing affordability will be further enhanced by $6 million over four years for the Electronic Conveyancing System, which will reduce costs for home buyers.
Meeting Environmental Challenges

There is now widespread recognition that climate change and the degradation of the environment are serious issues with serious economic and social consequences. Victoria has been a leader in tackling these challenges, and in encouraging all Victorians to play their part in reducing environmental impacts and creating a sustainable future for the State.

During 2006 the Government released its environmental sustainability action statement Our Environment Our Future, which provided over $200 million of funding for numerous initiatives to:

- respond to the challenge of climate change;
- maintain and restore our natural assets;
- use our resources more efficiently;
- reduce our everyday environmental impacts; and
- demonstrate government leadership.

The 2007-08 Budget provides a further $177 million over five years and $114 million TEI for initiatives to manage and minimise the impacts of climate change, secure Victoria’s water supplies and better manage our natural resources and assets.

Securing Victoria’s Water Supplies

Victoria’s prosperity depends on water for drinking and domestic use to produce goods and services, and to support the natural environment.

Climate change means that we cannot rely upon rainfall – or large storage facilities such as dams and reservoirs – to continue to provide plentiful water supplies. The Government is committed to securing water for Victoria’s growth and is investing in better ways to save and recycle water, as well as developing new sources of water.

The Government has led Australia in taking steps to secure and manage the State’s water supplies.

Since coming to office, the Government has invested in excess of $1.7 billion in water projects, along with more than $3 billion committed by water authorities. The Government has established the $320 million Victorian Water Trust to support investment in water projects across the State. Rebates have been provided for more than 140 000 water saving products and the Government has also invested in major water projects such as the Gippsland Water Factory, the Western Treatment Plant and the Wimmera Mallee Pipeline. Through these investments the Government is building a water grid to link water supplies and enable water to be moved to where it is needed most.
New investment in the 2007-08 Budget focuses on achieving higher levels of water savings and recycling, and more efficient irrigation and stormwater use.

To improve irrigation infrastructure and continue to build the water grid, the budget provides:

- $38 million TEI to modernise the Shepparton Irrigation Area, providing an additional 50 billion litres of water in the Murray Darling basin;
- $10 million over four years to improve irrigation practices through the Water Smart Farms program; and
- $20 million to improve water quality in small country towns.

Further support for water recycling will include:

- $16 million over two years for water recycling projects across Melbourne, including major projects at Frankston and Altona;
- $10 million TEI to continue to deliver the Vision for Werribee Plains; and
- $4 million over two years for a major recycling project at Leongatha.

To encourage behaviour change in water use and reduce pressure on water supplies, the budget provides:

- $20 million over four years for rebates on large water tanks and efficient household water products;
- $10 million over four years for new stormwater projects in urban areas; and
- $8 million over two years to help businesses and households to achieve water savings.

Together, when complete, these projects will provide in excess of 80 billion litres of water.

**Tackling Climate Change**

The Government is continuing to search for innovative approaches to combat the problems facing Victoria as a result of climate change. For example, the Government will establish a Victorian Energy Efficiency Target scheme that will set targets on energy retailers to provide their customers with solutions to reduce their energy consumption.

The Government has also set targets for renewable energy and reducing greenhouse emissions, as well as undertaking The Black Balloons energy saving campaign.

The 2007-08 Budget includes further initiatives to help Victoria meet the challenges of climate change:

- $10 million over three years for a new CarbonDown program in partnership with VECCI to help business cut carbon emissions;
- $14 million to provide rebates to consumers who upgrade to energy efficient products and reduce their greenhouse gas emissions;
- $3.8 million over three years to establish a Clean Coal Authority in the Latrobe Valley, participate in carbon dioxide capture and storage (CCS) trials and continue research into greenhouse gas technologies;
- $6 million over four years for Government departments to purchase 25 per cent of their electricity used in buildings from renewable sources by 2010;
- $7.2 million over three years to undertake leading edge research into climate change and create an Office of Climate Change; and
- $5 million over four years to install solar panels at 500 schools and community buildings.

**Managing Victoria’s Natural Resources**

Victoria’s magnificent parklands, beaches, coastlines, waterways and gardens are some of our greatest assets and attractions.

The Government’s commitment to protecting and enhancing these natural resources has led to more national parks being declared in Victoria since 1999 than during any other time in our history.

The 2007-08 Budget continues the Government’s investment in protecting and managing our natural resources so that the benefits they provide can be enjoyed by all Victorians, now and into the future.

This investment includes:

- $25 million over four years to employ 65 national park rangers throughout regional Victoria, and $12 million TEI to upgrade camping and recreational facilities in national parks;
- $21 million TEI to complete the 21-hectare Australian Garden at the Royal Botanic Gardens, Cranbourne;
- $2.7 million over two years to support the cessation of timber harvesting in the Otways;
- $12 million over four years to make recreational fishing more satisfying and enjoyable, including improving access to waterways and protecting and enhancing these natural assets and resources; and
- $2 million for a Landcare recruitment drive.
Over the past seven and a half years, the Government has substantially rebuilt Victoria’s health system. The Government has employed 1,500 doctors, more than 7,200 nurses and 925 paramedics. The Government has also built or upgraded 58 hospitals and aged care facilities and 123 ambulance stations across the State. Victoria’s public hospital system now treats over 1.3 million people per year, 300,000 more than in 1999.

The 2007-08 Budget continues the Government’s strong record of investment in the health of Victorians through a boost to health, aged care and community health services of $1.9 billion over five years. This investment will ensure that all Victorians have access to high quality health care and community services.

Investing in our Hospital Services

The Government’s focus on improving hospital services has delivered significant results, with elective surgery waiting lists at an eight year low, reduced waiting times and access to world-class health services and equipment.

In 2007-08 the Government continues to address Victoria’s health challenges and commits significant funding for hospital services, including:

- $222 million over four years to expand hospital and outpatient capacity to provide an extra 72,000 outpatient appointments, treat more people at day hospitals, provide more hospital based services and improve maternity services;
- $255 million over four years to treat an additional 234,000 presentations in emergency departments;
- $180 million over five years and $15 million TEI to expand elective surgery capacity at metropolitan and regional hospitals, including expanded activity at the newly opened Alfred Centre, a new 20 bed short-stay elective surgery centre at the Austin and a new orthopaedic surgery centre at St Vincent’s Hospital; and
- $216 million over the next four years for additional support for public hospitals to fund clinical practice improvements and meet the costs of new technologies and treatments.
Upgrading and Expanding our Hospitals and Medical Equipment
Since coming to office, the Government has committed $3.7 billion to upgrade more than 58 hospitals and aged care facilities across the State, including the new Austin and Mercy Hospitals, and the redevelopment of the Royal Children’s Hospital due to commence in 2007.

The budget expands on this commitment by providing:

- $45 million TEI for the next stage of the Frankston Hospital redevelopment, boosting the hospital’s capacity to meet growing demand;
- $25 million TEI for the Western Hospital (Footscray), including upgraded patient facilities and critical infrastructure works;
- $20 million TEI for Stage 1 of the redevelopment and expansion of the Sunshine Hospital;
- $16 million TEI for Stage 1 of the redevelopment of the Warrnambool Hospital, including construction of a new five bed extended care unit and a new ambulance station;
- $8 million TEI for a new operating theatre and extra beds at Maroondah Hospital; and
- $225 million TEI to replace medical equipment and upgrade buildings.

Investing in Community Health and Aged Care Services
The Government continues to invest in aged care and community health services across Victoria. The budget allocates significant funding for new and enhanced facilities and programs, including:

- $36 million TEI for community health facilities at Stawell, Hastings and Murtoa and $1 million for planning work at Doutta Galla Kensington Community Health Centre;
- $58 million TEI to invest in and expand residential aged care services, including Stage 2 Caulfield General Medical Centre, Nathalia District Hospital and Aged Care and Stage 1 Leongatha Hospital;
- $4.5 million TEI to expand the successful Aged Care Land Bank to provide not-for-profit aged care providers with access to government land at concessional prices; and
- $148 million over four years to continue the successful Victorian Drug Strategy, including prevention, treatment programs as well as the ‘war on ice’ campaign.

Supporting our Ambulance Services
Victoria’s ambulance services are attending more calls than ever before. The budget continues the Government’s commitment to providing high quality and responsive ambulance services, including:

- $22 million over four years to expand ambulance services in Bacchus Marsh, Hastings, Melton, Sunbury, Whittlesea, Altona, Doncaster East and Moe, as well as a new rural branch in Lara;
- $10 million TEI for additional vehicles, leasing and fit-out costs incurred in upgrading ambulance services at Frankston, Cheltenham, Knox, Geelong, Belmont, Norlane, Wonthaggi, Stawell, Lismore, Daylesford, Warragul and Yea; and
- $8.3 million TEI for Stage 2 of the new Emergency Services Precinct at Essendon Airport, which provides new facilities for Air Ambulance Victoria’s fixed-wing fleet.
Over the past two years, the Government has provided more than $1.6 billion under its action plan A Fairer Victoria to create new solutions and opportunities for disadvantaged Victorians. The 2007-08 Budget continues the Government’s commitment to support and assist disadvantaged groups in the community.

Giving Children the Best Start in Life
Under A Fairer Victoria, the Government has invested $385 million in children’s services. This budget provides $157 million and $14 million TEI over four years for families and children, including:

- $29 million over four years to lift the kindergarten subsidy from $320 to $730 a year for Health Care Card holders, effectively making kindergarten free for children of low income families;
- $35 million in grants over four years to upgrade not-for-profit kindergartens and child care centres and to construct 40 new Children’s Centres;
- $14 million TEI to upgrade facilities for children who cannot live at home due to abuse or neglect; and
- $14 million over four years for improved support for children with disabilities, autism or high needs.

Helping Older Victorians Stay Independent
Over the past two years, A Fairer Victoria has supported older Victorians, and this budget provides additional funding to help older Victorians remain healthy and active members of the community. Key initiatives include:

- $85 million over four years for Home and Community Care services to support older people living at home, as well as the provision of 1 000 personal alert units;
- $9.8 million over four years to cut waiting lists for spectacles, establish a mobile eyecare service and improve oral health for disadvantaged older Victorians; and
- $8.2 million over four years for adult education programs, including ‘skilling up’ retired workers.

Creating New Opportunities for People with a Disability
Since coming to office, the Government has provided over $450 million to ensure people with a disability and their families have access to targeted services throughout the community. This budget provides a major boost in funding to improve services for people with a disability, including:

- $30 million over five years to provide an additional 15 000 items through the Victorian Aids & Equipment Program for people with disabilities and older people;
- $70 million over four years to create flexible accommodation and support packages for 1 300 people with a disability;
- $12 million over three years from 2008-09 to enable an additional 300 people per year with an acquired brain injury to access the Slow to Recover support program;
- $15 million TEI for new and upgraded community residential units; and
- a $29 million package for expanded respite services, and support for carers.

Supporting Indigenous Victorians
The Government has worked in partnership with Victorian Indigenous communities and organisations to create new opportunities, improve access to health services and strengthen communities. The budget builds on this progress with a further $20 million over four years and includes:

- $11 million over four years to improve the lives of young Indigenous Victorians, including greater participation of Indigenous children and families in early childhood and education services;
- $5.1 million over four years for leadership and capacity building in Indigenous organisations; and
- $1.8 million over two years to the Koori Business Network program to promote Indigenous business products and services.
Over the past seven and a half years, the Government has invested heavily in community safety to ensure Victoria remains one of the safest places to live, work and raise a family. This investment has included 1,400 additional police, more than 150 new police facilities and more than $240 million to fight organised crime and terrorism. Since 2000, funding for Victoria’s police has increased by more than 50 per cent, and the State’s crime rate has reduced by 22 per cent.

The 2007-08 Budget builds on this progress with a further $318 million over five years and $167 million TEI for community safety and improved judicial and correctional responses.

Supporting Victoria’s Police and Emergency Services
The Government is delivering on its commitment to provide more resources to Victoria Police to fight crime and support modern policing, with major initiatives including:

- $94 million over four years and $1.7 million TEI for 350 new police, 25 specialist ‘crime fighters’ and 25 forensic investigators;
- $86 million TEI for eight new police stations at Sandringham, Swan Hill, Ouyen, Ararat, Foster, Box Hill and Kyneton, a station serving the Langwarrin and Carrum Downs area, and the refurbishment of the Sunbury police station;
- $12 million over five years and $0.9 million TEI for the Office of Police Integrity to provide an enhanced special intercepts and monitoring capability;
- $14 million to provide police on the beat with improved weapons and equipment;
- $8 million TEI to support the operation of the Victoria Police crime department, including improved interview rooms for victims of crime and their families and offenders; and
- $7.7 million over three years and $2.3 million TEI to improve visibility of police on our streets by increasing the police fleet by 100 vehicles and increasing the number of marked cars in the existing fleet.

The budget also provides $58 million over four years and $22 million TEI to support Victoria’s emergency services, including a funding boost to the State Emergency Service.

Investing in Court and Legal Services
The Government will ensure that all Victorians have access to fair and affordable justice, including improved support for victims of crime and their families. The budget provides:

- $43 million over four years and $1.9 million TEI for additional Supreme and County Court judges and support staff and increased resourcing of the Office of Public Prosecutions, to reduce court delays;
- $32 million TEI and $12 million over four years to improve the delivery of coronial services in line with recommendations by the Victorian Parliamentary Law Reform Committee;
- $8.8 million over four years to expand Community Legal Centres to rural and regional Victoria;
- $11 million over four years for an improved response to family violence, including the continuation of specialised Family Violence Courts and enactment of a new Family Violence Act to better protect women and children experiencing family violence; and
- $8.4 million over four years to increase state compensation to victims of crime by 30 per cent.

Improving Correctional Responses
The Government recognises the importance of being tough on crime, while also addressing the causes of crime to break the cycle of reoffending. The budget provides a range of measures to tackle crime and meet community expectations in the management of offenders.

Key initiatives include:

- $25 million over five years to increase the capacity of the corrections system, through the provision of new beds in existing facilities;
- $2.9 million over two years for the continued operation of the Sentencing Advisory Council, ensuring the community has input into sentencing issues;
- $6.6 million over two years to continue the Asset Confiscation Scheme, which seizes and disposes of the proceeds of crime;
- $4.5 million over three years for graffiti prevention and removal, including the continuation of the community-based offender clean up program; and
- $6.6 million over four years to continue the home detention program, which provides an alternative to incarceration for low-risk offenders.
As Victoria’s population grows, so too will the pressure on our transport network.

Through the Meeting Our Transport Challenges statement, the Government is injecting $10.5 billion into the state’s transport system over ten years. The budget continues to deliver Meeting Our Transport Challenges. It provides funding of $709 million TEI and $122 million over five years to continue the Government’s program of investment in rail services and infrastructure.

The Government considers rail to be a key element of Victoria’s transport strategy and has a strong record in investing in Victoria’s rail system. This investment includes the biggest regional rail upgrade in more than 120 years, the new Southern Cross Station, new trains and major upgrades to the metropolitan rail network.

Securing Victoria’s Regional Train Network
Over recent years, the Government has introduced new regional train services. In order to ensure the success of future improvements to regional services, the Government has initiated strategies to ensure that both passenger and freight rail services can operate safely and with certainty into the future.

The 2007-08 Budget provides:
• $134 million TEI to buy back the regional rail track operating lease from operators Pacific National, restoring the network to public control;
• $53 million TEI for the Mildura freight upgrade; and
• $25 million TEI for maintenance and upgrades of the regional rail network.

Additional Train Services
The Government understands that commuters want to travel in comfort and arrive on time. However, an unprecedented increase in passenger numbers on Victoria’s trains is placing significant pressure on the rail network.

The Government is working with operators to maximise the use of the existing fleet to provide additional services, particularly during the morning peak period.

As part of the 2007-08 Budget the Government is providing $340 million TEI and $22 million over four years for additional metropolitan train services, including improving the availability of the existing train fleet, the purchase of 10 new trains and training an additional 22 train drivers.

Improving Metropolitan Rail Services
Demand by Melbourne commuters for rail services continues to grow. To meet this demand and boost the capacity of the metropolitan network, the Government is funding an extensive capital infrastructure program as part of the Meeting Our Transport Challenges statement.
Improving Road Connections

The Government is continuing to improve the capacity, safety and management of Victoria’s roads.

The Government has made significant investments to improve Victoria’s roads through the Better Roads Victoria Trust. A total of $5.3 billion was provided as part of Meeting Our Transport Challenges for new bus services in the city and regional Victoria, improving Melbourne’s east-west transport corridor and better road connections throughout the state.

Investing in Victoria’s Road Network
Including Meeting Our Transport Challenges projects, the 2007-08 Budget commits $236 million TEI and $10 million over two years for road projects and programs, including:

- $103 million TEI to upgrade key arterial roads in outer metropolitan Melbourne;
- $91 million TEI to upgrade regional roads, including the construction of Stage 4 of the Geelong Ring Road, extending it to Anglesea Road; and
- $30 million TEI for a targeted congestion improvements program to improve traffic flow and relieve congestion at key locations on the metropolitan arterial road and freeway network.

Expanding Bus Services
SmartBus is an innovative initiative to provide reliable and fast cross-city connections that travel between suburban activity centres and interchange with the established rail network. Further funding of $5.2 million is provided in the 2007-08 Budget to continue the roll-out of this service.

Reducing Public Transport Fares
An increasing number of commuters are travelling from outer-metropolitan Melbourne and regional Victoria to the Melbourne CBD on a more regular basis. With increasing congestion on our roads and rising fuel prices, the Government recognises that fares should be as low as possible for commuters in Victoria who travel long distances.

The 2007-08 Budget provides $94 million to reduce V/Line fares by 20 per cent and fund the removal of Zone 3 for those commuters in Melbourne’s outer east.
Strong regional and rural communities are essential for Victoria to thrive, and our state will not meet its full potential unless both city and country prosper together.

Changing lifestyles and expectations in the bush, and the rationalisation of regional industries such as farming, present both challenges and opportunities for provincial communities.

The Government has a strong track record in supporting provincial Victoria. Over the past six years the Government’s achievements include establishing the Regional Infrastructure Development Fund, upgrading regional rail infrastructure and services, creating the Victorian Water Trust, and delivering broadband connections to all government schools.

More recently the Government released its policy statement Moving Forward, which provided $502 million for initiatives to assist provincial Victoria adapt to the impacts of growth and change.

The 2007-08 Budget provides for further initiatives to support provincial Victoria to grow and move forward.

**Improving Regional Services**

The Government recognises that regional communities need additional support to maintain high quality services. The 2007-08 Budget continues the Government’s commitment to investing in regional services, including:

- $123 million TEI to replace, modernise and rebuild regional schools;
- $42 million TEI for five new or rebuilt police stations;
• a $30 million boost to regional bus services;  
• $25 million TEI for new hospital facilities at Warrnambool and Ballarat, and planning at Geelong and Bendigo;  
• $38 million to increase emergency on-call arrangements, create an additional 11 training posts for general practitioners, eight new rural GP obstetrics training positions and an additional 15 training posts for medical specialists in rural hospitals;  
• $22 million over four years to provide for additional elective surgery in rural Victorian hospitals; and  
• $48 million TEI for new or upgraded community health and aged care centres in Stawell, Nathalia and Leongatha.

Strengthening Regional Industry
The Government continues to support regional industries to attract new investment, secure new markets and create local jobs. The 2007-08 Budget provides:
• $180 million for a new biosciences research centre that will reinforce Victoria’s leadership in agricultural biotechnology and protect the State’s primary industries from plant and animal disease;  
• $30 million over four years to protect farms and the natural environment from pests and weeds;  
• $23 million over four years to promote regional tourism;  
• $2 million over four years to support Farmers’ Markets;  
• $5 million over three years for a Local Roads to Markets program to expand the eligibility of the Dairy Industry Local Roads program to include other selected agricultural and horticultural producers who do not currently have B-Double access to their properties;  
• $4 million over three years to help farmers to develop more efficient energy usage on their properties;  
• $5 million over three years to improve regional airports across Victoria; and  
• $4 million over three years to improve and upgrade rural showgrounds.

Helping Provincial Communities
Manage Climate Change and Water
In addition to initiatives for provincial Victoria in the Government’s 2006 environmental statement, Our Environment Our Future, the 2007-08 Budget provides $13 million in 2007-08 to refocus the Our Rural Landscape program to develop scientific solutions to the threats posed by climate change, including options that are commercially viable. The budget also invests in significant new water projects, including:
• $20 million over four years to assist small towns to improve their water quality;  
• $10 million TEI to continue the Werribee Vision, increasing Melbourne’s capacity to treat additional recycled water for the Werribee Irrigation District;  
• $10 million over four years to assist farmers to develop farm water management plans and more efficient on-farm irrigation systems through the Water Smart Farms program;  
• $4 million over two years for a major recycled water project for Leongatha; and  
• $38 million TEI for the Shepparton Irrigation Area.

Combating Bushfires
Bushfires can devastate regional communities and surrounding countryside, and the destruction left behind can take years to mend. Although bushfires can never be completely avoided, the Government is committed to limiting the number and impact of bushfires, and assisting affected communities to recover.

In March 2007, the Government announced an extensive $138 million bushfire recovery package to assist communities recover and rebuild from the effects of the recent bushfires. The 2007-08 Budget provides funding to support these initiatives, including:
• $30 million over four years and $12 million TEI to boost the capability of the State Emergency Service to respond to calls for assistance, and replace and upgrade equipment;  
• $11 million for the replacement of bridges and fences in parks and forests and restoration of built assets in affected parks in Gippsland and North East Victoria;  
• $14 million over four years to provide grants to emergency service units to assist with the purchase of equipment and the recruitment of more volunteers; and  
• $9 million TEI for the replacement of rural fire stations to enhance the Country Fire Authority’s ability to respond to and fight bushfires.
Victoria is one of the most liveable places in the world, with an array of vibrant neighbourhoods and communities. Victoria is renowned for its diversity, culture, energy and cohesiveness, and the Government is committed to ensuring that Victoria remains a great place to live, work and raise a family.

The 2007-08 Budget provides further funding for initiatives to promote Victoria’s liveability.

**Melbourne 2030 – Planning for Sustainable Growth**

Victoria is a growing and thriving State, with around 1.3 million more people expected to call Victoria home by 2030. Melbourne 2030 – Planning for Sustainable Growth, is the Government’s long-term plan to manage this population growth across metropolitan Melbourne and the surrounding region.

As part of Melbourne 2030, the Government is investing in renewing and revitalising local communities by providing funding to undertake civic works and develop integrated transport connections at designated Transit Cities.

In addition to the $219 million provided in 2006-07 for Melbourne 2030 projects, this budget commits $75 million to rejuvenate major suburban centres including:

- $38 million TEI and $14 million over four years in Footscray to construct a new footbridge at the train station, integrate the station forecourt with the business district and build walking paths;
- $3.6 million TEI and $2.2 million over two years in Geelong for works required to improve the pedestrian link between the train station and the central business district;
- $7 million over two years towards the redevelopment of Greensborough; and
- $3.4 million TEI and $2 million in 2007-08 in Ringwood to undertake planning and design works for the upgrade of the train station and town square.

**Building Stronger Communities**

The Government recognises the importance of vibrant, inclusive and engaged communities, and since 1999 has invested in a range of community building programs, including more than $145 million of community support grants for over 470 community projects.

The Government is proud of Victoria’s cultural diversity and tolerant community, and will continue to ensure that all Victorians have the opportunity to fully participate in community life.

The budget provides:

- $63 million over four years to extend the Victorian Community Support grants, Community Centres programs and Men’s Sheds;
- $21 million over four years for the Living Libraries program to upgrade libraries throughout Victoria and support The Premier’s Reading Challenge Book Fund;
- $4 million to expand the Community Renewal program to a further two sites bringing the number of communities supported by the program to eight; and
- $14 million over four years for multi-cultural initiatives, including the major redevelopment of cultural precincts, increased funding for the Ethnic Communities Council of Victoria and an increase in the multicultural grants program.

**Boosting Investment in Sport, Recreation and the Arts**

The Government continues to build on Victoria’s position as the sporting and cultural hub of Australia. The 2007-08 Budget includes:

- $76 million over four years to help councils to replace or upgrade swimming pools and build community sporting facilities;
- $23 million over three years and $2.9 million TEI for community sports projects funded by the 2006 Commonwealth Games surplus;
- $57 million TEI to expand the rectangular stadium in the Olympic Park precinct, enhancing Victoria’s reputation for world-class sporting facilities;
- $45 million over four years to provide additional recreational fishing and four-wheel driving opportunities and facilities;
- a $54 million package for a range of arts programs, including developing arts programs for schools and diverse communities, grants to performing arts companies and arts and cultural facilities in Melbourne’s suburbs; and
- $8 million TEI and $1 million over four years to the City of Literature initiative, to develop Australia’s first Centre for Books and Ideas.