

2022-23 Victorian Budget

May 2022

On 3 May 2022 Victorian Treasurer the Hon. Tim Pallas MP delivered the Andrews Labor Government's eighth Budget.

The 2022-23 Budget is aimed at recovering from the impact of the COVID-19 Pandemic, with a key feature of the budget being the *Pandemic Repair Plan* and a significant investment in health.

The Treasurer laid out the Victorian Government's plan to rebuild the state's health system through the \$12 billion *Pandemic Repair Plan* to support staff, services and infrastructure.

The Budget includes a \$1.5 billion COVID Catch-up Plan to deliver the elective surgeries Victorians missed out on during the pandemic.

A significant feature of the Budget is the creation of the first mRNA manufacturing facility in the southern hemisphere right here in Victoria, with the capacity to create 50 million COVID-19 rapid antigen test per year.

The Budget also delivers \$383 million to operate new transport infrastructure delivered as part of the Big Build.

The Treasurer's Budget speech is available [here](#).

The 2022-23 Budget is available in full [here](#).

The Budget Outlook

The outlook for the Budget is projected to be:

- 2021-2022 an estimated operating deficit of \$17.6 billion.
- 2022-2023 an estimated operating deficit of \$7.9 billion.
- 2023-2024 an estimated operating deficit of \$3.3 billion.
- 2024-2025 an estimated operating deficit of \$1.1 billion.
- 2025-2026 an estimated operating surplus of \$650 million.

Victoria's economy is expected to grow by 3.25 per cent in 2022-23, employment by 1.75 per cent, and the unemployment rate is expected to remain at its current rate; averaging 4 per cent. This follows a strong and rapid recovery in late 2021 and early 2022 from the impacts of the Delta variant of COVID-19 and necessary public health restrictions. Overall Gross State Product ("GSP") growth in this year is expected to be 5.50 per cent, with the economy entering 2022-23 in a healthy position.

Health

Pandemic Repair Plan

A key feature of the *2022/23 Victorian Budget* is the Pandemic Repair Plan, giving a significant boost to the Victorian health system. The key spending commitments include:

- More than \$12 billion for health; for more nurses, doctors, paramedics, health services and new and improved health infrastructure.

Supporting Health Workers

- \$124 million investment for Ambulance Victoria to recruit 90 more paramedics.
- \$9.7 million to support an additional 75 Registered Undergraduate Student of Midwifery positions.
- \$8 million for Ambulance Victoria to deliver the recommendations of the Equal Opportunity and Human Rights Commission's review into workplace equality.

Emergency Response

- \$333 million to add nearly 400 new staff to increase Triple Zero call taking and dispatch capacity for Triple Zero services.
- \$236 million to expand the emergency departments at Casey Hospital and Werribee Mercy Hospital to at least double their current capacity.
- \$99 million to Ambulance Victoria to enhance the fleet management system.

Building and upgrading hospitals

The *2022-23 Victorian Budget* invests \$2.9 billion in health infrastructure, including:

- \$900 million for a new tertiary hospital in Melton.
- \$500 million to deliver the Barwon Women's and Children's Hospital.
- \$300 million boost for the Regional Health Infrastructure Fund for projects ranging from operating theatre refurbishments to equipment upgrades.

COVID Catch-up

The COVID-19 pandemic has significantly disrupted elective surgery. The *2022-23 Victorian Budget* includes the following investments to assist patients to receive their required surgeries:

- \$1.5 billion to increase surgical activity beyond pre-pandemic levels by providing 40,000 extra surgeries in the next year, increasing to 240,000 surgeries annually by 2024.
- \$2.4 billion for more emergency staff.
- \$698 million for the Better at Home program to continue the delivery of healthcare through the use of home-delivered and virtual care.

Ongoing COVID Response

The *2022-23 Victorian Budget* invests \$4.2 billion to support our ongoing pandemic response, including:

- \$522 million to support hospitals to treat COVID-19, and a further \$110 million on specialised care pathways and continuing the 28 general practitioner respiratory clinics.
- Investment in prevention including \$284 million for PPE and \$258 million to continue vaccinations.
- \$1.1 billion to purchase and distribute free rapid antigen tests to schools, hospitals, Victorians with disability and other priority cohorts.

Mental Health

The 2022-23 Victorian Budget builds on previous budgets by investing \$1.3 billion in the states mental health system, including:

- \$218 million for 82 new beds in Victoria's mental health system.
- \$196 million to replace and expand Shepparton's mental health facility at Goulburn Valley Health, and to purchase land and undertake further planning to deliver additional acute mental health beds in regional Victoria.
- \$124 million for ongoing redevelopment of the Thomas Embling Hospital.

Older Victorian's

- \$146 million to build three new public sector residential aged care facilities in Camperdown, Mansfield and Orbost including planning funding to redevelop the Bright and Heywood aged care facilities.

Transport and Infrastructure

The Big Build

The 2022-23 Victorian Budget includes \$383 million to operate new transport infrastructure delivered as part of the Big Build, including level crossing removals, rail extensions, train station upgrades and road upgrades. Some highlights include:

Public Transport

- \$265 million into new and upgraded trains and trams.
- \$248 million invested in the regional rail network.
- \$109 million to improve suburban and regional bus services and bus stops.

Roads

- \$213 million for the Mickleham Road 1.6-kilometre road upgrade.
- \$126 million for road upgrades in metropolitan Melbourne.
- \$101 million in regional road upgrades.
- \$780 million on road maintenance works across the metropolitan and regional road network.
- \$263 million to continue to deliver Victoria's 2021-2030 Road Safety Strategy and the first three-year Road Safety Action Plan.

Education

The 2022-23 Victorian Budget includes a significant investment in education infrastructure, including a \$1.8 billion investment in building new schools and upgrading existing schools.

Building and upgrading schools

- \$581 million to build 13 new schools.
- \$560 million to upgrade 65 schools, including 36 special schools.
- \$247 million for essential maintenance and compliance and the Accessible Buildings Program.

Senior secondary school

The 2022-23 Victorian Budget invests \$277 million to transform the senior secondary school system, including:

- \$88 million to increase the number of teachers, including more vocational teachers and support staff.
- \$86 million to introduce an expanded offering of vocational and applied learning pathways and certificates in government secondary schools.

Supporting students

- \$131 million for extra literacy and numeracy support for students who need it most.

Early Years

- \$131 million to continue four-year-old kindergarten services.

Jobs, Skills and Training

- \$353 million to help creative and major events industries recover from the pandemic.

Sick Pay Guarantee

The 2022-23 Victorian Budget invests \$246 million to fund the Sick Pay Guarantee pilot, which supports casual or insecure workers in select industries that don't provide for sick or carer's pay.

Cost of living

Power Saving Bonus

- \$250 payment for all Victorian households that use the Victorian Energy Compare (VEC) website to search for the cheapest electricity deal.
- The *Power Saving Bonus* will help households save \$330 on energy bills annually by using the website and changing their provider or plan.

Manufacturing

The 2022-23 Victorian Budget will deliver the first mRNA manufacturing facility in the southern hemisphere.

- The facility will create 50 million COVID-19 rapid antigen tests per year and create more than 70 local jobs for Victorians.

Industry

- \$120 million for the Victorian Investment Fund to support domestic manufacturing.

Creative Industries

The 2022-23 Victorian Budget invests \$246 million to help creative industries recover from the pandemic.

- \$1.7 billion to transform the Melbourne Arts Precinct.

Justice and Corrections

Police

- \$342 million for an additional 502 police and 50 Protective Service Officers (PSOs) over the next two years.
- \$215 million to equip frontline police officers and PSOs with conducted energy devices

Environment

The *2022-23 Victorian Budget* invests \$215 million to ensure an environmentally sustainable future for Victoria.

Tourism

The 2022-23 Victorian Budget invests \$111 million in visitor economy to attract more tourists.

Community

First Nations

The *2022-23 Victorian Budget* invests over \$400 million in the Victorian Aboriginal Community, including:

- \$151 million for Treaty

Family Violence

- \$504 million for early intervention initiatives.
- \$241 million to support victim survivors.

Vulnerable Children

- \$272 million to improve services and safety to support families and children.

Further information

For more information, please contact your Hawker Britton Victorian consultants JP Blandthorn on + 61 3 9034 3021 and Emma Webster on +61 3 9034 3020. Further Hawker Britton Occasional Papers on the activities of the Victorian Government are available [here](#).