

Victorian Budget 2023-24 23 May 2023

On 23 May 2023, Victorian Treasurer the Hon. Tim Pallas MP delivered the Andrews Labor Government's ninth Budget.

The 2023-24 Budget predominantly focuses towards targeting the debt created by the response to the COVID19 pandemic with a key feature of the budget being COVID Debt Repayment Plan; a measure to approach the \$31.5 billion worth of debt.

The Treasurer notes in his speech the financial difficulties faced by Victorians over recent years, suggesting that the Andrews Labor Government is delivering a budget to help mitigate the financial strains on future generations.

The Treasurer laid out the Victorian Government's plan for the Forestry Industry, looking to transition away from native timber harvesting, set to take effect by January 1, 2024.

The Budget provides another \$7.3 billion to bring Victorians a 'world-class' transport network.

A significant feature of the Budget is the \$4.9 billion dollars set to help strengthen the healthcare system.

The Budget also delivers \$475 million towards the states' First Nations communities, with focus towards assisting treaty processes as well as improving justice and health outcomes for Indigenous Victorians.

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

The 2023-24 Budget is available in full [here](#).

Treasury and Finance

The COVID Debt Repayment Plan

The centre piece of the 2023-24 Budget is that of the COVID Debt Repayment Plan, which has been divided into three phases. The aim of this plan is to achieve the following:

1. To restore the public sector back to pre-pandemic levels.
 - Government to make \$2.1 billion worth of savings over a four-year period by cutting spending on consultants and labour hire.
2. To introduce a temporary and targeted COVID Debt Levy with two components ending in 2033.
 - Increases to pay roll tax for large businesses with national payrolls above \$10million a year, which will affect roughly 5% of Victorian businesses.
 - Lower the land tax threshold which will not affect family homes.
3. To grow the Victorian Future Fund over the next 10 years to ensure that future generations do not wear the debt created by the pandemic.

Health

A key feature of the *2023/24 Victorian Budget* are the upgrades to hospitals around the State, giving a significant boost to the broader Victorian health system. The key spending commitments include:

- Upgrades to hospitals across the state
- Funding extra nurses in order to strengthen the nurse-to-patient ratio.
- Making it free to study nursing.
- Financial assistance to improve emergency departments as well as paramedic assistance.

Supporting Health Workers

This budget allocates \$201 million to assist healthcare workers, including:

- \$73 million for additional nursing staff in intensive care, high dependency and emergency department units.
- \$37 million in sign-on bonuses for new nursing graduates.
- \$32 million for medical graduate incentives to undertake General Practitioner Training.
- \$201 million to improve emergency departments and ambulance care.

Building and Upgrading Hospitals

- \$320 million for the Hospital Infrastructure Delivery Fund.
- \$44 million for eight more PET scanners across the State.
- \$40 million towards the Metropolitan Health Infrastructure Fund to upgrade essential equipment.

Mental Health

- \$776 million dedicated to better mental health care services in the workplace.
- A promise to build 50 new Mental Health and Wellbeing Locals across the state, with \$91 million in this Budget being put towards commencing work on the first three.

Research

- \$103 million to increase access to highly specialised therapies and genomic testing for those suffering from rare cancers and diseases.
- \$35 million for additional clinical care, training and research.

Transport and Infrastructure

Public Transport

- \$650 million to increase train capacity on the Melton line.
- \$601 million for an additional 23 trains for the rural train networks across the state.
- \$60 million for works to run the Next Generation Trams in Melbourne's West.
- \$36 million investment to deliver Victoria's Bus Plan.

Roads

- Further works to ensure the removal of 110 level crossings by 2030.
- \$2.8 billion for a program of road maintenance and renewal including a \$694 million road blitz to upgrade key roads and intersections, especially in the Western suburbs.

Education

The *2023-24 Victorian Budget* includes a significant investment in education infrastructure, focussing \$2.1 billion towards the building and development of new schools as well as upgrades and maintenance for existing schools in need.

Building and upgrading schools

- Upgrades to TAFE campuses across the state including new, built-for-purpose facilities.
- \$450 million towards building and upgrading low-fee independent and Catholic schools.

Supporting Students

- A \$235 million package to expand out-of-hours care.
- \$235 million to assist students living with a disability, their families and carers.
- \$169 million to assist families cover the costs of excursions and school camps.
- \$105 million towards support for students including cheaper uniforms, affordable glasses for students as well breakfast programs.
- \$4.6 million to deliver the Safe Schools Program to support LGBTIQ+ students.

Early Years

- Plans to build 50 government-owned and run Early Learning Centres.

Jobs, Skills and Training

- Plans to lift the payroll tax-free threshold from \$700,000 to \$900,000 from 1 July 2024, with a further increase to \$1 million by 1 July 2025.
- Economic Growth Package to abolish the business insurance duty from 2024/25.
- Free car registration for apprentices who rely on their vehicles for work.
- A further \$12 million to continue to support the growing mRNA industry in Victoria.
- \$19 million for 10,000 students to undertake work experience in the clean-energy sector.
- \$16 million to deliver two new clean-energy worker training centres – one for wind and one for hydrogen.
- \$50 million to establish the TAFE Clean Energy Fund.

Cost of living

Power Saving Bonus

- \$400 million to introduce a fourth-round of the Power Saving Bonus with an additional \$250 to ease pressures placed by rising bills costs.

Manufacturing and Industry

- Introduction of the Boosting Victorian Exports program to assist businesses in reaching international markets.
- Establish the new Industry R&D Infrastructure Fund.
- Establish a Manufacturing and Industry Sovereignty Fund.

Creative Industries

- \$35 million to support live music and community broadcasting.
- \$23 million to expand the Major Events Fund.

Environment

- \$16 million for Solar Victoria to provide interest-free loans to eligible households to install solar battery storage systems in their home.
- \$84 million to keep backing land conservation programs.
- \$9.3 million to support not-for-profit and community veterinary clinics.
- \$9.2 million for wildlife protection programs.

Emergency Response

- \$34 million for upgrades to emergency services, including VICSES facilities, Life Saving Victoria, and the CFA.
- \$40 million to transition Forest Fire Management Firefighters into permanent roles.

Community

First Nations

The *2023-24 Victorian Budget* invests \$475 million in the Victorian Aboriginal Community, including:

- \$82 million for the First Peoples' Assembly of Victoria to enter Treaty negotiations.
- \$140 million to reduce Aboriginal over representation in child protection and family services.
- \$35 million to support 25 self-determining Aboriginal Community Controlled Health Organisations.
- 17 million to improve justice outcomes for Aboriginal Victorians.

Women

- \$86 million to assist new parents with free Maternal and Child health services.
- \$58 million for 20 new women's health clinics.
- \$50 million to fund up to 3.375 treatment cycles to help families access public fertility care.
- \$65 million to fund 10,800 extra laparoscopies to help treat people who suffer from endometriosis.
- Boosting the Alice Anderson Fund to provide additional support to start-ups led by Victorian Women.
- \$23 million to provide free period products in public places as well as \$16 million to provide period products in government schools.

Family Violence

- \$117 million to continue to support survivors of family violence.

Older Victorians

- \$164 million to provide better aged care services in regional areas.
- \$42 million to be invested in public sector residential care services.

Veterans

The *2023-24 sees* the introduction of the Victorian Veterans Card. This card will ease cost of living pressures for our vets in the following aspects:

- Discounts on vehicle registration
- Free fishing and boating licenses.

Young People

- \$33 million to assist young people to transition out of residential care and into independent housing.



- \$548 million to meet the demand for residential care placements for children and young people.

Regional Victoria

The *2023-24 Victorian Budget* invests \$5 billion into regional Victoria to tackle rising costs affecting local residents. This includes:

- The installation of neighbourhood batteries to tackle power bills.
- Investing in regional health care.
- Reducing the cost of public regional public transport fares.

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](#).