

2021-22 Victorian Budget

Summary

This year's [Victorian Budget](#) has the health and wellbeing of Victorian communities at its centre with significant new state spending on mental health and new infrastructure projects. The focus is clearly on job creation across the state over the next four-year period.

These initiatives will be funded through improved GST revenue coming through to the state from the Commonwealth, increased expectations for fines and increased land taxes and stamp duties. A new Mental Health and Wellbeing Levy for large businesses will be introduced from 1 January 2022.

The Treasurer also [announced](#) on 15 May prior to the budget delivered on 20 May 2021 that the State Government's wage policy will be adjusted with a reduction in the guaranteed annual increase from 2% to 1.5%, with impacts to be phased in from 1 January 2022 (also confirmed in Budget No 2, p59). Departmental funding indexation will be guided by CPI forecasts.

The good news is that the state's economic recovery is well underway. Employment and workforce participation have recovered to pre-COVID-19 levels.

For Victorian councils the main impact will be the many new jobs that will be created in their communities as a result of the significant public sector investments in services and infrastructure.

Sufficient housing supply to attract the significant numbers of professional staff who will be providing new mental health services will be a key issue. Rural and regional communities are likely to have to address this quickly. Metropolitan councils will welcome the significant expenditures aimed at assisting the homeless. All councils will continue to deal with infrastructure cost pressures due to high labour and materials demand arising from the infrastructure projects being delivered by the State Government and Commonwealth/State Government construction and housing sector stimulus measures.

Funding provided directly to councils remains mostly business-as-usual. It is pleasing to see that for the first time in a long time the school-crossing supervisors program funded for two years rather than the usual one-year commitment. Similarly, the roadside weed and pests program has been given four years of funding. There is also additional funding for libraries and new community leadership training for women in local government. The Growing Suburbs Fund continues to be funded for a further year.

Despite the Victorian Government expecting to almost double its revenue from landfill levies over the next two years, there is minimal new reinvestment back into waste management. As a sector we will need to continue to advocate for these funds to be used to reduce waste, improve recycling outcomes and accelerate the transition to a circular economy. Lack of climate change adaptation capacity building initiatives for local government is a missed opportunity.

Further information

State Budget links and media releases:

- [Summary and overview](#)
- [Detailed budget papers](#)
- Treasurer's 15 May 2021 [media release](#)

MAV's advocacy documents:

- [MAV media release](#)
- [MAV Position Statement - State Budget 2021](#)

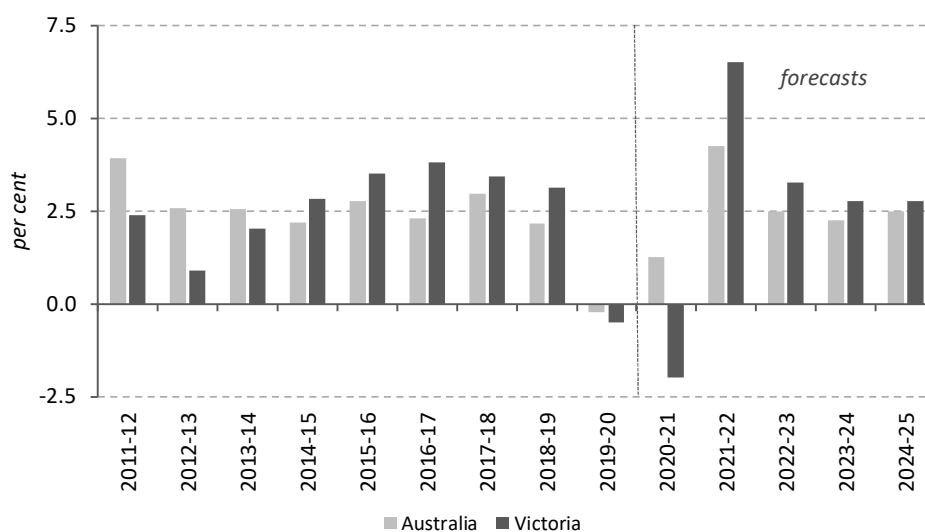
MAV contact: Troy Edwards, Policy & Advocacy Director, E: tedwards@mav.asn.au

Overall economic position

Victoria's economic position has rebounded significantly. This is a change from the negative predictions in the 2020-21 budget announced in November 2020. Continued public sector investments in services and infrastructure, low interest rates and the rollout of vaccines bode well for the forecast period, noting that the nature of the pandemic means that risks to the economic outlook remain elevated.

Economic growth is forecast to be 6.5% is forecast for the coming year. Gross state product is forecast to grow at 4.25%, faster than the national forecast.

Real economic growth, actual and forecast, Victoria and Australia^(a)



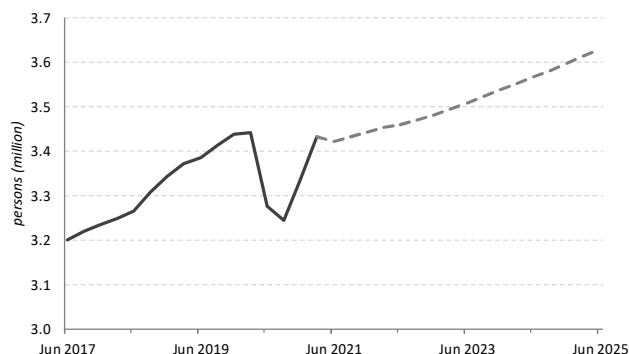
Source: Australian Bureau of Statistics; Department of Treasury and Finance; Commonwealth Treasury

Note (a): Forecasts are rounded to the nearest 0.25 percentage points.

(Source: Budget Paper No 2, p2)

Employment is also expected to remain strong, with workforce participation forecast to grow by 2.5% in 2021-22. Unemployment is expected to have peaked. It is expected to edge lower, averaging 5.75% in 2021-22, from 6.5% in 2020-21.

Victorian employment, quarterly, actual and forecast



Source: Australian Bureau of Statistics; Department of Treasury and Finance

Source: Budget Paper No 2, p3

Key economic assumptions

The economic assumptions underpinning the Budget are set out in the table below. They depend on some significant assumptions. These include the roll-out of COVID-19 vaccines; restrictions on international travel; migration flows being low until mid-2022; tourist numbers increasing throughout 2022; and any COVID outbreaks resulting in localised, short-term restrictions.

	2020-21 forecast	2021-22 forecast	2022-23 forecast	2023-24 projection	2024-25 projection
(\$ billion)					
Nominal gross state product	465.3	503.6	528.7	554.8	582.8
(percentage change) ^(a)					
Real gross state product	(2.00)	6.50	3.25	2.75	2.75
Employment	(1.00)	2.50	1.25	1.75	1.75
Unemployment rate ^(b)	6.50	5.75	5.50	5.25	5.25
Consumer price index ^(c)	1.50	1.50	1.75	2.00	2.25
Wage price index ^(d)	1.25	1.75	2.00	2.25	2.50
Population ^(e)	0.00	0.30	1.20	1.70	1.70

Source: Department of Treasury and Finance

Notes:

(a) Percentage change in year average terms compared with previous year, except for the unemployment rate (see Note (b)) and population (see Note (e)). Forecasts are rounded to the nearest 0.25 percentage points, except for population (see Note (e)). The key assumptions underlying the economic forecasts include: interest rates that follow movements in market expectations; an Australian dollar trade-weighted index of 61.5; and oil prices that follow the path suggested by oil futures.

(b) Year average.

(c) Melbourne consumer price index.

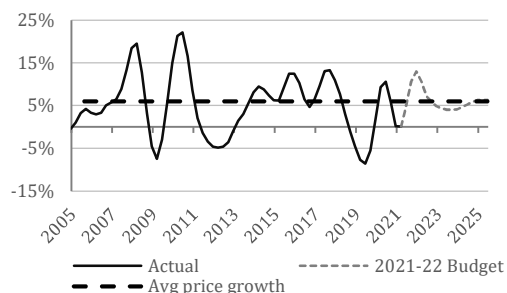
(d) Wage price index, Victoria (based on total hourly rates of pay, excluding bonuses).

(e) Percentage change over the year to 30 June. Forecasts are rounded to the nearest 0.1 percentage point.

(Source: Budget Paper No 5, p16)

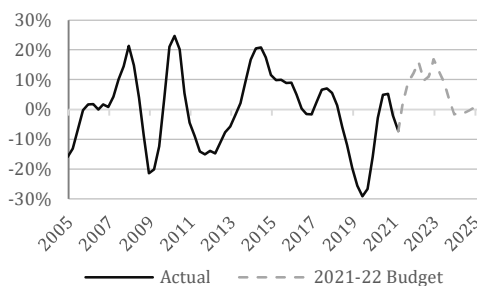
Property and dwelling trends

Through the year growth of dwelling prices is predicted to stay in the black. Prices returned to a positive growth rate through the 12 months ending in the March 2021 quarter. This will peak (due in part to a low base from price falls prior to and during the pandemic) in the 2021 calendar year, then settle around a long-term average of just under 6%. Similarly, growth in transaction volumes is projected to have returned to a positive through the year ending June 2021. These volumes are projects to largely stay there with a dip through the 12 months ending March 2024.



Dwelling prices in Victoria, (through the year growth, quarterly)

Source: Budget Paper No 5, p. 172



Transaction volumes in Victoria (through the year growth, quarterly)

Source: Budget Paper No 5, p.172

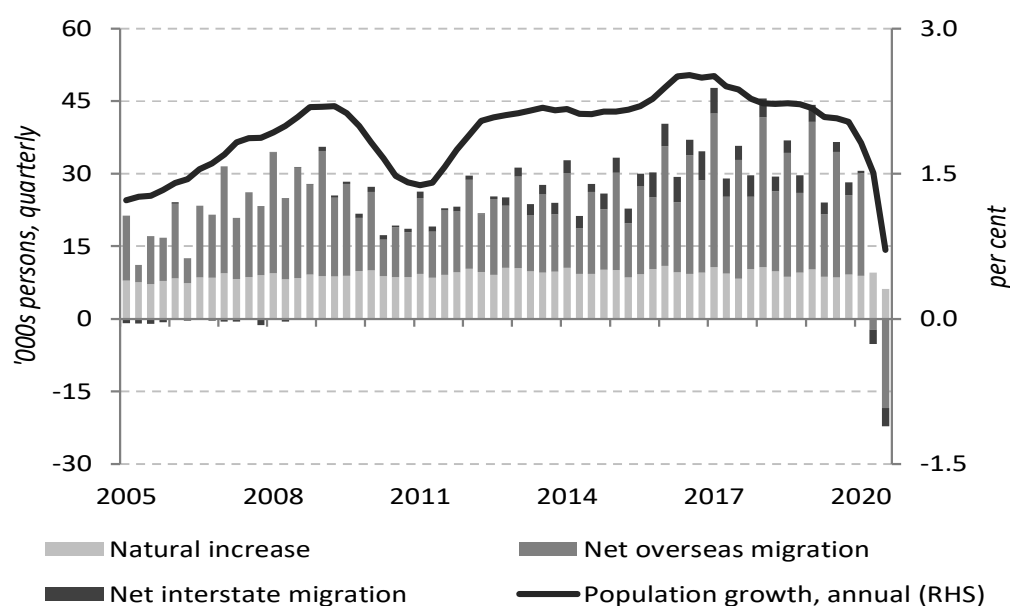
The Budget notes these projections will be heavily affected by the presence or absence of overseas migration. Effects in property markets have also been diverse across regions and property types. The rental market in regional areas has tightened significantly. This will pose additional challenges to accommodating key workers.

As property taxes form the core of State revenue, any shift from these projections will have major implications for the overall budget position. Incorporating progressive rates in stamp duty and land tax, rather than the current flat rates, will make these impacts more pronounced as the proportion of land and transactions paying a higher rate will also fluctuate.

Population

Overall, Victoria's population is forecast to be unchanged from 2020-21, with just 0.3% growth in 2021-22. As national borders reopen and confidence in the economic outlook improves, population growth is expected to slowly pick up, to reach around 1.7% by 2023-24. The Budget is assuming that international students will slowly return from early 2022. (Budget Paper No 2, p38 and Budget Paper No 5, p17)

Change in Victoria's population, total and by category



Source: Australian Bureau of Statistics

Source: Budget Paper No 2, p38

Fiscal strategy

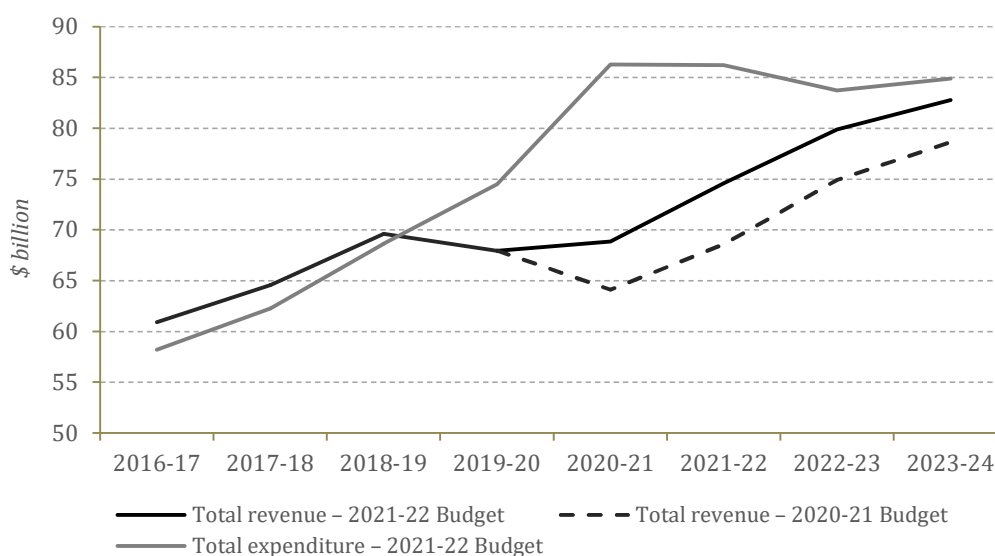
The Victorian Government has outlined a four-stage fiscal strategy consisting of job creation and economic growth, returning to an operating cash surplus, returning to an operating surplus, and finally stabilising debt levels. Operating cash surpluses are expected from 2022-23. This will be delivered on the assumption that there will be improved revenue streams from existing tax sources and the introduction of new revenue-raising initiatives, with total revenues expected to grow by an average of 4.6% a year over the forward estimates. Taxation revenue is expected to grow by an average annual rate of 6.9% a year over the forward estimates (Budget Paper No 2, p62).

Total government expenditure is expected to reach \$86.2 billion in 2021-22, dip slightly for two years but increase again with \$87.4 billion to be spent by the general government sector in 2024-25 (Budget Paper No 2, p61). Operating deficits (net results from transactions) are expected to continue.

Low interest rates are forecast to remain at moderate levels by historical standards. Government borrowings are not expected to need to be increased from last year's plans over the forward estimates.

As illustrated in the following table, expenditure was significantly higher than revenue in 2020-21 due to the pandemic, but the trend is for the government's fiscal position to be significantly more balanced by 2023-24.

Revenue from transactions between 2021-22 Budget and 2020-21 Budget ^(a)



Source: Department of Treasury and Finance

Note:

(a) To improve comparability in this chart, revenue and expenditure in both the 2020-21 Budget and 2021-22 Budget excludes the impacts of the Capital Assets Charge (CAC) policy levied on VicTrack following the discontinuation of the policy from 2021-22. (Source: 2021-22 Strategy and Outlook, p60)

Fee and penalty unit charge:

Following an indexation freeze in 2020-21 to support businesses and households through the coronavirus pandemic, the annual indexation of fee and penalty units will resume in 2021-22. From 1 July 2021, the penalty unit will increase by 10 per cent – from \$165.22 to \$181.74. (Budget Paper No 3, p139).

Taxation revenue sources:

A new Mental Health and Wellbeing Levy will be charged for businesses with national payrolls above \$10 million per annum from 1 January 2022. It is expected to raise \$387 million in 2021-22, rising to \$882 annually by 2024-25. Councils will be exempt from this tax (Budget Paper No 3, p20).

Property-related taxes in particular have been targeted to generate increased revenue. Despite councils being rate-capped at levels close to CPI, state taxes are all expected to rise above CPI. Land tax revenue is expected to grow by an average of 9.0% a year over the forward estimates. Fire Services Property Levy revenue will increase 4% between FY2021-22 and 2022-23.

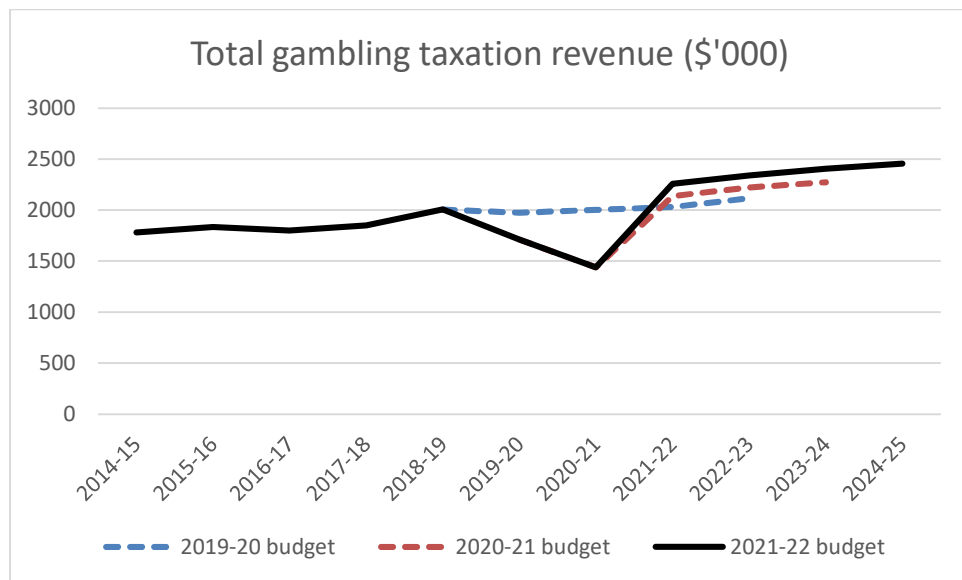
The following table summarises tax revenue sources and expectations.

	2021-22 budget	2022-23 estimate	2023-24 estimate	2024-25 estimate
Taxes on employers' payroll and labour force				
Payroll Tax ^(a)	6 138	6 609	7 448	7 804
Mental Health and Wellbeing Levy ^(b)	387	805	841	882
Total taxes on employers' payroll and labour force	6 525	7 413	8 290	8 686
Taxes on immovable property				
Land tax	4 233	4 655	5 029	5 488
Fire Services Property Levy ^(c)	770	798	805	807
Congestion levy	106	105	104	103
Metropolitan improvement levy	206	215	223	223
Windfall gains tax	..	39	41	44
Total taxes on property	5 315	5 812	6 202	6 665
Gambling taxes				
Public lotteries ^(d)	584	599	615	631
Electronic gaming machines ^(d)	1 158	1 204	1 239	1 264
Casino ^(d)	232	246	252	258
Racing and other sports betting ^{(d)(e)}	272	276	282	288
Other ^(d)	11	15	16	17
Financial and capital transactions				
Land transfer duty	6 710	7 342	7 742	8 026
Metropolitan planning levy	21	21	22	23
Financial accommodation levy	165	168	174	178
Growth areas infrastructure contributions	288	331	364	383
Levies on statutory corporations ^(f)	173	173	173	..
Taxes on insurance	1 626	1 730	1 841	1 959
Total taxes on the provision of goods and services	11 238	12 106	12 719	13 026
Motor vehicle taxes				
Vehicle registration fees	1 931	2 026	2 124	2 229
Duty on vehicle registrations and transfers	979	1 025	1 072	1 121
Liquor licence fees	23	24	26	27
Other	564	652	665	675
Total taxes on the use of goods and performance of activities	3 498	3 727	3 886	4 052
Total taxation revenue	26 577	29 058	31 097	32 429

Source: Department of Treasury and Finance

(Source: Budget Paper No 5, p19)

Gambling tax collections have also not only rebounded more quickly than predicted in last year's budget, they are already projected to be above pre-pandemic projections within the 2021-22 financial year. This reflects projected increased gambling losses and vulnerability that will put further pressure on families, communities, and support services.



BUDGET INITIATIVES

We welcome the upfront acknowledgement of councils' role in recovery from COVID-19 in the 2021-22 Strategy and Outlook report, with all three tiers of government cited as being important in the economy's transition back to private-sector growth. Local government is referenced alongside the Victorian and Commonwealth Governments (Budget Paper No 2, p2).

There are many initiatives contained in this year's Budget which will be welcomed by individual councils for the economic and social benefits they provide for their communities and local businesses.

From a state-wide perspective, grant programs for local government appear mostly business-as-usual. We are disappointed there are no specific funding programs for councils to implement the new Local Government Act 2020 and Gender Equality Act 2020 – these will continue to need to be borne from within existing council resources.

We also note that \$16 million over two years has been allocated for regional and metropolitan partnerships. We continue to be concerned about the potential de-valuing of comprehensive community planning undertaken by councils. We would prefer to see an improved process for the incorporation of council plans and community visions into these partnerships.

The following table summarises state-wide funded programs for local government.

Summary of state-wide funded programs for councils

- \$167.1m over 4 years for kindergarten programs and facilities
- \$50.0m one-year funding for the Growing Suburbs Fund
- \$41.1m over 2 years for school crossing supervisors
- \$11.7m over 4 years for roadside weeds and pest eradication
- \$9.3m over 4 years for public libraries
- Continuation of the Officers for the Protection of the Local Environment (OPLE) program (amount and period unspecified)
- \$1.8m over 4 years for community leadership training program focussed on leadership for women in local government to support councils increase diversity and inclusion
- \$280,000 to complete the third and final phase of the Councils and Emergencies Project

Built and natural environment initiatives

Initiatives of interest:

- \$76.6m over 4 years for sustaining EPA's increased regulatory functions, including funding Officers for the Protection of the Local Environment
- \$66.1m over 3 years towards encouraging electric vehicles in three areas: personal and business subsidies (DELWP), commercial vehicles (DoT), and government fleet (DTF). Across the same period the government expects to collect \$29.7m through the Zero and Low Emission Vehicles road user charge announced in the 2020-21 budget
- \$11.7m over 4 years for roadside weeds and pest eradication
- \$14m over 2 years for the continuation of the Streamlining for Growth grants program
- \$6.6m over 2 years to fund the ongoing implementation of Plan Melbourne
- \$5m in 2021-22 for tree planting to green Melbourne's West
- \$52m over 4 years to continue community-driven biodiversity protection, including Landcare and refresh of the Biodiversity 2037 strategy

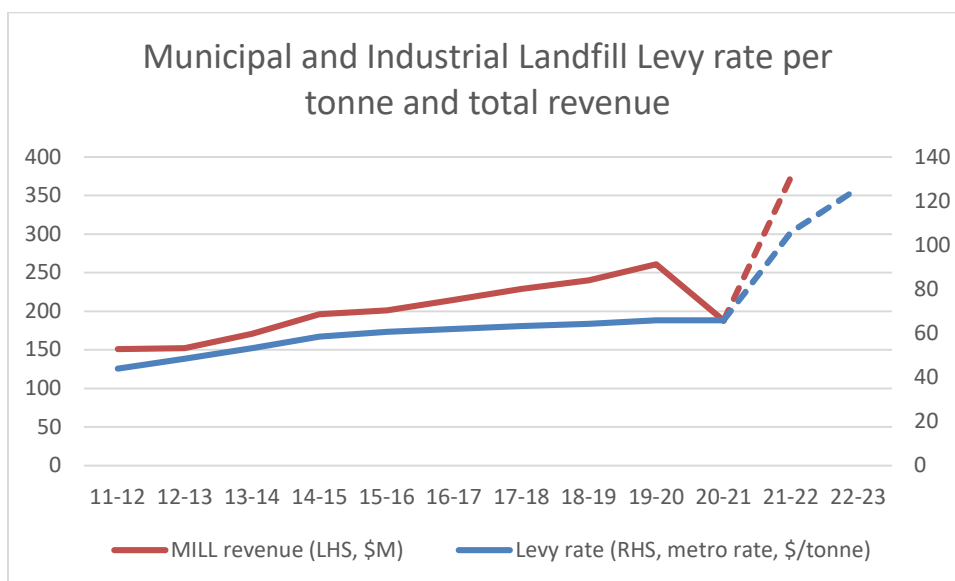
MAV comment:

The 21-22 budget includes no new significant funding commitments for the built and natural environment.

Acknowledging that the 20-21 budget included massive funding for clean energy and energy efficiency programs, this year's budget allocates relatively little funding for climate change initiatives. One of the more sizeable commitments is \$62.9 million over four years for various energy reforms and programs, including ensuring the energy system can handle the rapid growth in renewable energy.

There is no new funding for waste and recycling initiatives. \$225m of the funding for Recycling Victoria from the 2020-21 budget is committed for the coming three years. We are concerned that to date much of this funding appears to have been absorbed by state agencies rather than provided to councils to implement reforms or investment back into the recycling system itself.

Revenue from the Municipal and Industrial Landfill Levy is projected to increase significantly as a result of a 60% increase in the rate per tonne. A further 30% increase is planned for 2022-23. Outside of further funding for EPA activities, including Officers for the Protection of the Local Environment and contaminated site clean-up, the only reinvestment of landfill levy money in this budget is the continuation of the 'maintaining essential energy functions' initiative from previous years. It should be noted that \$476m from the cheaper energy initiatives of the 2020-21 budget (funded through the Sustainability Fund) are projected to be invested from 2021-22 onwards.



We welcome confirmation that the highly successful Officers for the Protection of the Local Environment (OPLE) program will continue. We understand that the program has been allocated \$13.8m over four years. This will be a great outcome when confirmed. It will provide some much-needed certainty for the future of the program.

The four-year funding commitment to the roadside weeds and pests program is another welcome departure from the Government's usual approach of announcing only one- or two-years' funding at a time. This funding certainty will enable councils to leverage better outcomes from the program. The budget also includes an additional \$5.2m over four years to continue the Conservation and Pest Management Program (a partnership between Parks Victoria and the Sporting Shooters Association of Australia) and to work with councils on weed and pest management. We are seeking further details on this.

The budget also includes several smaller-scale commitments for community-led programs and initiatives including Landcare, the Port Phillip EcoCentre and Wildlife Victoria.

Following on from last year's major investment into planning system reform, we were not expecting particularly large commitments this year. It is pleasing that the Streamlining for Growth program has been continued, and additional funding is provided for Plan Melbourne implementation. Continued investment into precinct planning is welcome, both through the VPA and earmarks for specific projects.

Infrastructure and community strengthening initiatives:

Initiatives of interest:

Emergency management

- \$104m for continued bushfire recovery funding for case support, financial counselling, mental health support, legal aid and business support for local residents
- \$384m to continue the Reducing Bushfire Risk Program and Safer Together Strategy to reduce the impact of bushfires on Victorian communities, the economy and the environment
- \$50.4m for emergency management reform, including to implement recommendations from the Inspector-General for Emergency Management (IGEM) Inquiries, Hotel Quarantine Inquiry and Royal Commission into National Natural Disaster Arrangements
- \$28.9m over 4 years for the Victorian fire season and water safety communications strategy and campaigns
- Additional \$2m in 2020-21 for water safety and flood awareness campaigns
- \$280,000 to complete the third and final phase of the Councils and Emergencies Project

Freight

- \$39.4m over 4 years for a new automated road assessment and permit system for heavy vehicles
- \$3.6m for 1 year to continue the Mode Shift Incentive Scheme

Boating

- \$19.2m over 4 years for boating facilities and working with councils and land managers to remove boat ramp parking and launching fees

School crossing supervisor program

- \$41.1m over 2 years

Asset management

- \$1.4m to deliver improvements in road asset management systems for 11 rural councils

Sport and recreation

- \$55m for 1 year for new and upgraded community sport and recreation infrastructure, including for strategic large-scale or regionally significant sporting infrastructure, competitive grant funding and facilities to assist elite and sports development programs of state sporting associations.
- \$4m over 4 years to continue Reclink's ActiVIC program to support equitable access to sport and active recreation for Victorians with a disability, CALD background, Aboriginal Victorians and economically disadvantaged
- \$10 million to extend the Female Friendly Facilities Fund to deliver community pavilions, change rooms, playing grounds, and courts, enabling more women and girls to get involved in grassroots sport

Creative industries

- \$167.3 million *Creative State 2025* funding package will support the arts and creative industries sector after the challenges of the pandemic, including:
 - support for creative enterprises, venues, music events and festivals
 - \$4.5 million for the new Creative Neighbourhoods program, providing creative workers and businesses with greater access to affordable workspaces and fostering creative hubs.

Women

- \$1.8m over 4 years for community leadership training for 120 women across the local government sector

LGBTIQ+

- \$1m for one year for leadership grants and support for LGBTIQ+ community groups

MAV comment:

In emergency management, we are pleased to see continued investment in bushfire recovery and reform projects to respond to the various inquiries. It will be critical that investment continues through the implementation phases so the continued time and effort the sector is putting into reform projects is not wasted. We are pleased to see a further \$280k of funding to complete the third phase of the Councils and Emergencies project. The success of the multi-year project will also depend on funding for implementation and sustained funding to address council capability and capacity in emergency management.

After many years of advocacy calling for more certainty for the school crossing supervisor program, we were pleased to see it funded for another two years. We were disappointed that there was no broadscale investment in walking and bike riding infrastructure, although there were some specific projects funded as part of the Big Build. Similarly, specific road improvement projects and road safety initiatives were announced, however there was no significant boost for local roads funding.

The sport and creative sectors were hit hard by COVID-19. It is pleasing to see the continued investment in sport and recreation, including the announcement of the latest round of stimulus grants. We also welcome the funding for the creative sector through the Creative State (CS25) Strategy. We are awaiting further advice about the MAV's request for funding to support the Local Government Arts & Culture Network.

In the gender equity space, the MAV welcomed the array of initiatives to advance gender equality, including the new gender responsive budgeting unit in the Department of Treasury and Finance, as well as funding for community leadership training focussing on women in local government to support councils increase diversity and inclusion. Unfortunately, there was no additional funding for councils to support implementation of the Gender Equality Act requirements. We are seeking further information from the Department of Families, Fairness and Housing about funding for the local government primary prevention of family violence model, and the continuation of the MAV's Free from Violence grant.

Community services initiatives:

Initiatives of interest:

Early childhood education

- \$33.8 over 4 years for Intensive Early Childhood support for vulnerable children with complex needs
- \$30m over 4 years for Early Years Management
- \$16.2m Extension of funding for Universal Access to Early Childhood Education

Preventing family violence

- \$354m over 4 years to end family violence and progress gender equality, including:
 - \$100m to support the ongoing implementation of information sharing and the Family Violence Multi-Agency Risk Assessment and Management Framework
 - \$49m over 4 years to support survivors of family violence and sexual assault
 - \$44.1m to support children impacted by family violence and sexual assault, including adolescents who use violence at home, to access counselling and care
 - \$18.1m over 4 years for perpetrator accountability
 - \$1.3m over 4 years for pets in refuge
 - \$1.2m over 2 years for 80 new family violence graduates

Youth

- \$25.3m over 2 years to support young people at risk of disengagement from the community

Seniors

- \$1m for 1 year for elder abuse primary prevention, health service response and early intervention
- \$8m for multicultural seniors grants

MAV comment:

Funding for community services is mostly business as usual. The exception is additional funding for kindergartens. We welcome the extension of funding for universal access for early childhood, an issue MAV has consistently and strongly advocated for over many years. It is also pleasing to see that Early Years Management will receive additional funding to improve access and quality of ongoing high-quality kindergartens, as well as the additional investment in children experiencing vulnerability and trauma.

We acknowledge the additional Maternal and Child Health (MCH) funding for services to undertake 'catch up' consultations for families who were unable to access these during the COVID-19 restrictions. The MABELS family violence health justice partnership funding is also welcome. We are disappointed that there has been no commitment to increasing the MCH unit cost to maintain the 50:50 partnership with local government. We will continue to strongly advocate for a more equitable funding split between state and local government.

Funding for council prescribed universal services to undertake information sharing or assessments under the MARAM framework would have been a positive step – we will continue to advocate for these services to be funded to undertake this work.

Mental health and wellbeing programs for young people from rural and regional Victoria receiving additional funding is a positive initiative. We particularly welcome investment into community-led initiatives such as

the Live4Life suicide prevention model, which was pioneered by Macedon Ranges Shire Council and now delivered in six rural communities.

In aged care, there is funding for an additional year for elder abuse primary prevention, however we are uncertain how this will be allocated and whether councils will receive any of this funding. There is also funding to support multicultural seniors' groups in Victoria, with a focus on helping older Victorians to connect with the community through regular social outings, cultural events and activities and promoting health and wellbeing. Again, it is unclear whether this will intersect with any multicultural or diversity services provided by councils.

We also welcome the continued funding for the hotline operated by the Australian Red Cross that provides emotional support to help people feeling disconnected or lonely to engage with their local communities. However, disappointingly there has been no further extension of the Community Activation and Social Isolation Program (CASI), which has supported isolated people throughout COVID.

Health and local economies initiatives:

Mental health

\$3.8 billion for decade-long reform, \$1.02b over 4 years for specific new initiatives, including:

- \$38.4m for eight new interim regional bodies established to develop, coordinate and plan mental health and wellbeing services to better respond to local needs. Regional multi-agency panels will be established to improve coordinated care for those requiring ongoing intensive treatment and support from multiple services
- \$206.3m over 4 years to commence building the pipeline of required mental health workers
- \$13.3m over 4 years to incentivise mental health workers find employment in rural and regional areas
- \$42.3m over 4 years to establish state-wide specialist services for people with mental illness and substance use or addition, including new addiction medicine specialist hubs
- \$217.8m over 4 years to establish a School Mental Health Fund
- \$263.7m over 4 years to establish the first 20 new local adult and older adult mental health and wellbeing services
- \$71.2m over 4 years to establish an independent statutory authority
- \$ m over 4 years to support 2,000 Victorians with supported housing places as part of the Big Housing Build

Housing assistance/homelessness

- \$16.9m over 4 years to meet housing and support needs of people in emergency accommodation, including continuation for crisis hotel accommodation pending longer term arrangements
- \$193.7m over 4 years to support people who are homeless
- \$26.2m over 4 years to tackle rough sleeping

Public health

- \$822.6 over 4 years (\$800.7 in 2021-22) to continue COVID-19 response, including continued operation of local public health units, wastewater surveillance and pathology capacity. Also critical COVID-19 prevention activities, health promotion and specialised responses to high-risk settings
- \$328.9m additional funding in 2020-21 for COVID-19 vaccine rollout to equip a range of vaccine hubs, training immunisers and providing booking pathways
- \$34.4m over 4 years to formalise new shared governance arrangements for the health system that commenced as part of Victoria's COVID-19 response
- \$10.4m over 1 year to establish the foundations for a health-based response to public drunkenness

Disability

- \$2.5m for 1 year to construct new fully accessible public toilet facilities, building on the Changing Places program
- \$9.2m over 4 years for accessible emergency communications for people with disabilities and increase their capacity to plan ahead, including \$1.4 million to improve communications for people with a disability before, during and after an emergency or natural disaster

Libraries

- \$9.3m over 4 years for public libraries to maintain the quality of resources and services



Aboriginal affairs

- \$58.3m over 4 years for the Yoo-rrook Justice Commission which will recognise historic wrongs and address ongoing injustice and truth-telling
- \$27.0m over 4 years to empower Victorian Aboriginal communities through infrastructure and organisational sustainability
- \$20.9m over 4 years to support ongoing self-determination initiatives and implementation of the National Agreement on Closing the Gap
- \$16.9 million over 2 years for phase two of the treaty process
- \$14.2m over 2 years for Aboriginal cultural heritage programs
- \$39.3m for the Koorie Literacy and Numeracy program

Business/visitor economy support

- \$107.4m over 2 years for a Melbourne CBD economic support package
- \$31.1m for 1 year to continue engagement with businesses on industry recovery and adaptation guidance and preparedness to COVID-19, including Public Events Framework observers supporting coordination of safe public events
- \$6m in 2020-21 to expand the Regional Travel Voucher Scheme for an additional 30,000 vouchers for travel to regional Victoria
- \$55m over 2 years for destination marketing to encourage tourism visitation
- \$8.8m over 4 years for continued transition of regional tourism boards to Visitor Economy Partnerships
- \$9.2m for trade programs to attract investment in key economic sectors

Jobs programs

- \$62.3m for a variety of jobs programs, including maximising local jobs and local content

Digital

- \$66.9m outputs over 2 years to continue Service Victoria's operations and improve public access to services by creating new channels for faster, high-volume transactions such as grant applications and permit approvals

MAV comment:

We have welcomed the significant expenditure which will be spent across the state to transform Victoria's mental health system. We would like to see councils funded to implement the social connectedness programs as recommended by the recent Royal Commission into Victoria's Mental Health System – Victorian councils have deep ties to their community and local service providers. There is real opportunity for the State Government to work closely with councils to ensure these community connections are fully utilised.

The significant levels of funding to continue to respond to the COVID-19 pandemic are clearly necessary over the next year and beyond. We particularly welcome the continued investments in supporting homeless people find secure long-term housing.

COVID-19 has highlighted the long-overdue investment in public health systems across the state. Given that local government has a range of statutory public health roles through the Public Health and Wellbeing Act 2008 we will be seeking further insights about the entrenchment of Local Public Health Units into the governance arrangements, and how the interactions with councils will be maintained.

Aboriginal affairs is a focus over the term of this budget. We look forward to working with Local Government Victoria as it confirms the Victorian Aboriginal Local Government Strategy, and with other Aboriginal organisations, including Reconciliation Victoria.

The new funding for public libraries is welcomed, noting that the approximately \$2.2m per year is well short of the \$10 million being sought by Public Libraries Victoria.

Digital transformation is occurring at a revolutionary pace. Billions of dollars are being invested in systems across federal, state and local governments to improve access to services, information and regulatory approvals by businesses and communities. Taking stock of local government systems and identifying opportunities and pitfalls to be avoided will be vital to de-risking State and Federal Government digital initiatives involving local government. The MAV will continue to advocate for funding for coordination support so councils can better participate with state digital programs and platforms that require their collaboration for effective implementation.

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