



2019-2020 State Budget Analysis

The VLGA has used the following criteria to analyse the 2019-2020 State Budget:

1. Economy: Does the policy initiative produce net economic benefit to the State?
2. Equity: Is the policy initiative fair to the vulnerable?
3. Environment: Does the policy initiative address risks of climate change?
4. Intergenerational: Is the policy initiative “future proof”?
5. Financial: Does the policy initiative represent value for money?

Selected budget measures are given an indicative rating to assess their overall effectiveness.

Policy initiative and cost (energy, recycling, outer suburbs)	Impact and commentary	Rating
\$526 million over four years from 2019 to expand the Solar Homes Program. This program will help eligible households, including renters, to install batteries, solar hot water and solar panels to offset their energy costs.	This initiative delivers on the government’s election promise on the expansion of the Solar Homes Program and is aimed at reducing energy bills for low income earners while contributing to the government’s actions on climate change.	✓ Economy ✓ Equity ✓ Environment ✓ Intergenerational ✓ Financial
\$34.9 million over three years from 2019 to 2022 to strengthen the recycling sector. Initiatives include accelerating collaborative procurement, improving market for recycled content and community education.	This initiative falls short of the whole of government response required to tackle the waste and recycling crisis impacting every Victorian. More can be done by the state such as introducing a container deposit scheme and to incentivize councils to procure goods with recycled content, particularly given the financial constraints on council under the rate capping policy.	– Economy – Equity × Environment × Intergenerational – Financial

\$50 million in 2019-2020 year for the Growing Suburbs Fund	This is a one-off funding, with no future commitments beyond 2020. This will be an area of advocacy by the VLGA in our ongoing lobbying efforts.	<ul style="list-style-type: none"> ✓ Economy ✓ Equity ✓ Environment × Intergenerational ✓ Financial
Policy initiative and cost (environment, planning and housing/homelessness)	Impact and commentary	Rating
\$79.7 million over four years from 2019 to create a ring of new parklands in our growing suburbs.	This new initiative delivers the government's election promise and creates new open space and enhances livability of our outer suburbs.	<ul style="list-style-type: none"> ✓ Economy ✓ Equity ✓ Environment ✓ Intergenerational ✓ Financial
\$160.1 million over four years from 2019 for the Cladding Rectification Program	The program will address the findings from the Cladding Taskforce, to remove and replace dangerous cladding from high rise buildings.	<ul style="list-style-type: none"> ✓ Economy – Equity – Environment ✓ Intergenerational – Financial
\$5 million in 2019-2020 to support the planning system to manage and capitalize on Victoria's growth.	Funding to enable better management of increasing demands on critical land use as a result of state's population growth. There is no commitment to examine if the planning system is still fit for purpose	<ul style="list-style-type: none"> – Economy – Equity × Environment × Intergenerational – Financial
\$3.7 million in 2019-2020 to combat illegal stockpiling and mismanagement of hazardous waste.	It is unlikely this one-off funding increase will adequately address the underlying causes of illegal stockpiling of dangerous and hazardous waste. Council are reliant on information and collaboration from other agencies to effectively combat this issue.	<ul style="list-style-type: none"> – Economy – Equity × Environment × Intergenerational – Financial

<p>\$23.9 million over four years from 2019 for housing assistance for domestic violence survivors \$50.4 million over two years from 2019 for homeless support services \$209.1 million over four years from 2019 to build new homes to address homelessness</p>	<p>While the total investment in tackling homelessness and housing assistance are commendable, it represents a fraction of investments in other areas, such as the \$1.44 billion in increase our prisons' capacity. Sustained funding to address housing and homelessness is required.</p>	<ul style="list-style-type: none"> – Economy ✓ Equity – Environment ✓ Intergenerational ✓ Financial
<p>Policy initiative and cost (gambling, transport, and roads)</p>	<p>Impact and commentary</p>	<p>Rating</p>
<p>\$153 million over four years from 2019 for gambling harm prevention \$9 million over two years from 2019 for gambling and liquor regulation</p>	<p>This measure delivers on the government's election promise to support gambling harm prevention. Additional funding to the gambling and liquor regulator will enhance its operational effectiveness. However, the harm from problem gambling to the community far exceeds the allocated funding to address them.</p>	<ul style="list-style-type: none"> × Economy × Equity – Environment × Intergenerational – Financial
<p>\$10.1 million over three years from 2020 for a Better Bus Fund \$20.4 million over three years from 2019 for the Bus Industry Innovation Fund</p>	<p>These measures will deliver new bus routes to outer suburbs and fund initiatives to increase network efficiency, safety and driver support. Funding for bus services remain disappointingly low compared with other modes of transport (see below).</p>	<ul style="list-style-type: none"> × Economy × Equity – Environment × Intergenerational – Financial

<p>\$228.8 million over four years from 2019 for metropolitan road maintenance \$260.2 million over four years from 2019 for road upgrades \$15.6 billion over four years from 2019 for construction of North East Link \$680.7 million (Commonwealth contribution) over four years from 2019 for Melbourne Airport Rail \$6.55 billion over four years from 2019 for additional level crossing removals \$2.05 billion over four years from 2019 for new trains to Sunbury</p>	<p>This budget focuses heavily on road and rail infrastructure. These major projects are driving economic growth for Victoria while providing jobs in construction, engineering and supported industries. While there will be temporary delays and traffic congestion during the construction phase of these projects, these are offset by procurement guidelines and targets for local jobs and supplies. There are anticipated positive benefits in traffic flow and economic efficiency at the conclusion of these projects. Previous elevated rail projects in south eastern Melbourne have also resulted in increased open space for community access and recreation.</p>	<ul style="list-style-type: none"> ✓ Economy ✓ Equity ✓ Environment ✓ Intergenerational ✓ Financial
<p>\$27.3 million over four years from 2019 for new bike lanes on St Kilda Road \$3.1 million in 2019-2020 on walking and cycling initiatives.</p>	<p>Active transport remains very poorly funded in the State Budget. Councils continue to provide bulk of the active transport projects in their communities. The State Government can and should play a more active role in this space.</p>	<ul style="list-style-type: none"> – Economy – Equity × Environment × Intergenerational – Financial
<p>Policy initiative and cost (Aboriginal policy, regional Victoria)</p>	<p>Impact and commentary</p>	<p>Rating</p>
<p>\$109.1 million to progress Treaty, including support for the establishment of the First People’s Assembly \$62 million to improve child, family and mental health outcome for Aboriginal Victorians</p>	<p>Treaty will affect all Victorians. Continued funding for Treaty will strengthen State Government’s commitment to Aboriginal self-determination. Addressing poor health outcomes for Aboriginal Victorians should remain a key focus for the State Government.</p>	<ul style="list-style-type: none"> – Economy ✓ Equity – Environment ✓ Intergenerational – Financial
<p>\$136 million for an additional 500,000 medical specialist appointments for regional Victoria. New health facilities at Bendigo, Geelong, La Trobe and Wangaratta</p>	<p>These measures, directly aimed a regional Victoria, will invest in regional infrastructure and service delivery for people living outside of metropolitan Melbourne. These initiatives are in addition to other budget measures in health and education, such as new schools,</p>	<ul style="list-style-type: none"> ✓ Economy ✓ Equity – Environment ✓ Intergenerational – Financial

<p>\$615 million for regional public transport including \$340 million for up to 18 new VLocity trains \$486 million for country road improvement projects</p>	<p>free dental checks for public school students and expanded 3-year-old kindergarten programs.</p>	
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Summary

The 2019-2020 State Budget continues the government’s big infrastructure project agenda. While it has been noted that the level of debt for the State will increase to fully fund these projects, they are intergenerational projects that will benefit the state for years to come, and to cement the state’s economic growth as the best in Australia.

There remain gaps in the budget, notably investments in bus services, active transport, planning and infrastructure funding for our growing suburbs. The VLGA will continue to advocate on these and other issues on behalf of our member councils so they can continue to deliver services to their growing communities.