

# Victorian State Budget 2020-21

## ECCV Summary & analysis

4 DECEMBER 2020



### OVERVIEW

The 2020-21 Victorian State Budget has been handed down during the financial year due to the COVID-19 pandemic creating several disruptions and crises that required urgent response by the public sector. Prior to the Budget being handed down the Crisis Council of Cabinet allocated approximately \$12.3 billion to address COVID-19 since March – many of these initiatives have commenced and are reflected in this year's Budget.

This year's State Budget is unprecedented in several ways. It makes an explicit commitment to prioritising social and economic recovery from the effects of the COVID-19 pandemic. The Victorian Government has committed several billion dollars across a range of policy areas to promote health, social inclusion, and business activity.

This will result in an overall projected deficit of \$23.3 billion in 2020-21, reducing to \$13.5 billion in 2021-22. This is partly due to a loss of revenue of approximately 4% in 2020.

Victoria's economy is projected to recover from the slowdown over 2021, with the unemployment rate projected to peak at 8.25% in the December quarter of 2020. The overall unemployment rate is projected to be 7% in 2021.

Several of the signature initiatives of this State Budget will have major implications for migrant and refugee communities in Victoria, and for multicultural and ethno-specific organisations, including the Jobs Plan, mental health funding, and commitments to early childhood education.

### KEY INITIATIVES BY PORTFOLIO

#### MULTICULTURAL AFFAIRS

The total allocation for the Multicultural Affairs portfolio in 2020-21 was \$90.6 million, an increase of approximately 50% compared with the 2019-20 Budget. This was largely due to new initiatives committed in this budget to respond to COVID-19, including CALD Communities Taskforce initiatives. Key initiatives for 2020-21 include:

- \$30.1m for several initiatives to support economic recovery for multicultural communities, including:
  - 50 **Community Employment Connectors** to support people from migrant & refugee backgrounds into employment pathways
  - **seed funding grants** to grow African-Australian businesses
  - grants for 60 **infrastructure projects** for multicultural community organisations
  - 26 **playgroups** for newly arrived & refugee children and families
- \$1.4m to establish an Anti-Racism Taskforce and develop an **Anti-Racism Strategy**
- \$4.5m for the **African Communities Action Plan**
- \$4.9m for communications & community engagement related to COVID-19, including \$3m for multicultural and ethno-specific broadcasters
- \$2.2m for settlement services for improved settlement outcomes for refugees.

#### EMPLOYMENT

The **Jobs Plan** is a signature initiative in this Budget, with several initiatives to promote job creation and pathways to employment, including:

- \$619.4m over 4 years for **Jobs Victoria services, with priority initiatives for people particularly adversely affected by COVID-19**: women, young people, retrenched workers, and people affected by long-term unemployment

- \$801m over 4 years for **Breakthrough Victoria Fund to drive investment in research and innovation**
- \$836m over 3 years for the **New Jobs Tax Credit**
- \$5m for the **Secure Work pilot scheme** to provide sick leave and carers' leave to people in casual work.

Prior to the Budget being handed down, the Victorian Government also announced \$2.23b in 2020-21 for the first three rounds of Business Support Fund grants.

## EDUCATION

### TERTIARY AND VOCATIONAL EDUCATION

New investment in this Budget in TAFE and vocational education is primarily part of the Jobs Plan. This includes:

- \$631.5m over 4 years in general funding for TAFEs, including subsidised training places and Free TAFE
- \$155m over 4 years for **TAFE for priority population groups affected by COVID-19** (defined as women, young people, migrants, vulnerable people, and retrenched workers)
- \$75m over 4 years for **skills for resilient and emerging industries, including workforce development on selected major projects**
- \$33m over 4 years for apprentices and trainees through Big Build training pathway
- \$100m over 4 years for TAFE infrastructure upgrades.

Prior to the Budget being handed down, the Victorian Government also announced a \$45m International Student Emergency Relief Fund, to support international students affected by COVID-19.

### PRIMARY AND SECONDARY EDUCATION

The large investment in inclusive education for students with disability is a key initiative in education, with expansion and long-term investment of \$1.56 billion over 4 years in classroom support for students with disability. Other initiatives include:

- \$219.9m in the next 2 years for **small group learning support** for students who have had interrupted face-to-face schooling
- \$1.77bn over 4 years for school upgrades.

## ENERGY & UTILITIES

Key initiatives in the energy portfolio include \$1.6 billion in investment in renewable energy and support for low income households, intended to promote economic activity and employment. This includes:

- \$131.6m over 2 years for one-off \$250 **Power Saving Bonus** for households that have at least one JobSeeker or Youth Allowance recipient or pensioner
- \$447.7m over 4 years for **energy efficient appliance upgrades** for 250,000 low-income households and 35,000+ social housing properties
- \$149.4 million over 4 years for **rebates and interest-free loans for households to install battery storage systems and solar panels**.

## HEALTH

Significant health expenditure in 2020-21 is focused on the acute system and COVID-19, with \$2.9 billion in this financial year for COVID-19 responses. The Budget also commits to future capacity increases in health services and infrastructure, including:

- \$862.8m in 2020-21 to address hospital capacity including elective surgery waiting lists

- \$2bn over 4 years for health and hospital infrastructure
- \$43.5m in 2020-21 for **Better at Home – hospital care in the home**
- \$115m in 2020-21 for the Metropolitan Health Infrastructure Fund
- \$25.6m over 4 years for **specialist support for people on waiting lists for alcohol and other drug treatment.**

## MENTAL HEALTH

This Budget commits to increased funding for mental health supports ahead of the release of the final report of the Royal Commission into Victoria’s Mental Health System. \$264.1 million is allocated for 2020-21. This includes:

- \$18.9m for expansion of **acute mental health** services, including hospital beds
- \$152.5m for **mental health responses to COVID-19**
- \$2.2m for the **Victorian Collaborative Centre for Mental Health and Wellbeing**
- \$16m to support the workforce of people with lived experience
- \$3.9m for continuing mental health **support for asylum seekers.**

A further \$20.3 million is allocated over 2 years for workforce initiatives.

## AGEING & AGED CARE

Key initiatives in the ageing and aged care portfolio in 2020-21 include:

- \$6.7m for **elder abuse identification and response** capacity, which will also renew the **Community Activation and Social Isolation program** and continue other COVID-19 response initiatives
- \$27.7m for public residential aged care facilities, for continued support for staff-resident ratios

A further \$2.1 million was allocated from the Multicultural Affairs portfolio for **multicultural seniors’ clubs.**

## DISABILITY

Key initiatives in the disability portfolio in 2020-21 include:

- \$78.9m in 2020-21 (inclusive of the Commonwealth contribution) for disability supports that are out of scope for the NDIS, which includes the **Home and Community Care Program for Younger People (HACC PYP)** and support for people who are not eligible for the NDIS (including people who are not permanent residents or citizens)
- \$5.3m in 2020-21 for the **State Disability Plan**, including \$2.7m for the Disability Liaison Officer program and \$850,000 for the **COVID-19 Disability Advocacy Outreach Initiative**
- \$6.7m for the **Disability Worker Regulation Scheme.**

## HOUSING & HOMELESSNESS

The major initiative in the Housing portfolio is the **Big Housing Build**, at \$5.3 billion over 4 years. This includes development of approximately 12,000 social and affordable housing dwellings by 2023-24. This package also includes tax discounts for housing developments. Other initiatives include:

- \$150.8m over 4 years for the **From Homelessness to A Home** initiative, to support people to exit emergency accommodation into long-term housing
- \$500m over 4 years for the **Victorian Homebuyer Fund to support home buyers by contributing to the purchase price of property** in exchange for a share of equity in the property.

## FAMILY VIOLENCE PREVENTION

This Budget continues the Victorian Government's investment in implementing the recommendations of the Royal Commission into Family Violence, with a total \$238 million. This includes:

- \$21.2m for flexible and **therapeutic support, including Flexible Support Packages**
- \$7.9m to continue operation of the **Central Information Point** which provides information to practitioners to assess and manage safety risk for family violence victim-survivors
- \$6m for staffing and operating costs for **family violence refuges**
- \$2.7m for training in **risk assessment, risk management and information sharing**
- \$2.6m for **perpetrator accountability** initiatives

A further \$2 million in 2020-21, for a total of \$9.7 million over 4 years, is allocated to continue initiatives specifically for early intervention and prevention among culturally and linguistically diverse communities.

## CHILD PROTECTION AND FAMILY SUPPORT

This Budget makes a significant investment into prevention and early intervention for children and families at risk, including:

- \$75m over 4 years for **continuity of support for young people in kinship & foster care** up to age 21
- \$335.3m over 4 years for **earlier intervention** including Intensive Family Services, Cradle to Kinder, and intensive family preservation
- \$365.4m in 2020-21 for Child Protection, ChildFIRST, therapeutic services for survivors of institutional abuse and settlement of civil claims.

## EARLY CHILDHOOD EDUCATION

The Budget also continues commitments to expand early childhood education access with \$773.8 million over 4 years for early childhood education including roll out of universal access to kinder for 3-year-olds. \$2.5 is allocated over 4 years for Early Start kinder for asylum seeker and refugee children.

## YOUNG PEOPLE

In addition to prioritising young people for several Jobs Plan initiatives, this budget has allocated \$7.7 million to continue Community Support Groups for young people from South Sudanese and Middle Eastern backgrounds.

## LEGAL & JUSTICE

There is limited focus on the law and justice portfolios in this budget, with key expenditure items including funding for courts to address the backlog in matters due to COVID-19. Other key initiatives in 2020-21 include:

- \$3m for **community legal centres** to support people in disadvantaged circumstances with access to justice
- \$14m for **vocational education and training programs in prisons**
- \$5.5m to continue **Countering Violent Extremism (CVE)** initiatives.

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