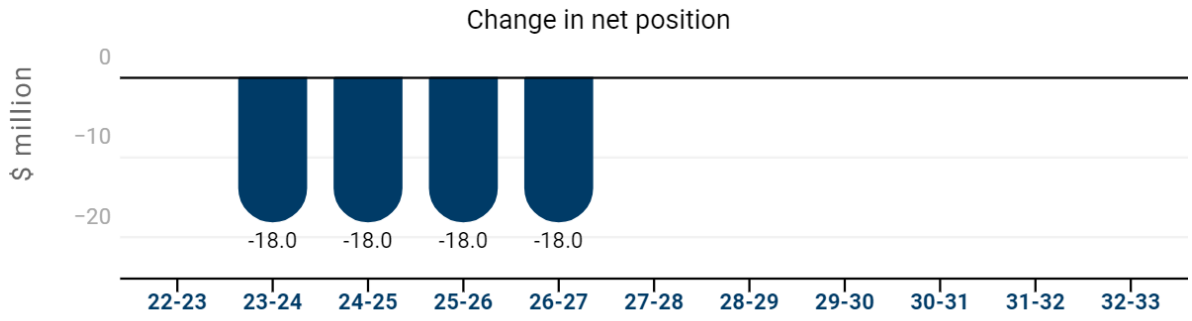
Publicly-announced policy costing

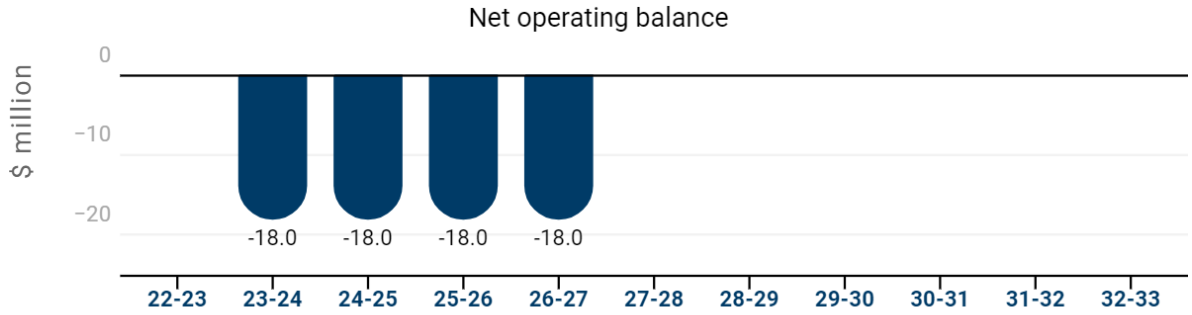
A better regulatory environment for Victoria's resources sector

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $72.0 million over 4 years to support initiatives that: ▪ provide a better regulatory environment for Victoria's resources industry ▪ support future opportunities in the resources industry sector.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

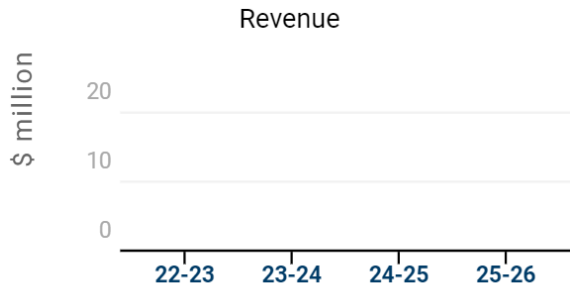
Our response

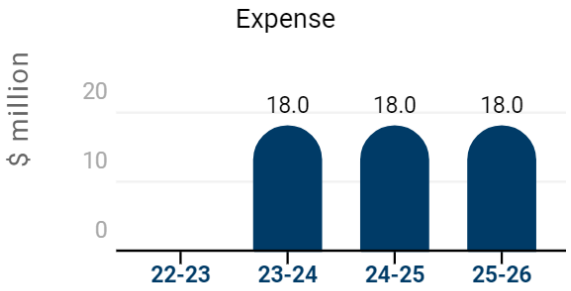
Budget impact

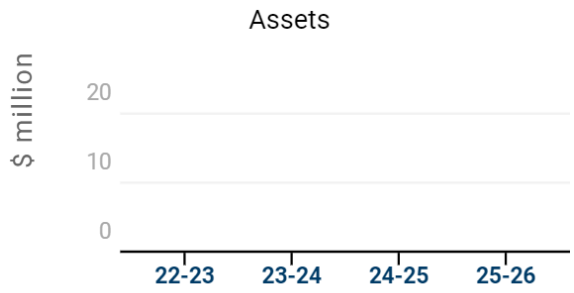


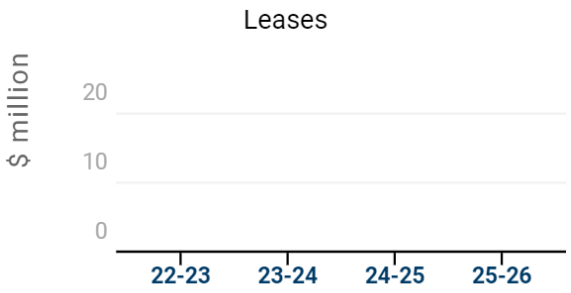


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $54.0 million across 2022–23 to 2025–26
- $72.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and profile specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	18.0	18.0	18.0	18.0	-	-	-	-	-	-
Net operating balance	-	-18.0	-18.0	-18.0	-18.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-18.0	-18.0	-18.0	-18.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	18.0	36.0	54.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0
Net operating balance	-	-18.0	-36.0	-54.0	-72.0	-72.0	-72.0	-72.0	-72.0	-72.0	-72.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-18.0	-36.0	-54.0	-72.0	-72.0	-72.0	-72.0	-72.0	-72.0	-72.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

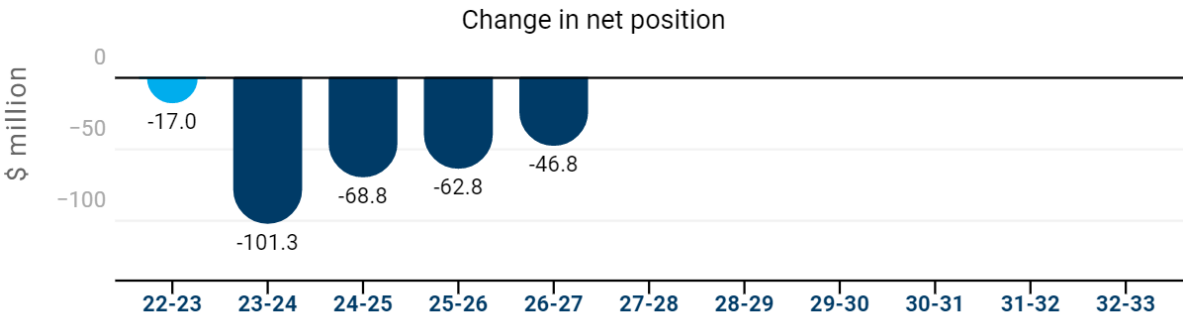
Publicly-announced policy costing

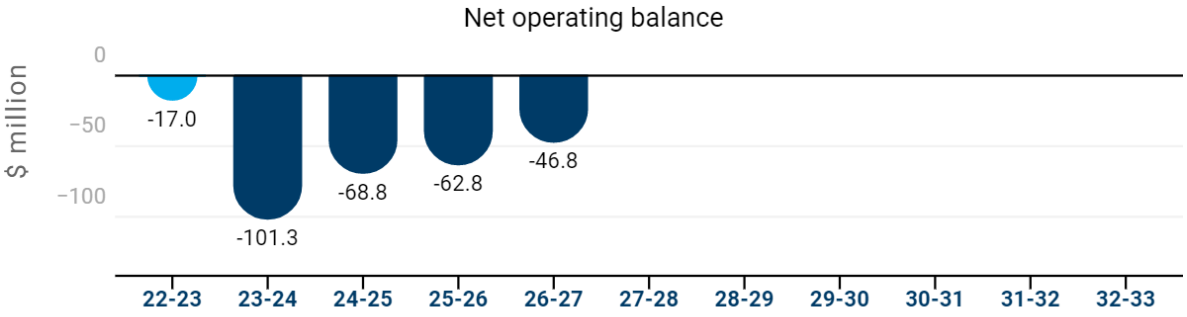
A more strategic approach to events and tourism

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $296.7 million to support initiatives that aid the recovery and development of Victoria's tourism and events industry, including: ▪ a more strategic approach to the sector by government ▪ regulatory improvements ▪ development of new strategies ▪ targeted investment funds and packages.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

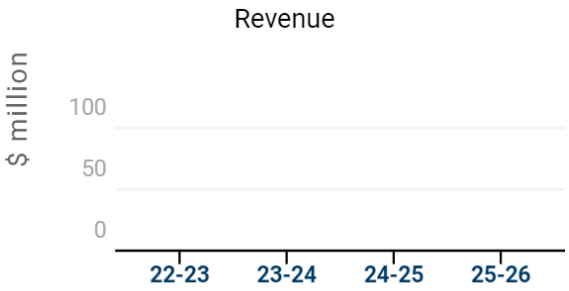
Our response

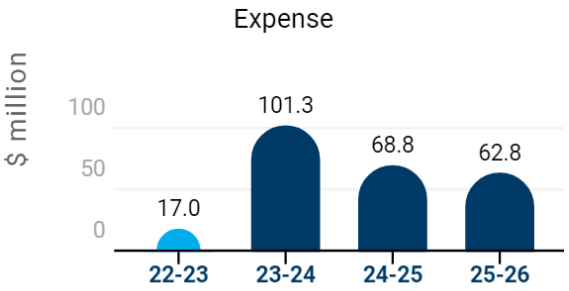
Budget impact

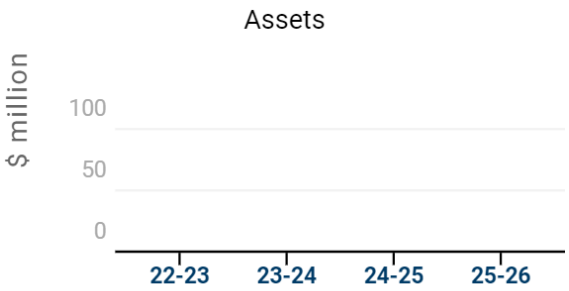


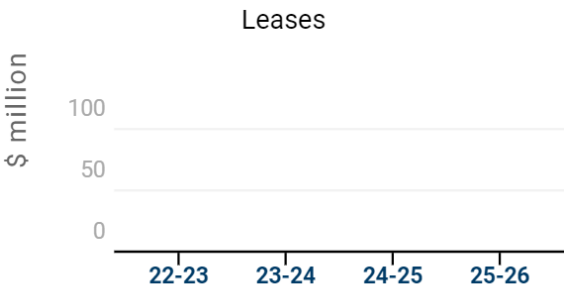


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $249.9 million across 2022–23 to 2025–26
- $296.7 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and profile specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	17.0	101.3	68.8	62.8	46.8	-	-	-	-	-	-
Net operating balance	-17.0	-101.3	-68.8	-62.8	-46.8	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-17.0	-101.3	-68.8	-62.8	-46.8	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	17.0	118.3	187.1	249.9	296.7	296.7	296.7	296.7	296.7	296.7	296.7
Net operating balance	-17.0	-118.3	-187.1	-249.9	-296.7	-296.7	-296.7	-296.7	-296.7	-296.7	-296.7
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-17.0	-118.3	-187.1	-249.9	-296.7	-296.7	-296.7	-296.7	-296.7	-296.7	-296.7

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

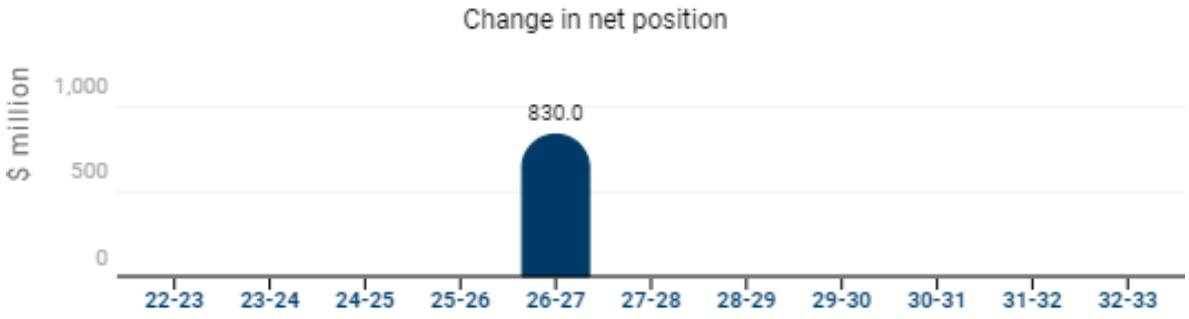
Publicly-announced policy costing

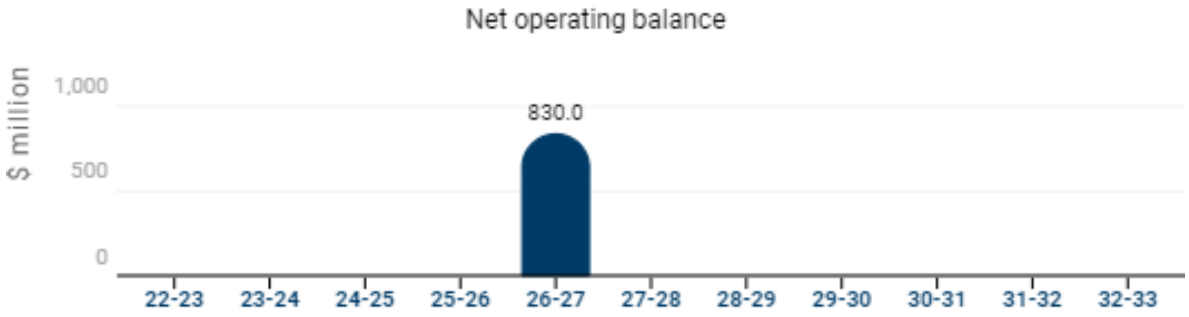
Complete and continue Labor's budgeted savings

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ continuing all budgeted savings measures and ensuring they are fully implemented ▪ reducing general government sector operating expenditure by $830 million in 2026–27.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

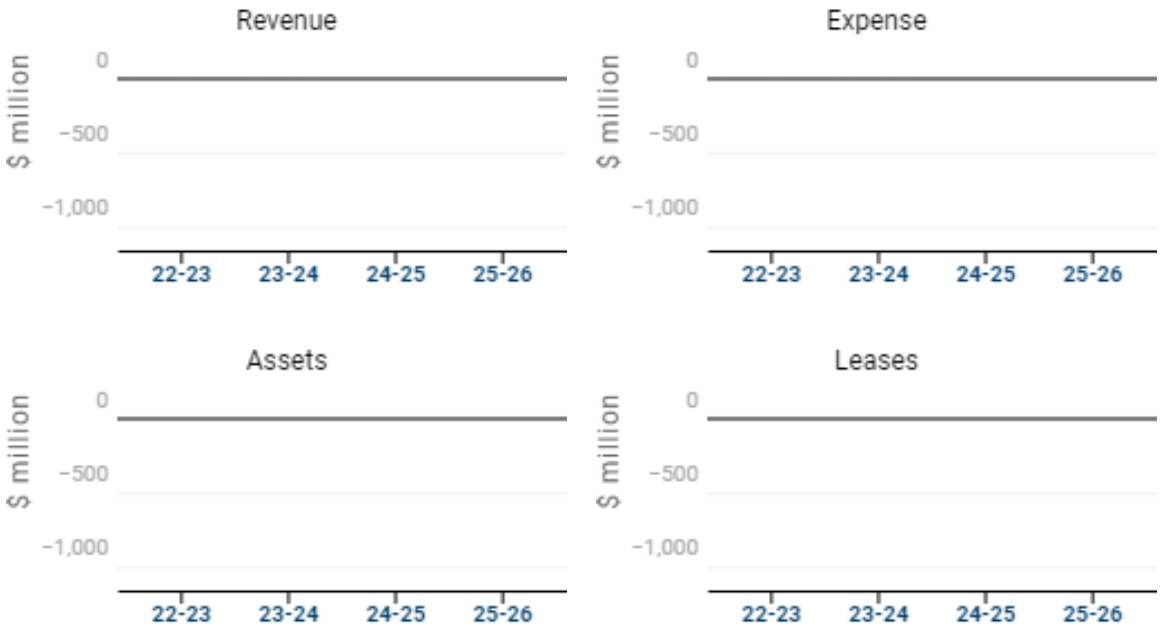
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to increase the state's budgeted net position by $830.0 million across 2022–23 to 2032–33. This is entirely due to a decrease in operating expenses.

This cost estimate is sensitive to the availability of administrative savings in the general government sector. We have not assessed the extent to which this policy would impact on Victorian Government service delivery.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Consistent with previous budgets, administrative savings would be achieved through measures such as the general efficiency dividend.
2. The timing of these savings was based on the information specified in the costing request.

Method

We based this policy costing on the amount of administrative savings in 2026–27 specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	-	-830.0	-	-	-	-	-	-
Net operating balance	-	-	-	-	830.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	830.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	-	-830.0	-830.0	-830.0	-830.0	-830.0	-830.0	-830.0
Net operating balance	-	-	-	-	830.0	830.0	830.0	830.0	830.0	830.0	830.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	830.0	830.0	830.0	830.0	830.0	830.0	830.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

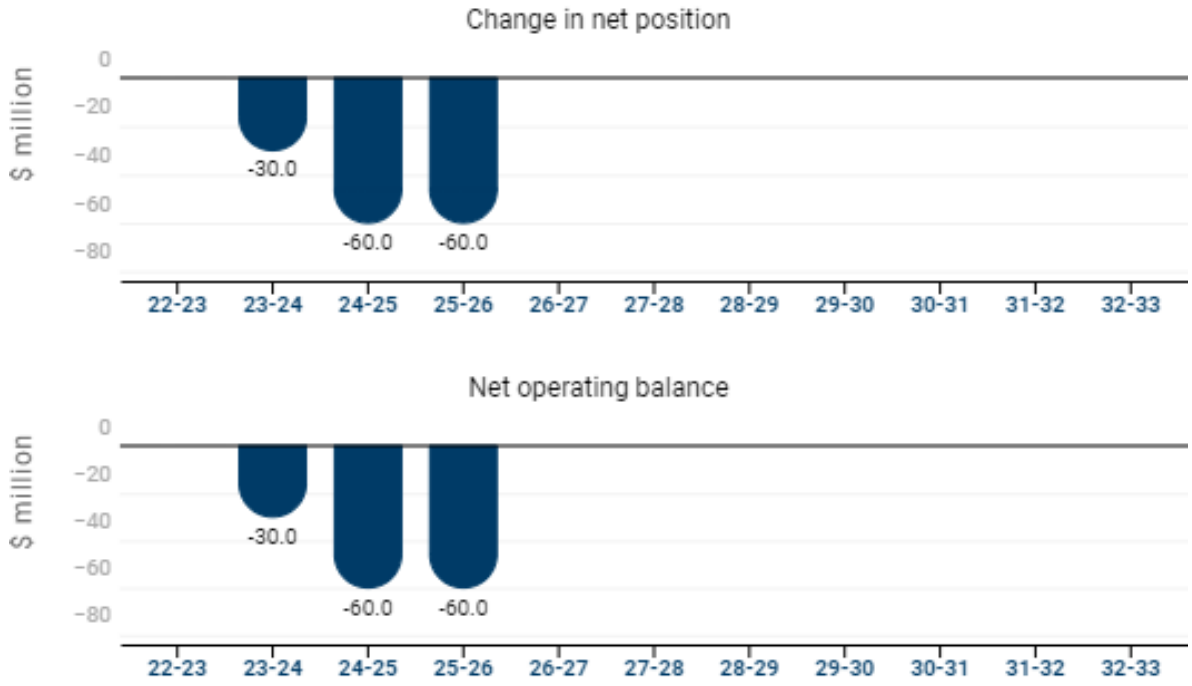
Publicly-announced policy costing

Connecting country communities (regional telecommunications)

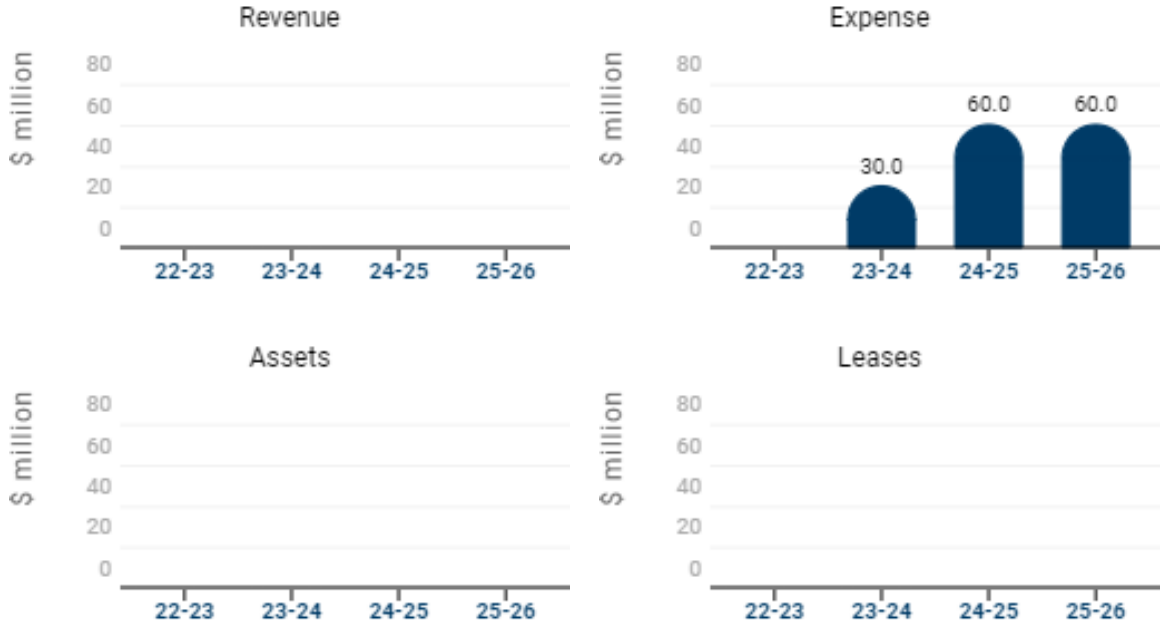
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2026
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $150.0 million to establish a connecting country communities program to improve mobile phone and broadband internet services.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $150.0 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses for the program.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and profile specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	30.0	60.0	60.0	-	-	-	-	-	-	-
Net operating balance	-	-30.0	-60.0	-60.0	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-30.0	-60.0	-60.0	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	30.0	90.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Net operating balance	-	-30.0	-90.0	-150.0	-150.0	-150.0	-150.0	-150.0	-150.0	-150.0	-150.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-30.0	-90.0	-150.0	-150.0	-150.0	-150.0	-150.0	-150.0	-150.0	-150.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

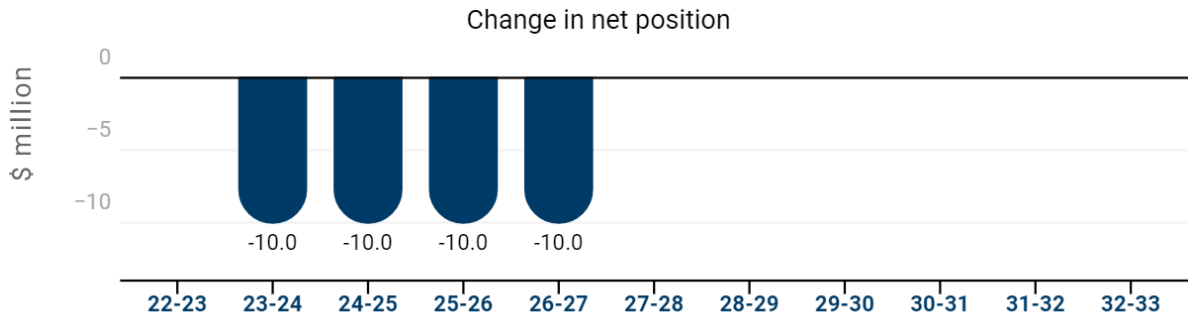
Publicly-announced policy costing

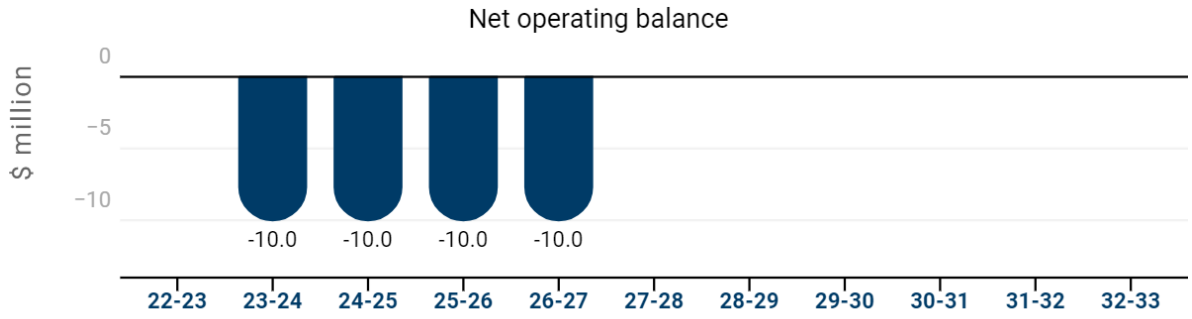
Double Victoria's exports

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $40.0 million towards initiatives set with a target to double Victoria's exports by 2035. These initiatives include: ▪ more export assistance to small and medium businesses ▪ reintroducing an outgoing Trade Mission Program ▪ encouraging greater participation in export markets by Victorian Migrant Communities ▪ establishing new trade and investment facilitation agreements with nations and sub-national jurisdictions ▪ reviewing the location of Global Victoria Offices ▪ encouraging local governments to better focus on trade opportunities for their businesses.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

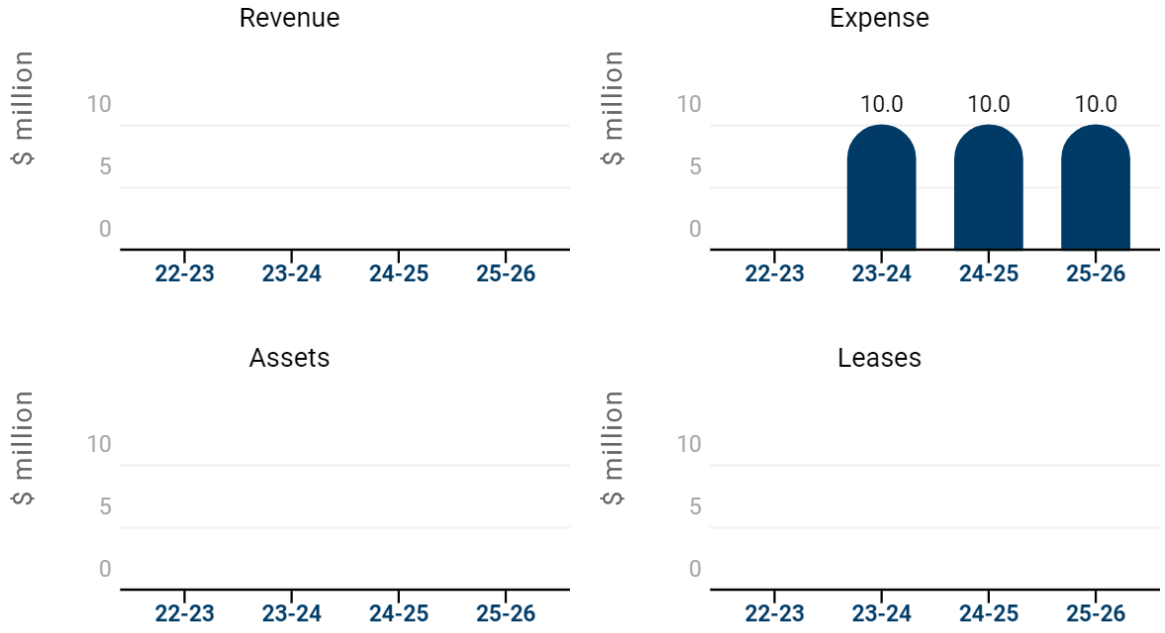
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $30.0 million across 2022–23 to 2025–26
- $40.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	10.0	10.0	10.0	10.0	-	-	-	-	-	-
Net operating balance	-	-10.0	-10.0	-10.0	-10.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-10.0	-10.0	-10.0	-10.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	10.0	20.0	30.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Net operating balance	-	-10.0	-20.0	-30.0	-40.0	-40.0	-40.0	-40.0	-40.0	-40.0	-40.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-10.0	-20.0	-30.0	-40.0	-40.0	-40.0	-40.0	-40.0	-40.0	-40.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

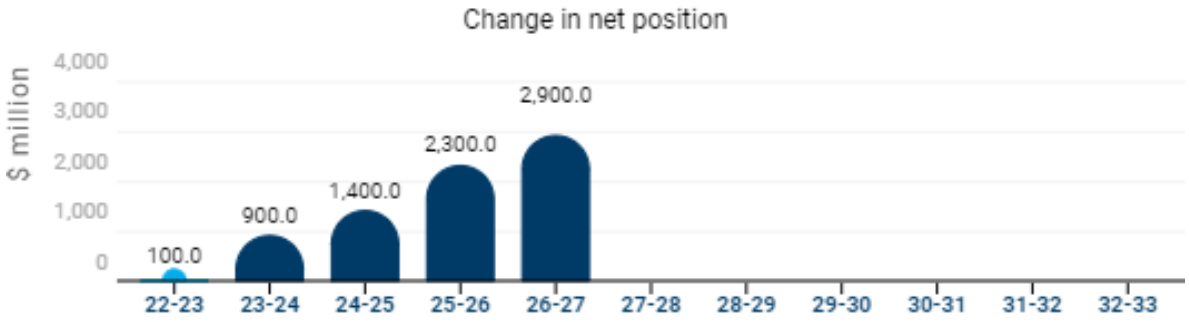
Publicly-announced policy costing

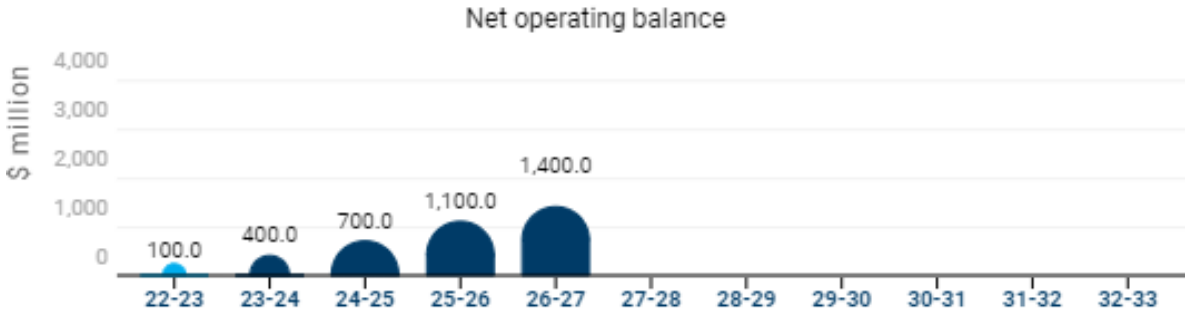
Drawdown of budgeted contingencies

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to drawing down all the output and asset contingencies 'Funding not allocated to specific purposes' in the Victorian Pre-Election Budget Update 2022 and in 2026–27, to fund other commitments.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

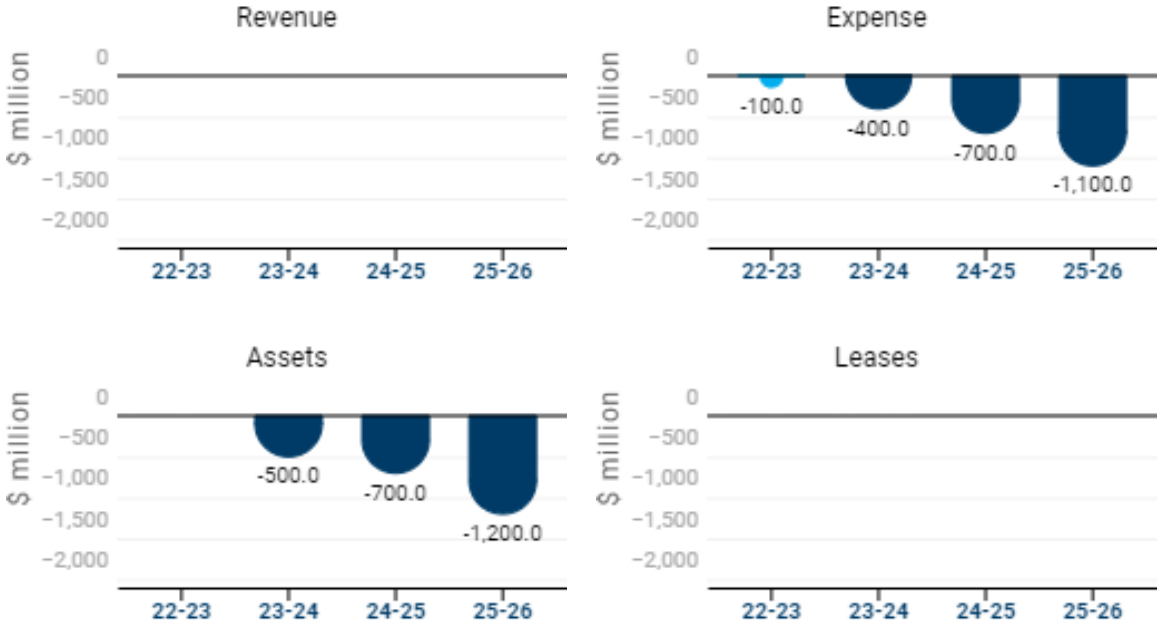
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

There are 2 types of contingencies in the Victorian budget:

1. Funding not allocated to specific purposes – funding set aside for future government decisions.
2. Decisions made but not yet allocated – funding already earmarked for specific projects, but not yet allocated to government departments.

These types of contingencies exist for output and assets, making a total of 4.

Costing overview

We expect this policy to increase the state's budgeted net position by:

- $4,700 million across 2022–23 to 2025–26, this reflects:
  - a decrease in operating expenses of $2,300.0 million due to a drawdown on unallocated operating expenses
  - a decrease in assets of $2,400.0 million due to a drawdown on unallocated asset investment
- $7,600 million across 2022–23 to 2032–33, this reflects:
  - a decrease in operating expenses of $3,700.0 million due to a drawdown on unallocated operating expenses
  - a decrease in assets of $3,900.0 million due to a drawdown on unallocated asset investment.

Our approach

Method

When costing this policy, we:

- determined the amounts of contingencies allocated to the output and asset contingency 'Funding not allocated to specific purposes'
- estimated the budget impact of drawing down this funding for other commitments.

Data sources

- Department of Treasury and Finance. 2022. 2022 Victorian Pre-Election Budget Update. [ONLINE] Available at: https://www.dtf.vic.gov.au/sites/default/files/document/2022%20Victorian%20Pre-Election%20Budget%20Update.pdf. [Accessed 19 December 2022]
- Information provided by the Department of Treasury and Finance

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-100.0	-400.0	-700.0	-1,100.0	-1,400.0	-	-	-	-	-	-
Net operating balance	100.0	400.0	700.0	1,100.0	1,400.0	-	-	-	-	-	-
Assets	-	-500.0	-700.0	-1,200.0	-1,500.0	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	100.0	900.0	1,400.0	2,300.0	2,900.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-100.0	-500.0	-1,200.0	-2,300.0	-3,700.0	-3,700.0	-3,700.0	-3,700.0	-3,700.0	-3,700.0	-3,700.0
Net operating balance	100.0	500.0	1,200.0	2,300.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
Assets	-	-500.0	-1,200.0	-2,400.0	-3,900.0	-3,900.0	-3,900.0	-3,900.0	-3,900.0	-3,900.0	-3,900.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	100.0	1,000.0	2,400.0	4,700.0	7,600.0	7,600.0	7,600.0	7,600.0	7,600.0	7,600.0	7,600.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

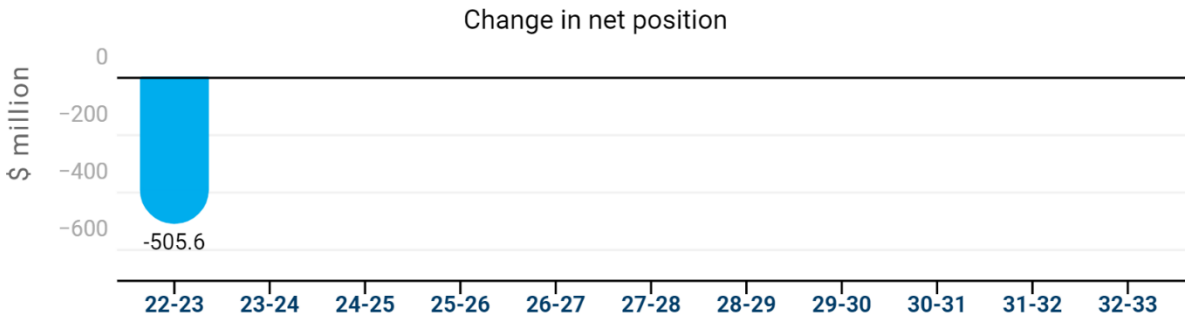
Publicly-announced policy costing

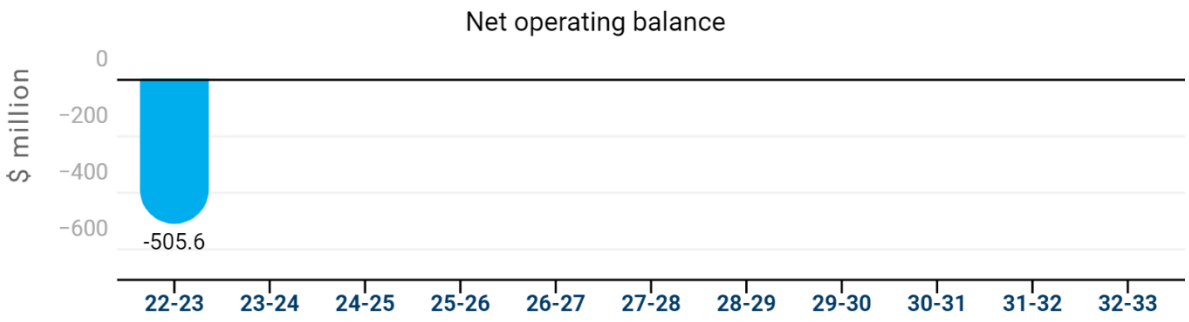
Electricity bill buster

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2023
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to offset the supply charge on all Victorian household electricity bills from 1 January 2023 to 30 June 2023.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

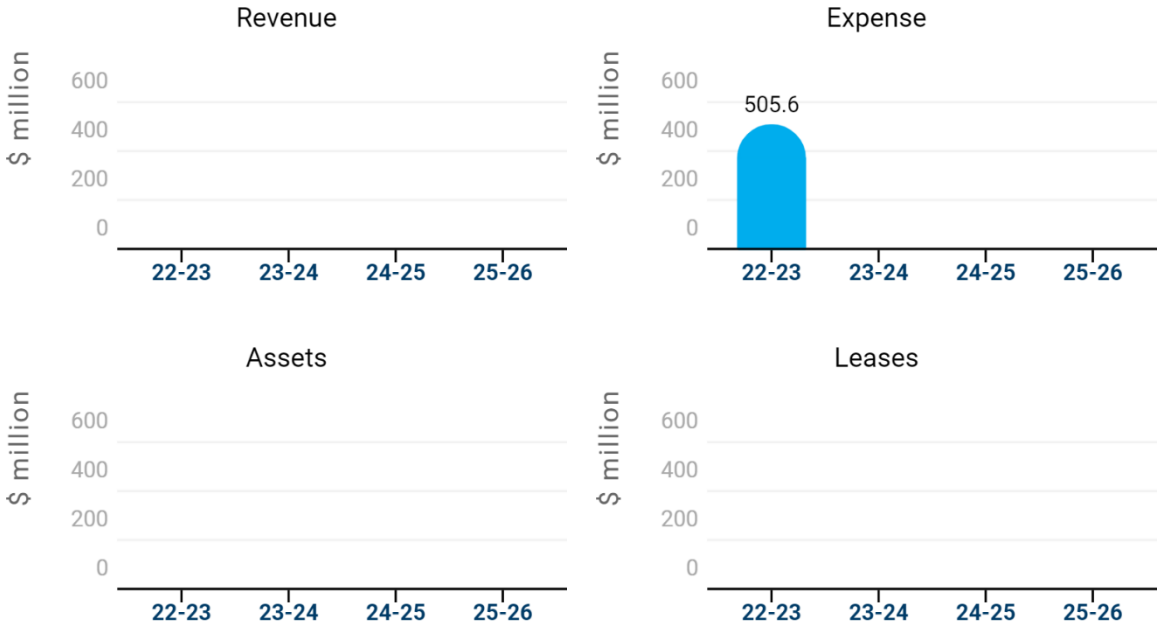
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

A supply charge is the amount a household must pay to an energy retailer for being continuously connected to an electricity network. The supply charge does not change based on the amount of energy consumed. Rather, the supply charge is a fixed rate, in cents per day, applied over the billing period.

There are concessions available to households to reduce the cost of the supply charge, including the:

- annual electricity concession
- medical cooling concession
- service to property concession
- excess electricity concession.

The service to property concession applies when the cost of electricity use on a bill is lower than the service charge.

Costing overview

We expect this policy to decrease the state's budgeted net position by $505.6 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses from offsetting household electricity supply charges, partially offset by some households no longer receiving the service to property concession.

This cost estimate is sensitive to changes in the:

- number of electricity account holders
- number of electricity concession holders
- average supply charge rate.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The number of residential electricity account holders and concession holders would increase in line with forecast population growth.
2. The electricity supply charge would remain in line with its historical average.
3. Medical cooling concession holders also receive the annual electricity concession.

Method

When costing this policy, we:

- determined the total number of residential electricity account holders, separate by concession and non-concession account holders
- estimated the total annual supply charge for non-concession account holders by applying the number of accounts to the daily rate in cents per day from 1 January 2023 to 30 June 2023
- estimated the total annual supply charge for concession account holders by applying the number of accounts to the concessional daily rate in cents per day from 1 January 2023 to 30 June 2023
- offset costs by the savings generated by households no longer receiving the service to property concession.

We applied a part year impact to the first year of this policy to reflect a proposed 1 January 2023 commencement date.

Data sources

- Department of Families, Fairness and Housing. 2022. Annual electricity concession. [ONLINE] Available at: https://services.dffh.vic.gov.au/annual-electricity-concession [Accessed 19 December 2022]
- Department of Families, Fairness and Housing. 2022. Excess electricity concession. [ONLINE] Available at: https://services.dffh.vic.gov.au/excess-electricity-concession [Accessed 19 December 2022]
- Department of Families, Fairness and Housing. 2022. Medical cooling concession. [ONLINE] Available at: https://services.dffh.vic.gov.au/medical-cooling-concession [Accessed 19 December 2022]
- Department of Families, Fairness and Housing. 2022. Service to property charge concession. [ONLINE] Available at: https://services.dffh.vic.gov.au/service-property-charge-concession [Accessed 19 December 2022]
- Information provided by the Department of Families, Fairness and Housing

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	505.6	-	-	-	-	-	-	-	-	-	-
Net operating balance	-505.6	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-505.6	-	-	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	505.6	505.6	505.6	505.6	505.6	505.6	505.6	505.6	505.6	505.6	505.6
Net operating balance	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6	-505.6

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

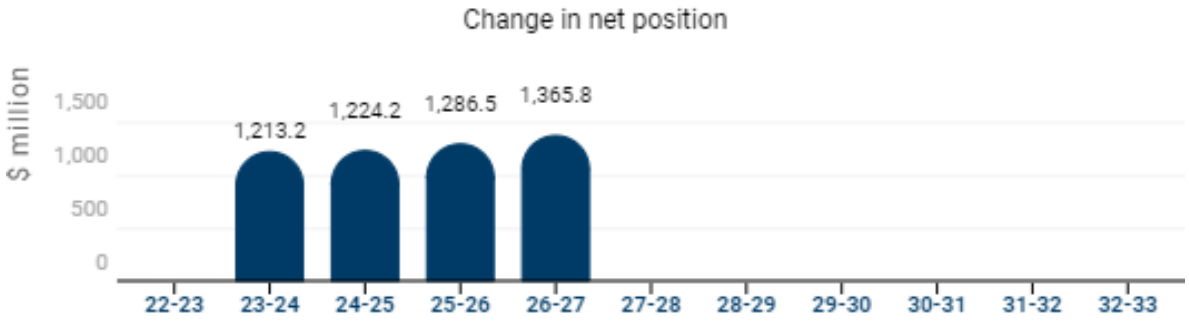
Publicly-announced policy costing

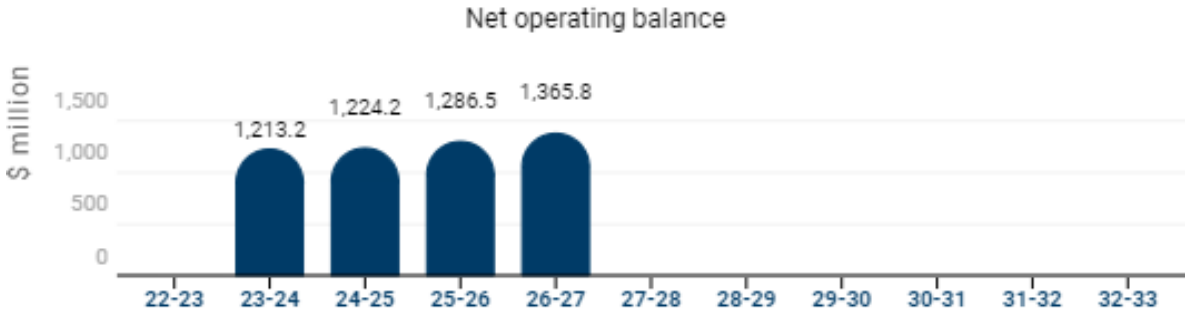
Eliminating waste through improved financial controls to reinvest in Victorian services and infrastructure

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to extending the general government expenditure constraint across all functions of government, excluding health.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

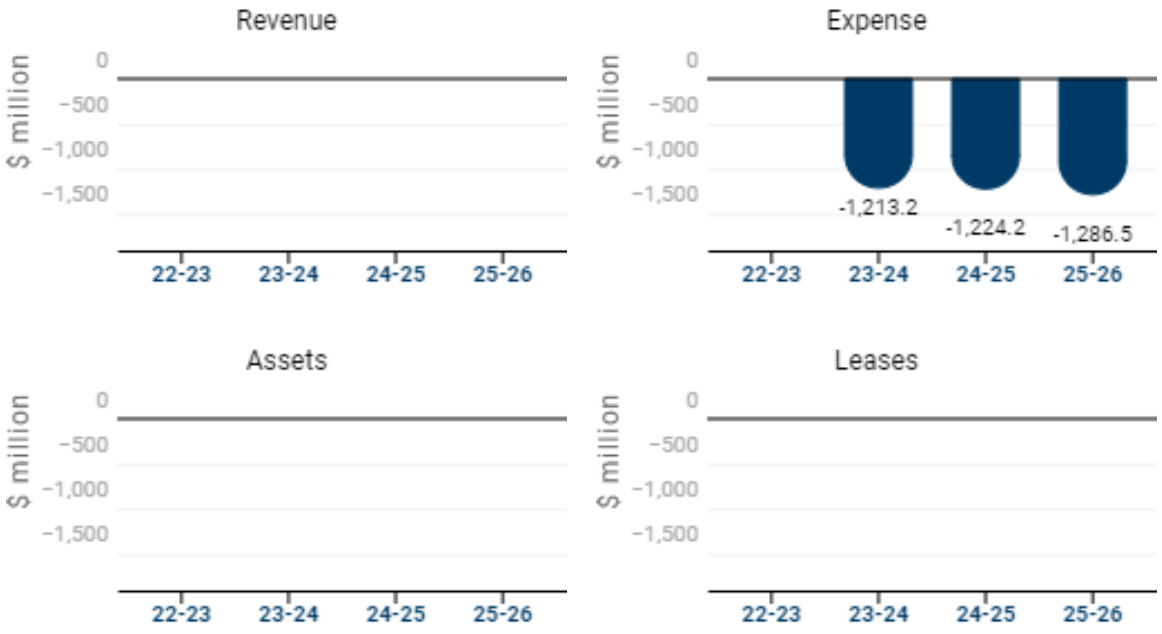
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to increase the state's budgeted net position by:

- $3,723.8 million across 2022–23 to 2025–26
- $5,089.6 million across 2022–23 to 2032–33.

This is entirely due to a decrease in operating expenses from the introduction of fiscal reforms to generate savings in the general government sector, excluding health.

This cost estimate is sensitive to:

- changes in general government sector expenditure to 2026–27
- the availability of administrative savings in the general government sector.

We have not assessed the extent to which this policy would impact on Victorian Government service delivery.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Consistent with previous budgets, administrative savings would be achieved through measures such as the general efficiency dividend.
2. General government sector expenditure and health sector expenditure would increase in line with growth in nominal GSP beyond 2025–26.

Method

When costing this policy, we:

- identified existing budgeted forecast general government sector expenditure to 2025–26
- identified existing budgeted forecast health sector expenditure to 2025–26 and deducted these estimates from the total general government sector estimates
- estimated total general government sector expenditure excluding health expenditure in 2026–27 by escalating expenditure in line with nominal GSP
- calculated the fiscal reform savings based on the election commitment.

Data sources

- Department of Treasury and Finance. 2022. 2022 Victorian Pre-Election Budget Update. [ONLINE] Available at: https://www.dtf.vic.gov.au/sites/default/files/document/2022%20Victorian%20Pre-Election%20Budget%20Update.pdf. [Accessed 15 December 2022]

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-1,213.2	-1,224.2	-1,286.5	-1,365.8	-	-	-	-	-	-
Net operating balance	-	1,213.2	1,224.2	1,286.5	1,365.8	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	1,213.2	1,224.2	1,286.5	1,365.8	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-1,213.2	-2,437.3	-3,723.8	-5,089.6	-5,089.6	-5,089.6	-5,089.6	-5,089.6	-5,089.6	-5,089.6
Net operating balance	-	1,213.2	2,437.3	3,723.8	5,089.6	5,089.6	5,089.6	5,089.6	5,089.6	5,089.6	5,089.6
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	1,213.2	2,437.3	3,723.8	5,089.6	5,089.6	5,089.6	5,089.6	5,089.6	5,089.6	5,089.6

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

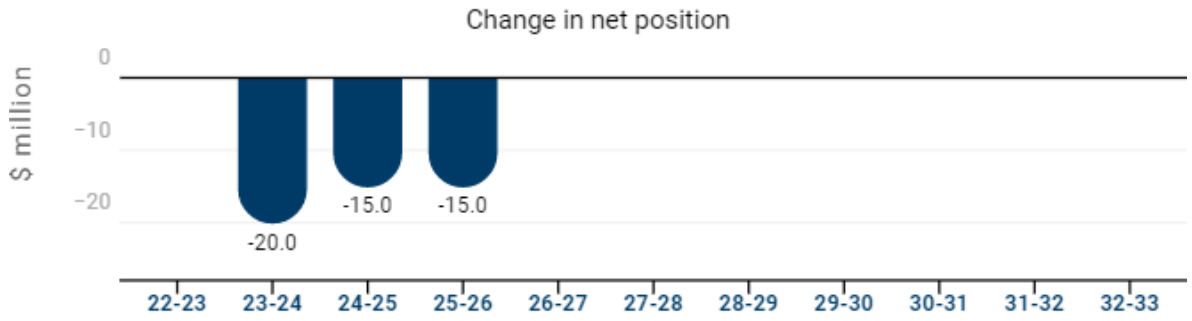
Publicly-announced policy costing

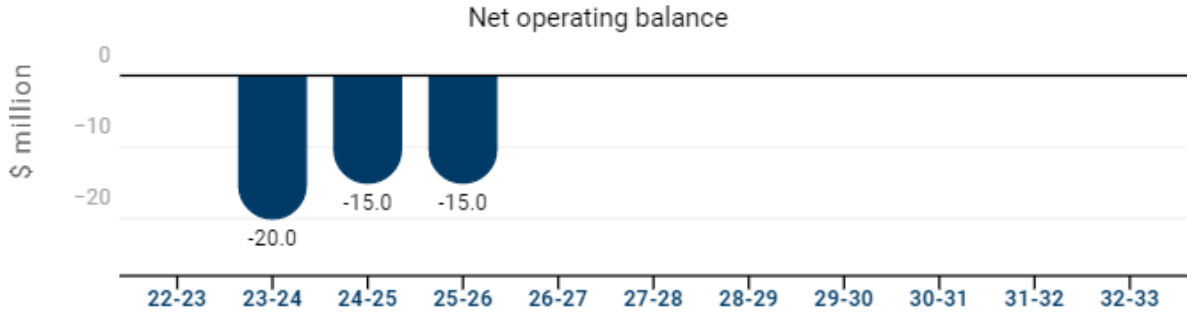
Energy grid safety fund

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2026
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $50.0 million to support the undergrounding of distribution powerlines and vegetation clearing in bushfire and storm affected local government areas.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

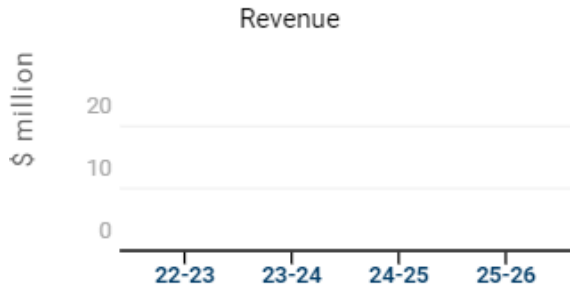
Our response

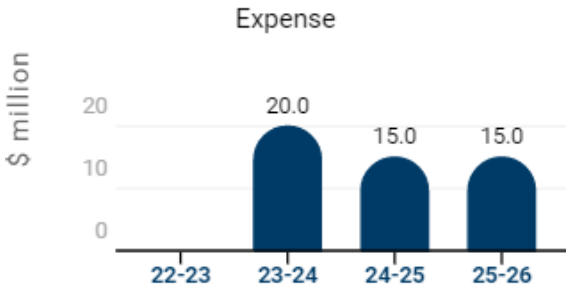
Budget impact

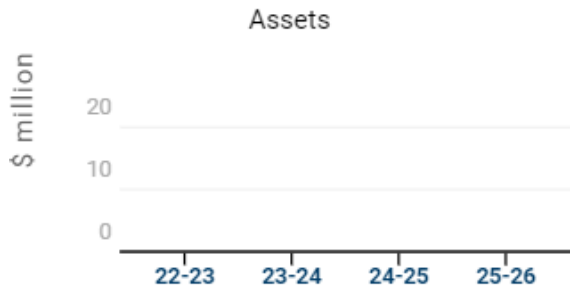


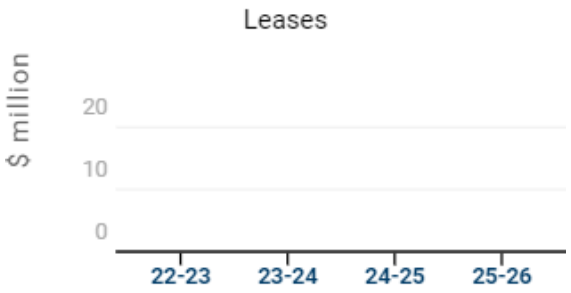


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $50.0 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	20.0	15.0	15.0	-	-	-	-	-	-	-
Net operating balance	-	-20.0	-15.0	-15.0	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-20.0	-15.0	-15.0	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	20.0	35.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Net operating balance	-	-20.0	-35.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-20.0	-35.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Ensure Worksafe values worker safety

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to ensuring that WorkSafe remains an effective, accountable and impartial means of administering the Victorian WorkCover Scheme and of enforcing Victoria's workplace safety laws by: ▪ ensuring that a Royal Commission into Victoria's handling of the COVID-19 pandemic examines the role of hotel quarantine ▪ introducing legislation to ensure that injured workers and those who have lost loved ones as a result of workplace incidents are better informed of WorkSafe's prosecutorial decisions ▪ requiring WorkSafe to proactively offer OHS support to new and established businesses.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position, as the:

- costs associated with establishing a Royal Commission into the Victorian Government's response to the COVID pandemic have already been reflected in the Royal Commission into the Victorian Government's COVID response costing
- introduction of legislation and a requirement for WorkSafe to proactively offer OHS support to businesses would be regarded as standard government business and therefore absorbed within existing departmental funding.

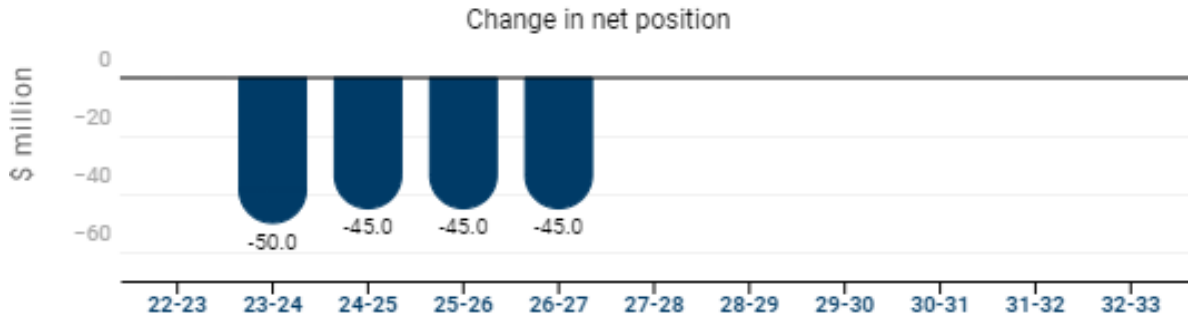
Publicly-announced policy costing

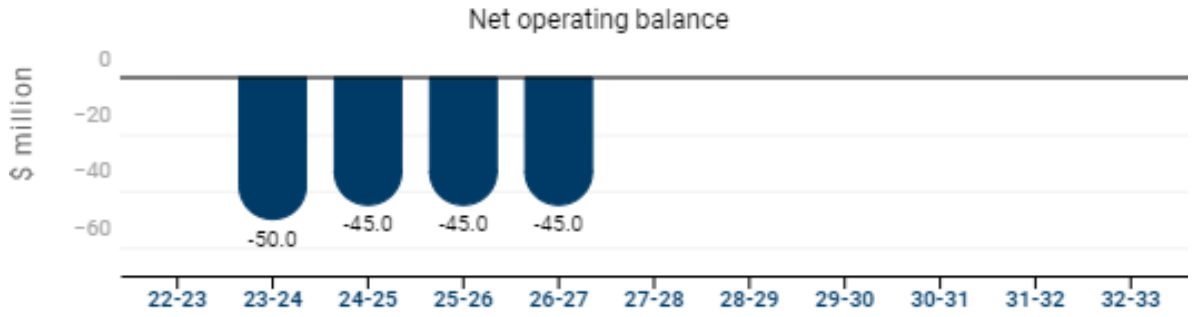
Ensuring robust governance and management standards for local government

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $185.0 million to: ▪ conduct a detailed review of the overall revenue structure of local government ▪ support the provision of high quality community assets and services ▪ ensure that councils have the ability to provide and administer assets and services ▪ review the use of 'user pays' charges, including voluntary payments by users, for the use of individual community assets and services ▪ develop a framework to assist local councils to undertake a 'value for money' assessment prior to developing new, or materially expanding existing charges. This policy would also freeze all existing local government business fees, charges and levies, and prevent the introduction of new ones for a period of 4 years.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

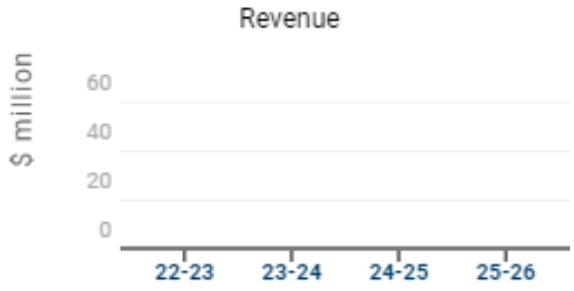
Our response

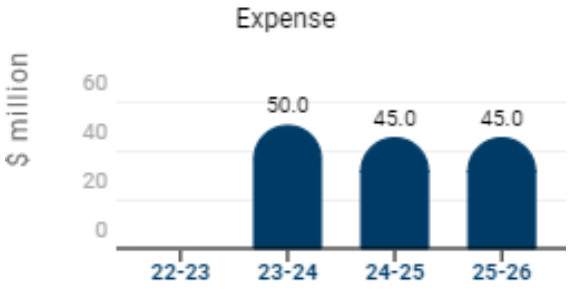
Budget impact

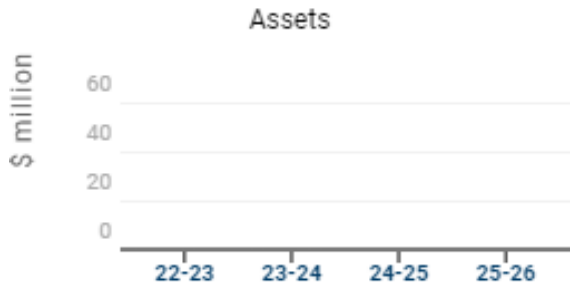


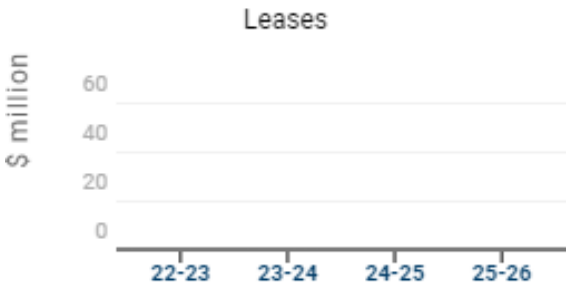


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $140.0 million across 2022–23 to 2025–26
- $185.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from the introduction of robust governance and management standards for local government.

We expect that the policy component to freeze local government business fees, charges and levies, and prevent the introduction of new ones for 4 years would be nil cost as it would have no impact on the state's budgeted net position due to the relevant fees being collected by local governments.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Data sources

- Matthew Guy. 2022. Four year fee freeze to help small businesses get ahead. [ONLINE] Available at: Four year fee freeze to help small businesses get ahead - Matt Guy - Member for Bulleen (matthewguy.com.au). Accessed: 16 November 2022.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	50.0	45.0	45.0	45.0	-	-	-	-	-	-
Net operating balance	-	-50.0	-45.0	-45.0	-45.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-50.0	-45.0	-45.0	-45.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	50.0	95.0	140.0	185.0	185.0	185.0	185.0	185.0	185.0	185.0
Net operating balance	-	-50.0	-95.0	-140.0	-185.0	-185.0	-185.0	-185.0	-185.0	-185.0	-185.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-50.0	-95.0	-140.0	-185.0	-185.0	-185.0	-185.0	-185.0	-185.0	-185.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Fairer water bills

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ direct the Essential Services Commission to freeze fixed water charges on household water bills for each Water Authority's next 5-year regulatory period ▪ undertake a new Fairer Water Bills program, under which Victorian water authorities will be directed to identify business cost savings that can be passed back to customers as reductions on household bills ▪ not place desalination plant orders unless Melbourne's water storages fall below the high secure zone of 60% capacity.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as the regulatory changes would not impact the government's consolidated funds. Private individuals and households would receive any financial savings generated from this policy in the form of lower water bills.

Publicly-announced policy costing

Flood Management Strategy

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to a flood management strategy which would complete an immediate review of the Victorian Floodplain Management Strategy to better protect Victorians from the ravages of floods. This policy would be funded from within existing departmental appropriations.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as it is specified to be funded from existing departmental appropriations. We made no judgement on the impact to other functions delivered by the relevant department because of this policy.

Publicly-announced policy costing

Growth areas infrastructure contribution drawdown

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2026
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to drawing down on Growth Areas Infrastructure Contribution (GAIC) revenues held in the: ▪ Growth Areas Public Transport Fund ▪ Building New Communities Fund.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as previously collected GAIC revenues held in the funds are already within the general government sector.

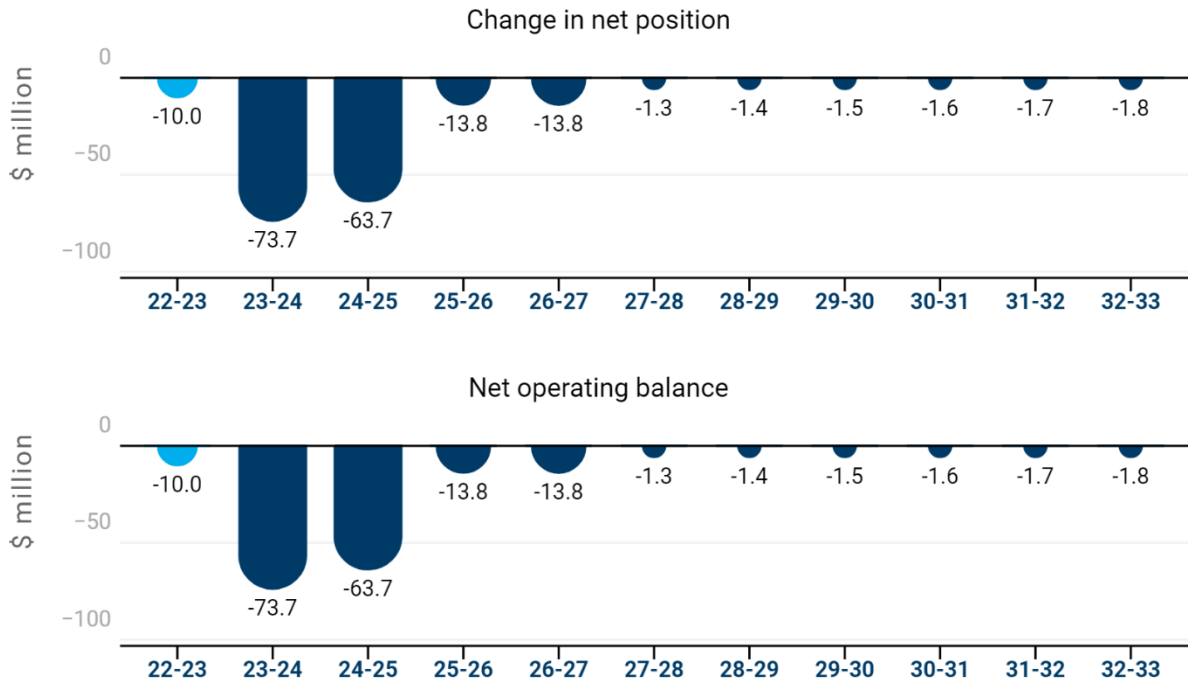
Publicly-announced policy costing

Help small business

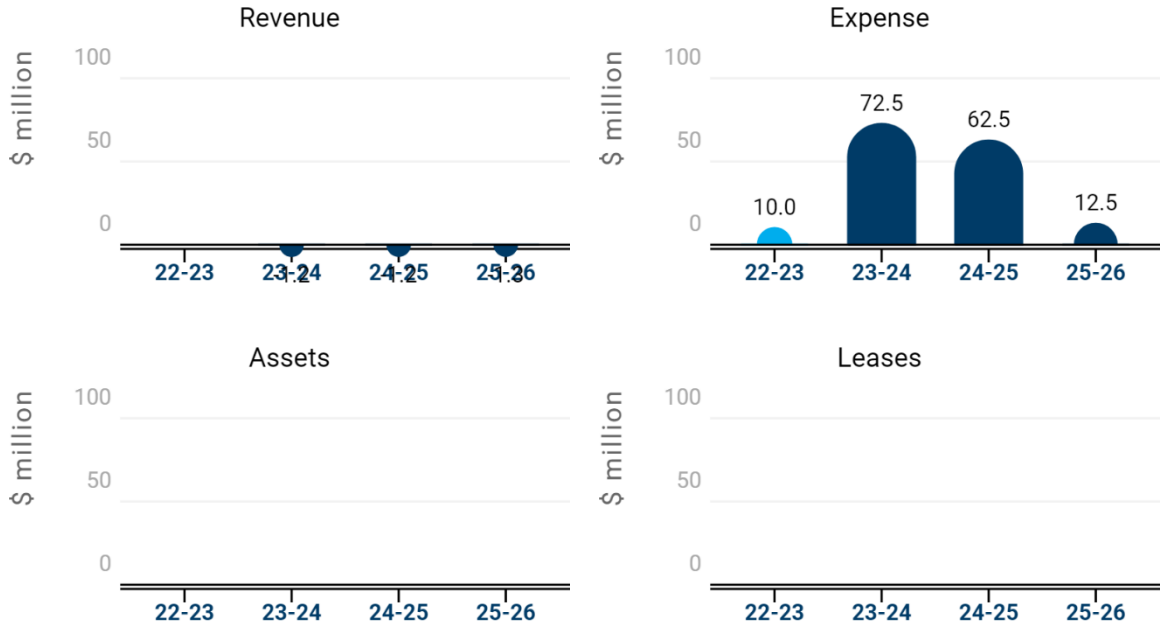
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ $140.0 million to deliver a new Small Business Victoria, a new jobs, skills and growth fund and a new small business expert mentoring service ▪ $30.0 million to deliver a shopping strip revitalisation program to support local small businesses, traders' associations and the Chamber of Commerce ▪ seek to freeze all existing local government business fees, charges and levies, and prevent the introduction of new ones for 4 years ▪ establish a special economic zone in East Werribee, where businesses established in this zone would: – pay zero payroll tax – be able to apply directly to the planning minister for expedited planning approvals.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $161.1 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $157.5 million due to providing funding for small business
  - a decrease in revenue of $3.6 million due to a reduction in payroll tax revenue
- $184.4 million across 2022–23 to 2032–33, this reflects:
  - an increase in operating expenses of $170.0 million due to providing funding for small business
  - a decrease in revenue of $14.4 million due to a reduction in payroll tax revenue.

The payroll tax component cost estimate is sensitive to:

- changes in the outlook for employment and wages growth in Victoria
- the number of businesses that currently pay payroll tax that would move to the East Werribee special economic zone.

The financial implications of the grant funding components of this policy are certain as they relate to providing specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Taxable wages would increase in line with forecast wage growth and employment growth.
2. Moving costs and limited land availability within the East Werribee special economic zone would result in mostly new employers, rather than existing employers, moving to the zone.
3. The capped grant funding amounts would encompass administrative costs.

Method

When costing this policy, we:

- projected payroll tax revenue for businesses that are liable for payroll tax in the 3030 postcode over the medium term
- estimated the impact of zero payroll tax for businesses that would choose to move to the East Werribee special economic zone
- based the grant funding components of this policy costing on the capped amount of funding and profile specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-1.2	-1.2	-1.3	-1.3	-1.3	-1.4	-1.5	-1.6	-1.7	-1.8
Expense	10.0	72.5	62.5	12.5	12.5	-	-	-	-	-	-
Net operating balance	-10.0	-73.7	-63.7	-13.8	-13.8	-1.3	-1.4	-1.5	-1.6	-1.7	-1.8
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-10.0	-73.7	-63.7	-13.8	-13.8	-1.3	-1.4	-1.5	-1.6	-1.7	-1.8

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-1.2	-2.4	-3.6	-5.0	-6.3	-7.7	-9.2	-10.8	-12.6	-14.4
Expense	10.0	82.5	145.0	157.5	170.0	170.0	170.0	170.0	170.0	170.0	170.0
Net operating balance	-10.0	-83.7	-147.4	-161.1	-175.0	-176.3	-177.7	-179.2	-180.8	-182.6	-184.4
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-10.0	-83.7	-147.4	-161.1	-175.0	-176.3	-177.7	-179.2	-180.8	-182.6	-184.4

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Liquor and gaming policy

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to implement all 33 recommendations of the Royal Commission into the Casino Operator and Licence. This policy would be funded from within existing departmental appropriations.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Context

On 22 February 2021, the Victorian government established the Royal Commission into the Casino Operator and Licence (the Royal Commission) to inquire into the suitability of Crown Melbourne Limited to hold a casino licence. The Royal Commission delivered its findings and recommendations on 15 October 2021.

Our response

We expect this policy to have no impact on the state's budgeted net position as the implementation of the Royal Commission recommendations are specified to be funded from existing departmental appropriations. We made no judgement on the impact to other functions delivered by the relevant department because of this policy.

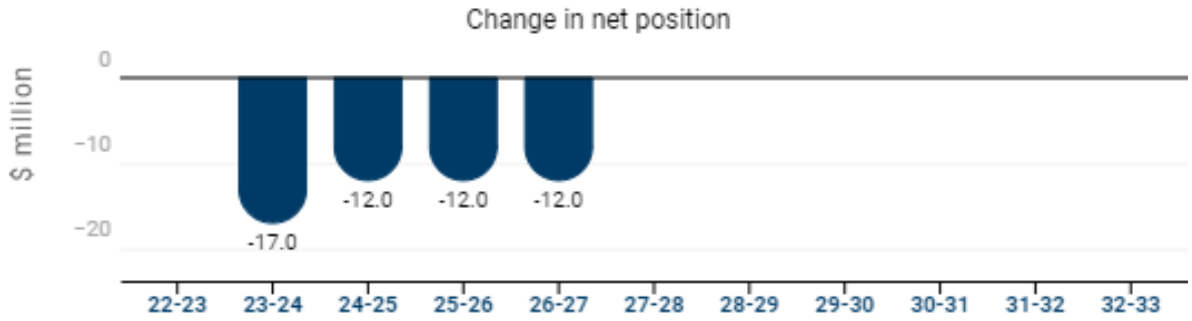
Publicly-announced policy costing

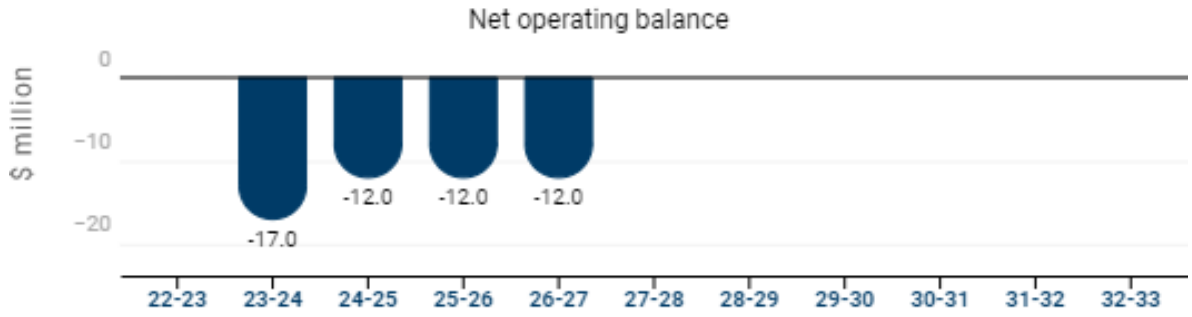
Productivity support for farmers

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $10.0 million each year for 4 years for Victorian soil research ▪ $8.0 million to fund the Agriculture Futures Extension Program ▪ $5.0 million to fund the Birchip Cropping Group's Nexus project. Additionally, this policy would introduce country of origin labelling requirements for food sold for immediate consumption, such as at pubs, cafes, restaurants and takeaway stores.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

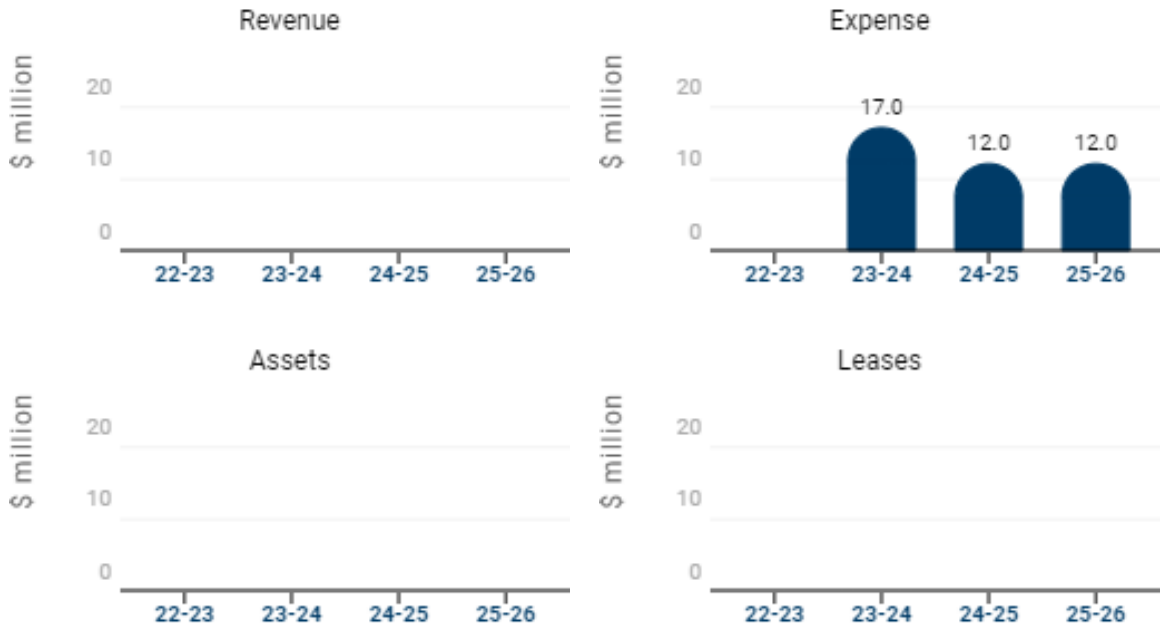
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $41.0 million across 2022–23 to 2025–26
- $53.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to funding toward:

- the Agriculture Futures Extension Program
- the Birchip Cropping Group's Nexus project
- Victorian soil research.

The legislative changes to introduce the labelling requirements would be met within existing resources and current food safety auditors would be responsible for compliance enforcement. We expect:

- this component of the policy would have no impact on the state's budgeted net position
- private businesses would incur any costs associated with complying with the new regulations.

The financial implications of the other components of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

1. Administrative costs would be absorbed by the relevant department.
2. Funding would be a one-off grant to Birchip Cropping Group, which would undertake the works.
3. Funding to the Agriculture Futures Extension Program would be provided as grants evenly over 2023–24 to 2026–27.
4. Funding to Victorian soil research would be provided as grants evenly over 2023–24 to 2032–33.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Data sources

- Matt Guy MP. 2022. Delivering innovation to Victoria's farmers. [ONLINE] Available at: https://www.matthewguy.com.au/media-releases/2022-11-09-delivering-innovation-to-victorias-farmers?topic=leader-of-the-nationals. [Accessed 15 December 2022]
- Matt Guy MP. 2022. Greater transparency for seafood lovers. [ONLINE] Available at: https://www.matthewguy.com.au/media-releases/2022-10-04-greater-transparency-for-seafood-lovers?topic=fishing-and-boating,leader-of-the-nationals. [Accessed 15 December 2022]
- Matt Guy MP. 2022. Innovation to protect the future of Australia's food bowl. [ONLINE] Available at: https://www.matthewguy.com.au/media-releases/2022-10-13-innovation-to-protect-the-future-of-australia?topic=agriculture. [Accessed 15 December 2022]

- Matt Guy MP. 2022. Nexus is the next step for Birchip [ONLINE] Available at: https://www.matthewguy.com.au/media-releases/2022-10-13-innovation-to-protect-the-future-of-australia?topic=agriculture [Accessed 15 December 2022]

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	17.0	12.0	12.0	12.0	-	-	-	-	-	-
Net operating balance	-	-17.0	-12.0	-12.0	-12.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-17.0	-12.0	-12.0	-12.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	17.0	29.0	41.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0
Net operating balance	-	-17.0	-29.0	-41.0	-53.0	-53.0	-53.0	-53.0	-53.0	-53.0	-53.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-17.0	-29.0	-41.0	-53.0	-53.0	-53.0	-53.0	-53.0	-53.0	-53.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Racing Industry Plan

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2024
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to establish a Ministerial Racing Industry Consultation Group (RICG) to give representatives of the racing industry the opportunity to provide feedback as an advisory group on issues impacting the sector.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Context

The Racing Industry Plan would establish a Ministerial Racing Industry Consultation Group (RICG) to be chaired by the Minister for Racing to give representatives of the racing industry the opportunity to provide feedback as an advisory group on issues impacting the sector. The RICG would be comprised of members representing various elements of the racing sector who will have direct engagement with the Minister.

Our response

We expect this policy to have no impact on the state's budgeted net position as this policy would be funded from the existing department's budget.

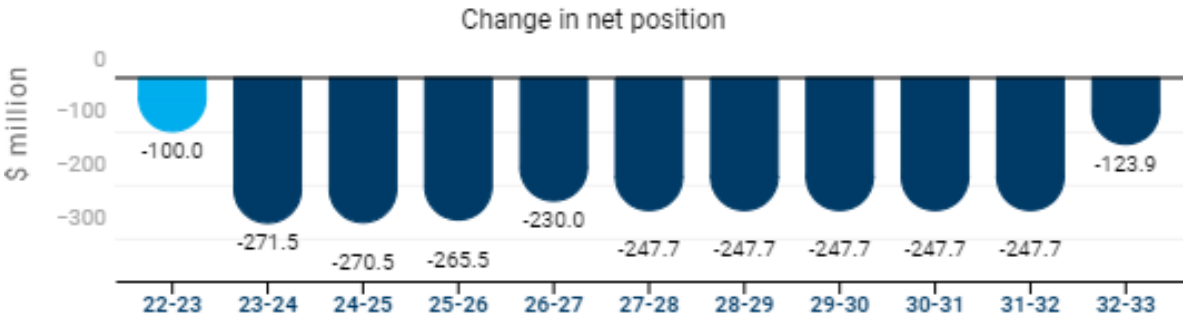
Publicly-announced policy costing

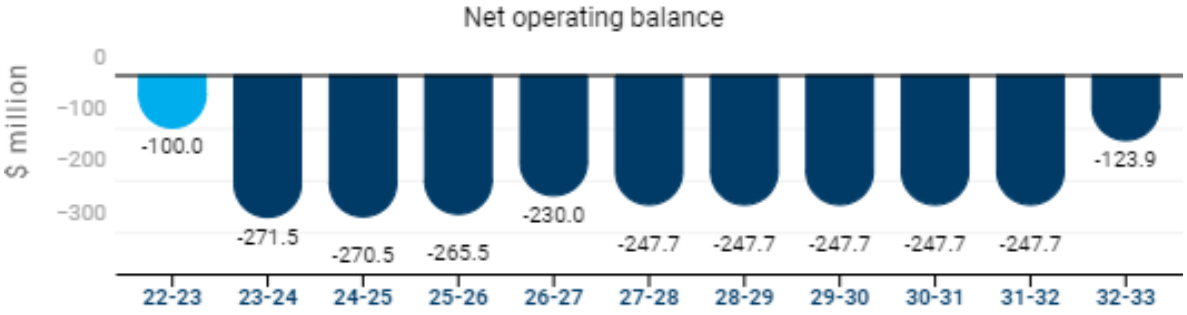
Rebuilding jobs, bringing manufacturing home

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to deliver a $2,500.0 million package for rebuilding jobs, and bringing manufacturing home over 10 years, with $1,137.5 million provided by the end of 2026-27. As part of this policy, $40.0 million would be allocated to support targeted essential worker migration over 4 years.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

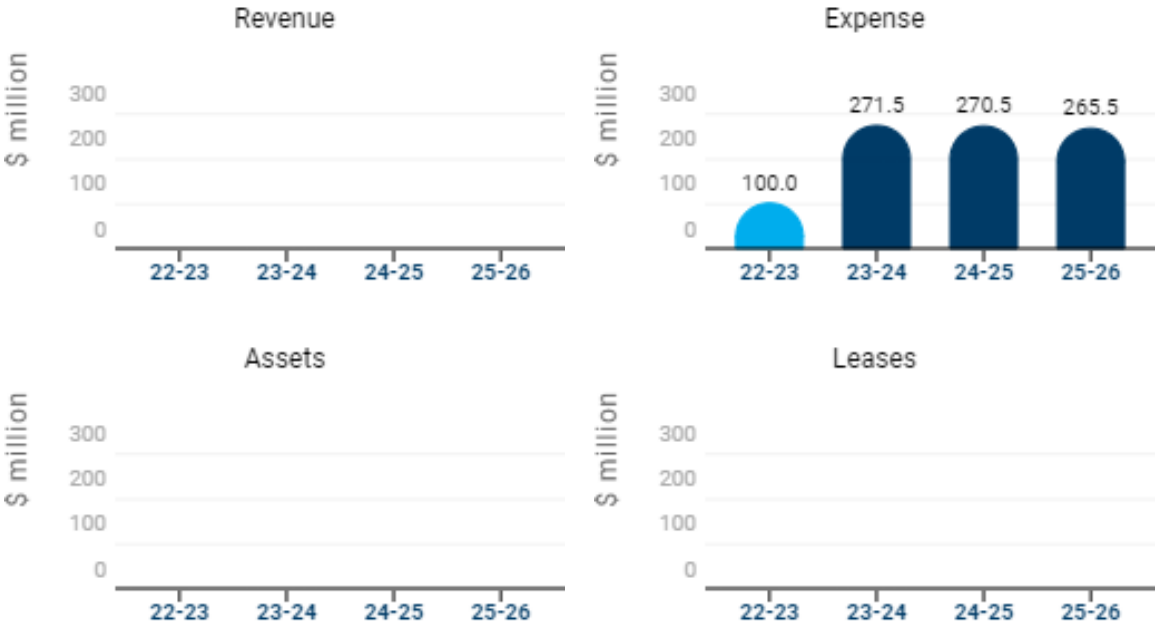
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $907.5 million across 2022–23 to 2025–26
- $2,500.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from the delivery of the package.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The specified funding amount would encompass administrative costs.
2. Funds would be evenly spread from 2027-28 to 2032–33, with a part year impact applied in 2032–33 to reflect a 31 December 2032 policy end date.

Method

We based this policy costing on the capped amount of funding and expenditure profile specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	100.0	271.5	270.5	265.5	230.0	247.7	247.7	247.7	247.7	247.7	123.9
Net operating balance	-100.0	-271.5	-270.5	-265.5	-230.0	-247.7	-247.7	-247.7	-247.7	-247.7	-123.9
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-100.0	-271.5	-270.5	-265.5	-230.0	-247.7	-247.7	-247.7	-247.7	-247.7	-123.9

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	100.0	371.5	642.0	907.5	1,137.5	1,385.2	1,633.0	1,880.7	2,128.4	2,376.1	2,500.0
Net operating balance	-100.0	-371.5	-642.0	-907.5	-1,137.5	-1,385.2	-1,633.0	-1,880.7	-2,128.4	-2,376.1	-2,500.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-100.0	-371.5	-642.0	-907.5	-1,137.5	-1,385.2	-1,633.0	-1,880.7	-2,128.4	-2,376.1	-2,500.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

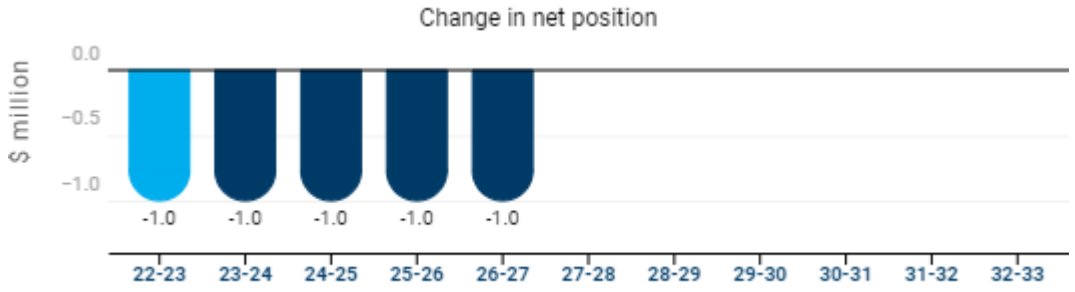
Publicly-announced policy costing

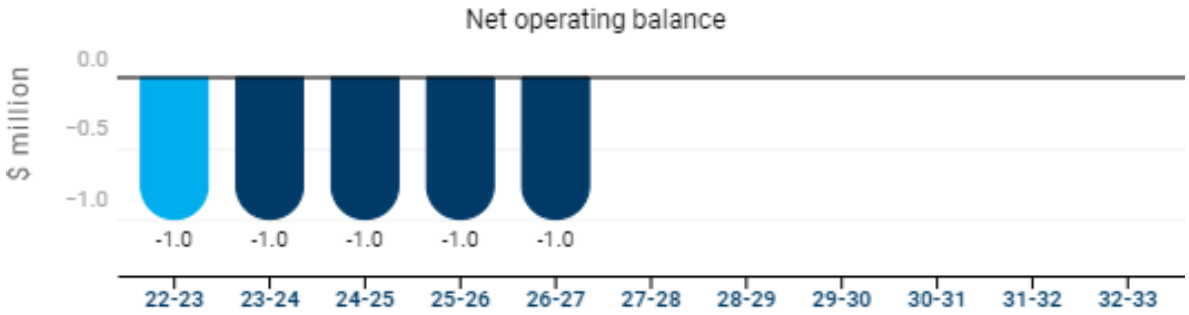
Regional job expos

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $4.75 million to deliver regional jobs expos to showcase rural and regional Victoria.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

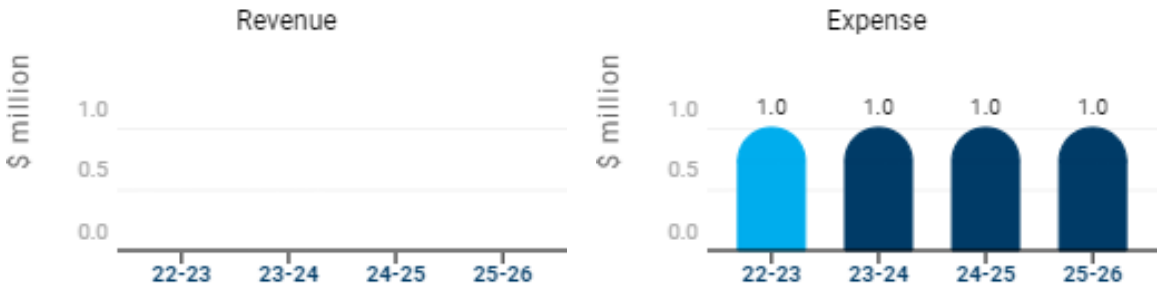
Our response

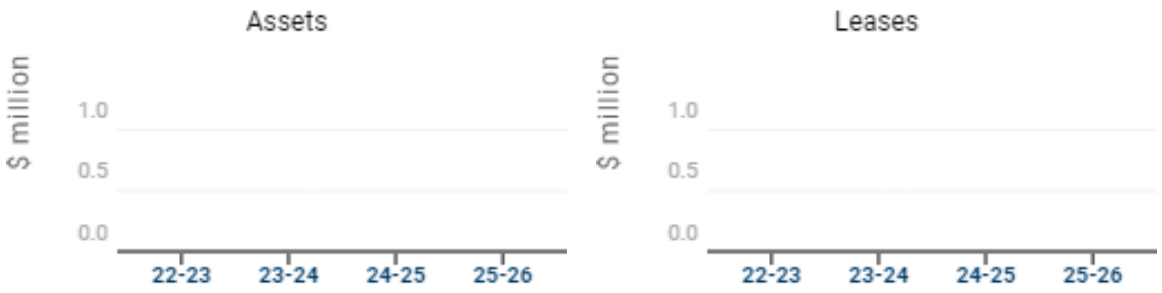
Budget impact





Costing components





Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $3.8 million across 2022–23 to 2025–26
- $4.8 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to delivering regional jobs expos.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When preparing this costing, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	1.0	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Net operating balance	-1.0	-1.0	-1.0	-1.0	-1.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-1.0	-1.0	-1.0	-1.0	-1.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	1.0	1.9	2.9	3.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Net operating balance	-1.0	-1.9	-2.9	-3.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-1.0	-1.9	-2.9	-3.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

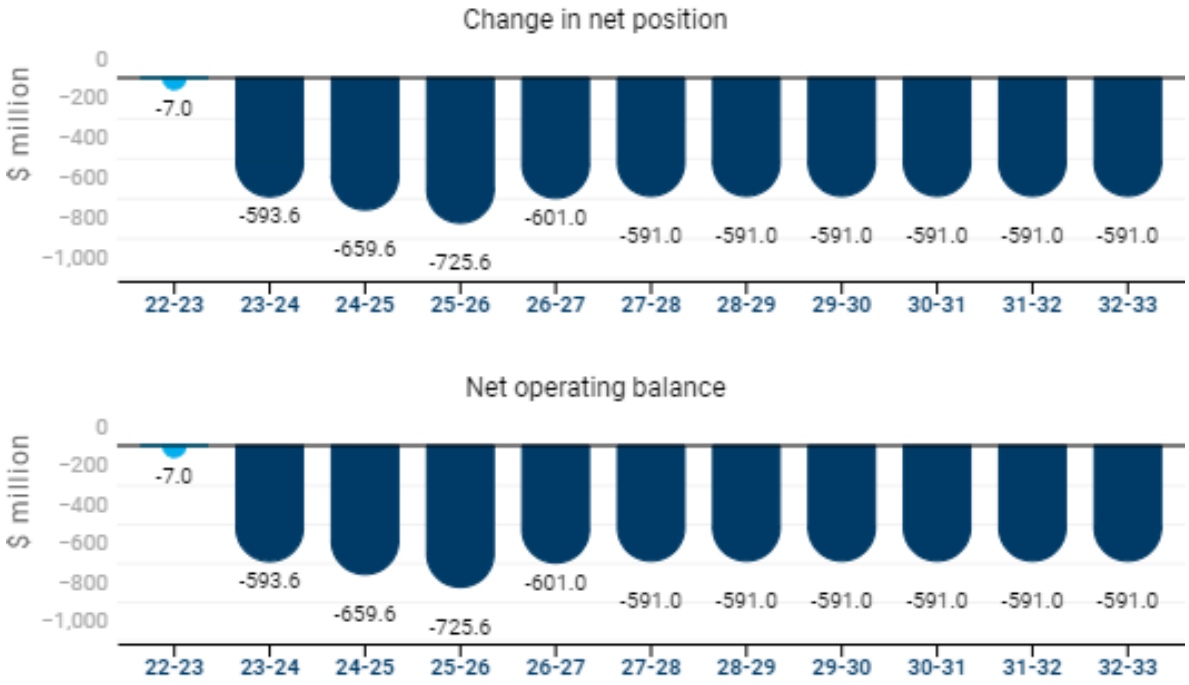
Publicly-announced policy costing

Reliable and affordable energy while reducing emissions

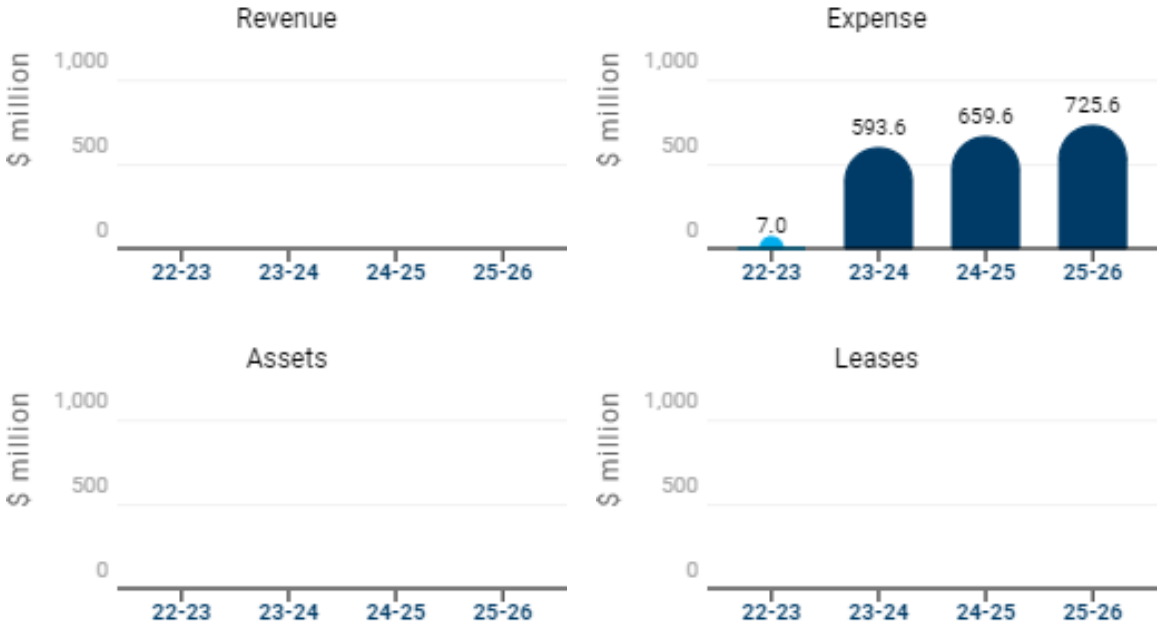
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $2.54 billion over the period to 2026–27 and $591.0 million each subsequent year towards: ▪ 'Fixing Victoria's Grid' taskforce ▪ upgrading transmission infrastructure in western Victoria ▪ modernising the transmission system ▪ providing solar panel and home battery rebates for households and renters ▪ adding solar panels to public infrastructure ▪ boosting tree canopy coverage by planting more trees ▪ legislating to halve emissions by 2030 ▪ establishing a $1 billion Victorian hydrogen fund ▪ net-zero renewable community projects. It would also provide $45 million to: ▪ support the role of gas in the transition to renewables ▪ encourage gas exploration and development ▪ support a new royalty sharing scheme for landowners affected by new onshore gas production on their land ▪ undertake an immediate review into red tape holding up getting more gas into the Victorian energy market ▪ establish a new Gas Sovereignty Infrastructure Fund ▪ undertake a review of Victoria's Petroleum Regulations ▪ establish a new Critical Energy Infrastructure Review Panel which would conduct an audit of all Victorian landfill sites to identify opportunities for the use of produced methane gas.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $1,985.8 million across 2022–23 to 2025–26
- $6,132.8 million across 2022–23 to 2032–33.

This is entirely due to an increase of operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	7.0	593.6	659.6	725.6	601.0	591.0	591.0	591.0	591.0	591.0	591.0
Net operating balance	-7.0	-593.6	-659.6	-725.6	-601.0	-591.0	-591.0	-591.0	-591.0	-591.0	-591.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-7.0	-593.6	-659.6	-725.6	-601.0	-591.0	-591.0	-591.0	-591.0	-591.0	-591.0

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	7.0	600.6	1,260.2	1,985.8	2,586.8	3,177.8	3,768.8	4,359.8	4,950.8	5,541.8	6,132.8
Net operating balance	-7.0	-600.6	-1,260.2	-1,985.8	-2,586.8	-3,177.8	-3,768.8	-4,359.8	-4,950.8	-5,541.8	-6,132.8
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-7.0	-600.6	-1,260.2	-1,985.8	-2,586.8	-3,177.8	-3,768.8	-4,359.8	-4,950.8	-5,541.8	-6,132.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

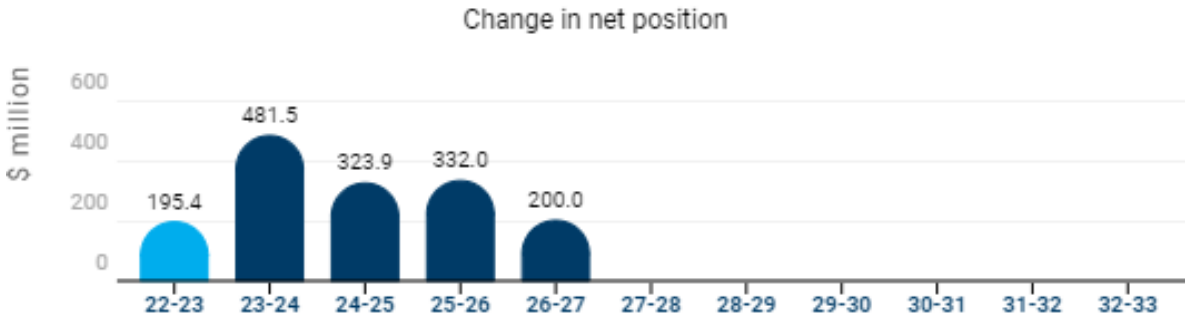
Publicly-announced policy costing

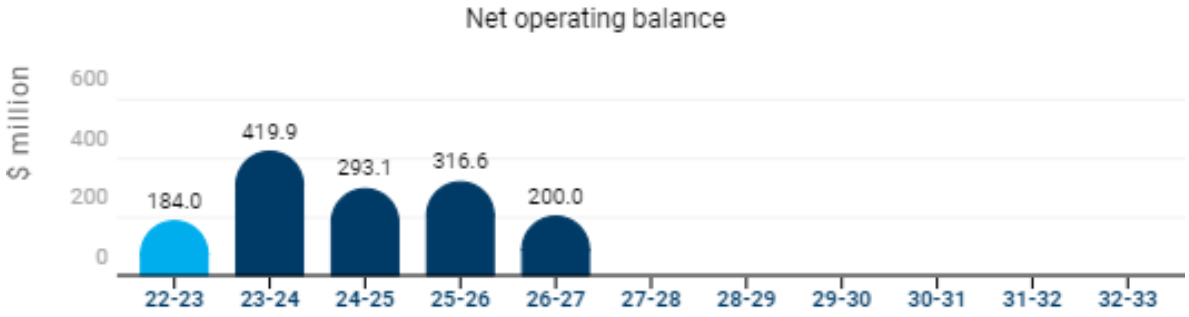
Reprioritisations from Labor programs to Liberals and Nationals programs

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to reprioritise funding from the following initiatives: ▪ Albion Station upgrade ▪ Breakthrough Victoria Fund ▪ Digital Future Now ▪ Digital Victoria ▪ Making it free to study nursing and midwifery ▪ Service Victoria - enhancing customer experience with more digital services for Victorians
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

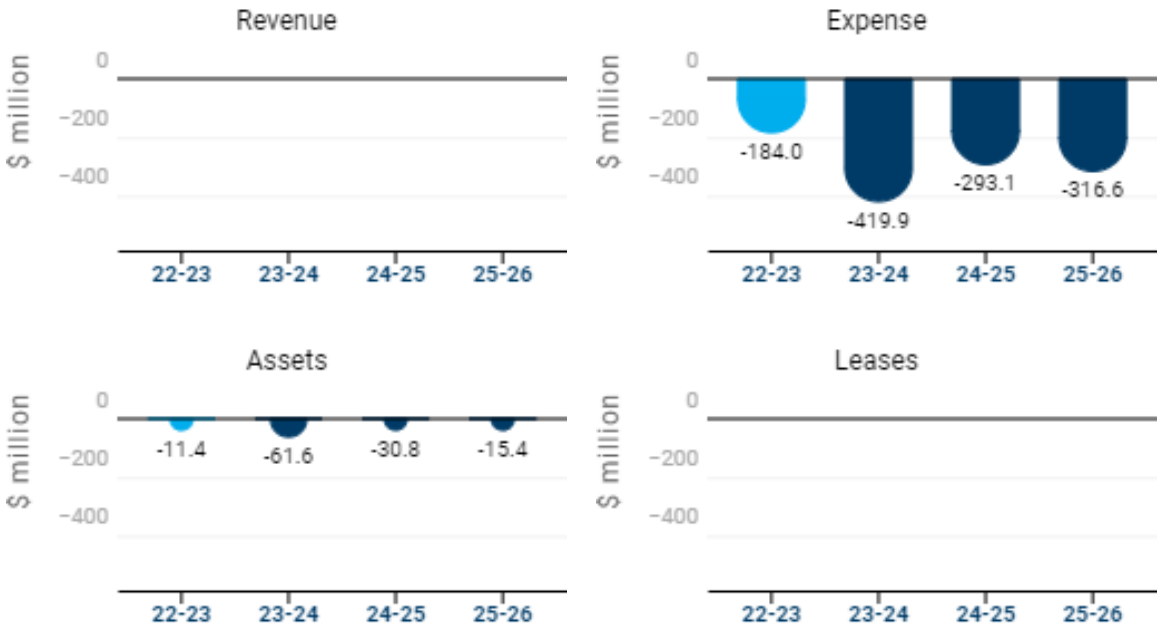
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to increase the state's budgeted net position by:

- $1,332.9 million across 2022–23 to 2025–26, this reflects:
  - a decrease in operating expenses of $1,213.7 million due to savings from reprioritising budgeted initiatives
  - a decrease in assets of $119.2 million due to savings from ceasing budgeted asset works.
- $1,532.9 million across 2022–23 to 2032–33, this reflects:
  - a decrease in operating expenses of $1,413.7 million due to savings from reprioritising budgeted initiatives
  - a decrease in assets of $119.2 million due to savings from ceasing budgeted asset works.

This cost estimate is sensitive to changes in amounts already spent and contractually committed as at 1 January 2023.

For some projects, the financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of these funding amounts specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Funds already spent would not be recoverable.
2. Existing contractual commitments would be honoured under this policy.

Method

When costing this policy, we:

- determined the amount of funding committed to the project in the budget
- where possible, determined the amount of funding expected to be spent to 1 January 2023
- estimated the amount of funds already spent
- where possible, determined the value and termination costs of existing contracts
- calculated the amount of funds the policy would save.

Data sources

- Information provided by the Department of Premier and Cabinet

- Victorian Budget 2020–21, Budget Paper No. 3 Service Delivery 2020–21
- Victorian Budget 2022–23, Budget Paper No. 3 Service Delivery 2020–21
- Victorian Economic and Fiscal Update 2022

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-184.0	-419.9	-293.1	-316.6	-200.0	-	-	-	-	-	-
Net operating balance	184.0	419.9	293.1	316.6	200.0	-	-	-	-	-	-
Assets	-11.4	-61.6	-30.8	-15.4	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	195.4	481.5	323.9	332.0	200.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-184.0	-604.0	-897.1	-1,213.7	-1,413.7	-1,413.7	-1,413.7	-1,413.7	-1,413.7	-1,413.7	-1,413.7
Net operating balance	184.0	604.0	897.1	1,213.7	1,413.7	1,413.7	1,413.7	1,413.7	1,413.7	1,413.7	1,413.7
Assets	-11.4	-73.0	-103.8	-119.2	-119.2	-119.2	-119.2	-119.2	-119.2	-119.2	-119.2
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	195.4	677.0	1,000.9	1,332.9	1,532.9	1,532.9	1,532.9	1,532.9	1,532.9	1,532.9	1,532.9

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

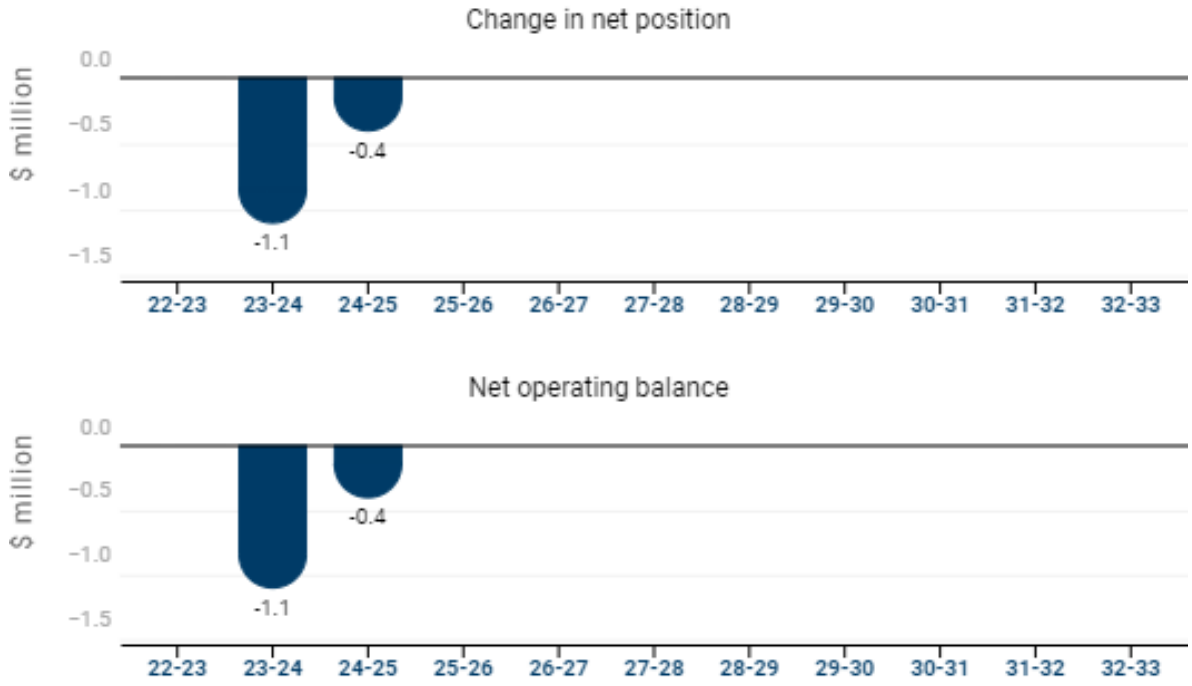
Publicly-announced policy costing

Respect for rural communities

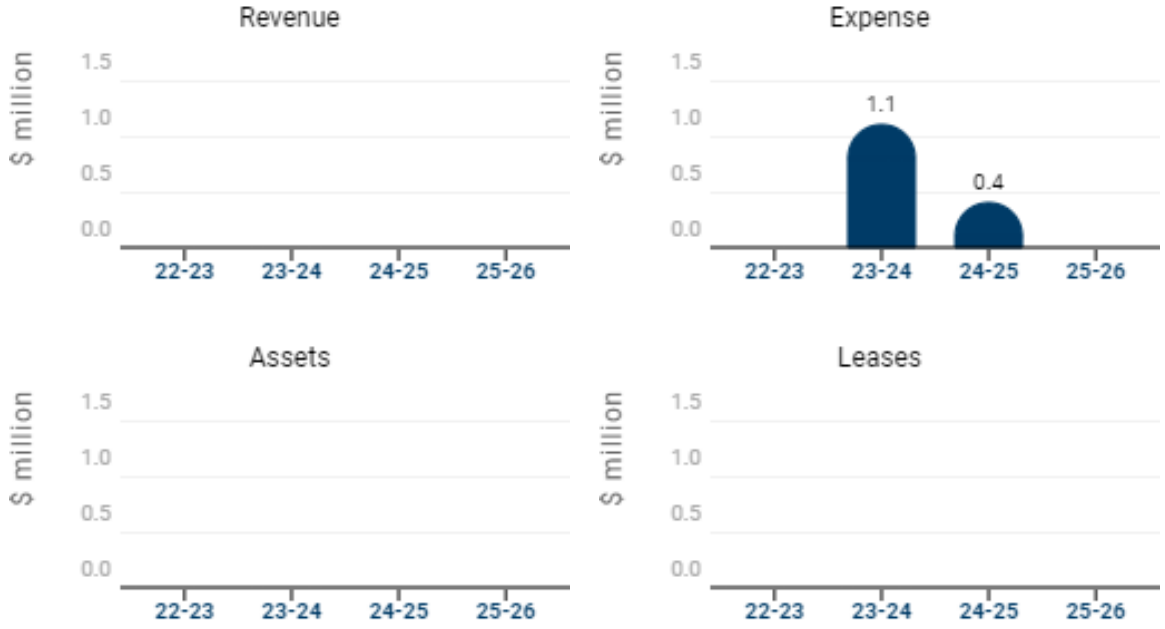
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ review Victoria's public land management standards to ensure 'good neighbour' relations that put equivalent standards onto both the government and private landholders ▪ transfer management from Parks Victoria to the Game Management Authority (GMA) of State Game Reserves (SGR) where the GMA can prove it is better suited to manage that SGR for the benefit of the environment and the Victorian community ▪ strengthen Victoria's farm trespass laws to bring maximum fines for individuals in line with NSW and to include licenced water frontage in farmer's biosecurity management plan ▪ amend the *Land Act 1958* to achieve a more balanced approach to camping on crown land river frontage property by creating an opt-in system for campers to seek permission of land holders, increasing penalties for breaches of biosecurity measures and increasing the powers of authorised officers to enforce this new approach ▪ manage Victoria's brumby population through re-homing and veterinary intervention, and end the plan to eradicate brumbies through aerial and ground shooting – met from within current department funding ▪ ensure that all proposed legislation is reviewed to assess its compatibility, and potential conflict, with neighbouring state jurisdictions and its impact on cross-border communities, and support the ongoing resourcing of the Victorian Cross Border Commissioner and change the role to a Governor-in-Council appointment.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $1.5 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses from the public land management review and the proposed legislation review.

We expect the policy to increase farm trespass fines would have an immaterial but positive impact on revenue.

We do not expect the remaining elements of this policy to have an impact on the state's budgeted net position.

This cost estimate is sensitive to the final size and scope of the reviews.

Our approach

Assumptions

When costing this policy, we assumed that funding for the public land management review and the proposed legislation review would be based on similar comparable reviews, adjusted for growth in the Victorian wage price index.

Method

When costing this policy, we:

- determined the costs and funding profiles associated with similar reviews undertaken by Victorian government departments
- estimated the cost of a review into public land management and a review into proposed legislation based on these similar reviews, adjusted by the Victorian wage price index.

Data sources

- Matthew Guy. 2022. Better public land management to improve Victoria's biosecurity. [ONLINE] Available at: https://www.matthewguy.com.au/media-releases/2022-10-30-better-public-land-management-to-improve-vict [Accessed 11 November 2022]
- Victorian Budget 2022-23, Budget Paper No.3 Service Delivery 2021-22
- Victorian Budget 2019-20, Budget Paper No.3 Service Delivery 2019-20

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	..	..	..	..	..	..	..	..	..	..	..
Expense	-	1.1	0.4	-	-	-	-	-	-	-	-
Net operating balance	..	-1.1	-0.4	..	..	..	..	..	..	..	..
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	..	-1.1	-0.4	..	..	..	..	..	..	..	..

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	..	..	..	..	..	..	..	..	..	..	..
Expense	-	1.1	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Net operating balance	..	-1.1	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	..	-1.1	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

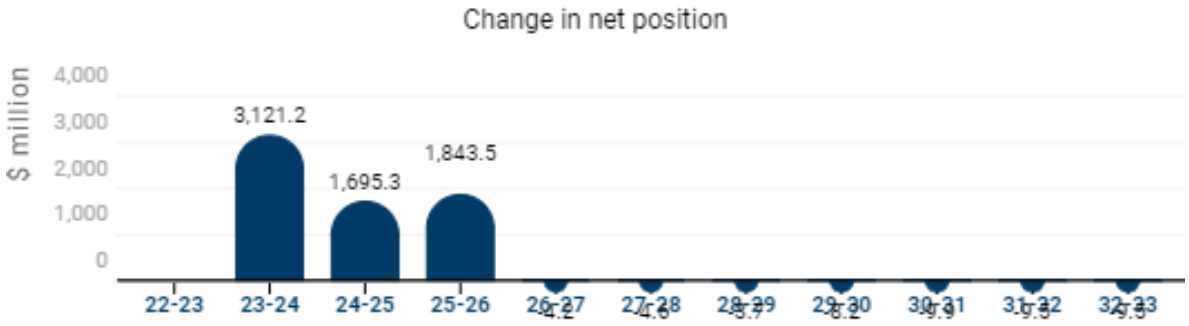
Publicly-announced policy costing

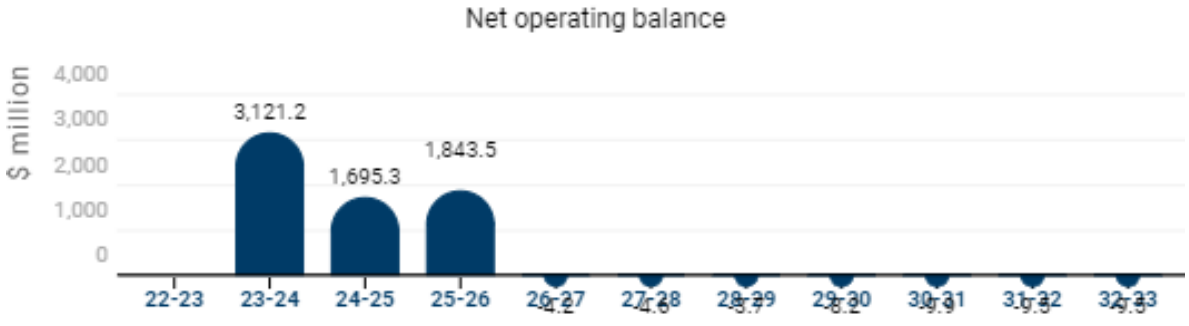
Sewerage works lease

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ offering a 50-year lease of Melbourne Water's sewerage treatment business, including 2 treatment plants and associated infrastructure ▪ transferring the proceeds of the asset lease to the Victorian Future Fund ▪ undertake a phased withdrawal of the total principal fund investment associated with the lease of Melbourne Water's assets and related earnings from the Victorian Future Fund.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

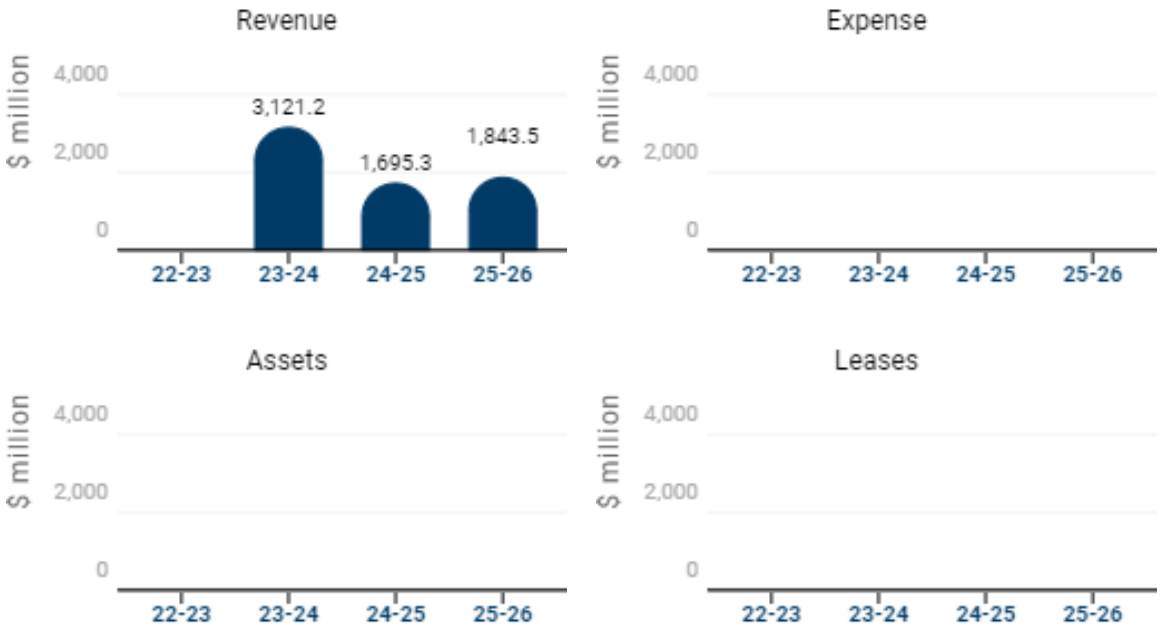
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

The Victorian budget and our costing response include budget impacts in the general government sector (GGS). Melbourne Water is a public non-financial corporation (PNFC) which is outside the GGS. The PNFC sector contains government-controlled corporations that are treated like government subsidiaries. Melbourne Water's activities impact the budget in a different way to government departments.

Melbourne Water is budgeted to pay dividends to the government over the forward estimates. The Treasurer of Victoria determines the Melbourne Water dividend after consultation with the Board of Melbourne Water and the Minster of Water.

The government announced the Victorian Future Fund (future fund) in the 2022–23 budget. On 30 June 2022, the Premier's website stated that $7.9 billion, generated from the VicRoads Modernisation Joint Venture, would be invested in the future fund.

The Victorian Funds Management Corporation (VFMC) manages the future fund. The VFMC is a public financial corporate that sits outside the general government sector.

Costing overview

We expect this policy to increase the state's budgeted net position by:

- $6,660.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in revenue of $6,668.7 million from phased drawdowns of the asset sale
  - partly offset by a decrease in revenue of $8.7 million due to reduced dividends paid by Melbourne Water to the government.
- $6,610.5 million across 2022–23 to 2032–33, this reflects:
  - an increase in revenue of $6,668.7 million from phased drawdowns of the asset sale
  - partly offset by a decrease in revenue of $58.2 million due to reduced dividends paid by Melbourne Water to the government.

We estimate that a 50-year lease of Melbourne Water's sewerage and recycled water assets would have a value of $6,248.1 million in 2023–24.

By leasing the sewerage component of Melbourne Water, we expect that the profitability of Melbourne Water would fall, leading to a reduction in earnings and equity. This would reduce the net worth of Melbourne Water over the leasing period. A reduction in a PNFC's net worth does not directly affect the state budget.

This cost estimate is sensitive to changes in:

- the price offered for leasing the asset by private sector bidders and the number of competing bidders
- future service demand growth
- future Essential Services Commission (ESC) pricing decisions
- future expected profitability of the sewerage treatment business
- conditions or restrictions negotiated on the lease.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Melbourne Water would be split into 2 businesses:
   - the leased business
   - a PNFC that would manage the remaining parts of the business and the lease.
2. The private sector business that takes on the lease would pay an upfront payment for the 50-year lease to the PNFC, which would then transfer that money to the government.
3. A private sector business would take up the lease commencing in the 2023–24 financial year.
4. The ESC would continue to set prices for the sewerage services.
5. The drawdown of funds from the Victorian Future Fund would be recognised as revenue to the general government sector.
6. The reduction in dividend payments to the government would be proportional to the amount of revenue raised by the sewerage services.
7. The revenue generated from the lease of the business would be deposited into the Victorian Future Fund on 1 July 2023.
8. The Victorian Future Fund balance would be withdrawn over 3 years:
   a. 50% in 2023–24
   b. 50% in 2024–25
   c. 100% in 2025–26.
9. VFMC earnings on future fund assets would be in line with the 8-year average of VFMC's actual 3-year per annum returns for foundation centralised investment model (CIM) clients.
10. Withdraws would occur on 1 July each year a withdrawal is stipulated.

Method

When costing this policy, we:

- estimated the regulated asset base (RAB) and earnings before interest, tax, depreciation, and amortisation (EBITDA) for the sewerage component of Melbourne Water
- added multipliers to the RAB and EBITDA based on the results of other leases of essential services undertaken within Australia
- averaged the results of the different measures
- estimated the reduced dividend resulting from the leasing agreement

- estimated the VFMC's per annum returns
- estimated the Victorian Future Fund earnings from the deposit of the revenue earned from the lease of Melbourne Water's assets, accounting for revenue withdrawals
- estimated the revenue withdrawn from the Victorian Future Fund each financial year.

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Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	3,121.2	1,695.3	1,843.5	-4.2	-4.6	-3.7	-8.2	-9.9	-9.5	-9.5
Draw-down from Victorian Future Fund	-	3,124.0	1,698.3	1,846.4	-	-	-	-	-	-	-
Dividends from Melbourne Water	-	-2.8	-3.0	-2.9	-4.2	-4.6	-3.7	-8.2	-9.9	-9.5	-9.5
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	3,121.2	1,695.3	1,843.5	-4.2	-4.6	-3.7	-8.2	-9.9	-9.5	-9.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	3,121.2	1,695.3	1,843.5	-4.2	-4.6	-3.7	-8.2	-9.9	-9.5	-9.5

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	3,121.2	4,816.5	6,660.0	6,655.8	6,651.2	6,647.6	6,639.4	6,629.6	6,620.0	6,610.5
Draw-down from Victorian Future Fund	-	3,124.0	4,822.3	6,668.7	6,668.7	6,668.7	6,668.7	6,668.7	6,668.7	6,668.7	6,668.7
Dividends from Melbourne Water	-	-2.8	-5.8	-8.7	-12.9	-17.5	-21.1	-29.3	-39.2	-48.7	-58.2
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	3,121.2	4,816.5	6,660.0	6,655.8	6,651.2	6,647.6	6,639.4	6,629.6	6,620.0	6,610.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	3,121.2	4,816.5	6,660.0	6,655.8	6,651.2	6,647.6	6,639.4	6,629.6	6,620.0	6,610.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

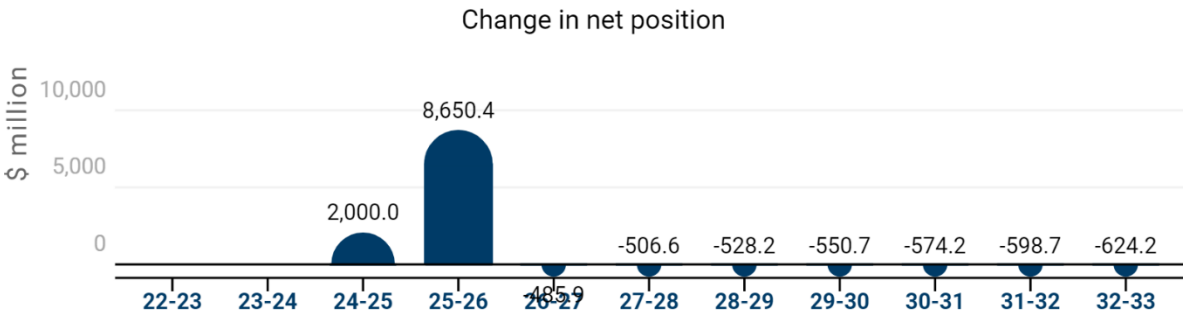
Publicly-announced policy costing

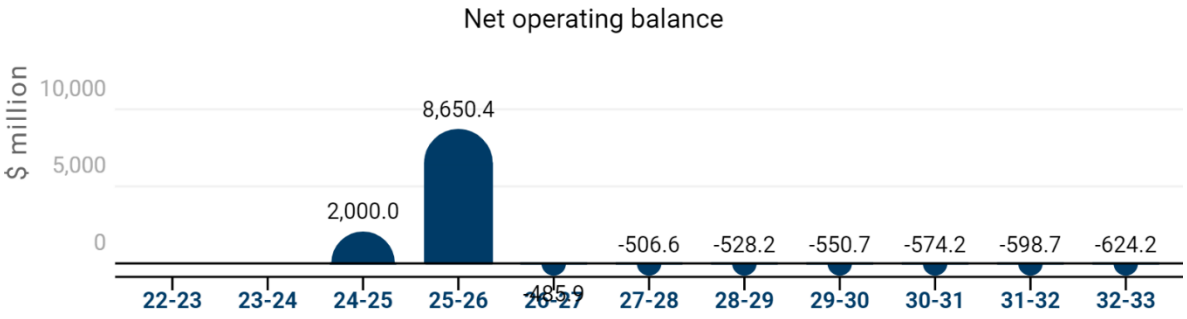
Victorian Future Fund drawdown

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	30 June 2025
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to withdraw: ▪ $2.0 billion from the Victorian Future Fund in 2024–25 ▪ the remainder of the Victorian Future Fund at the end of the forward estimates.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

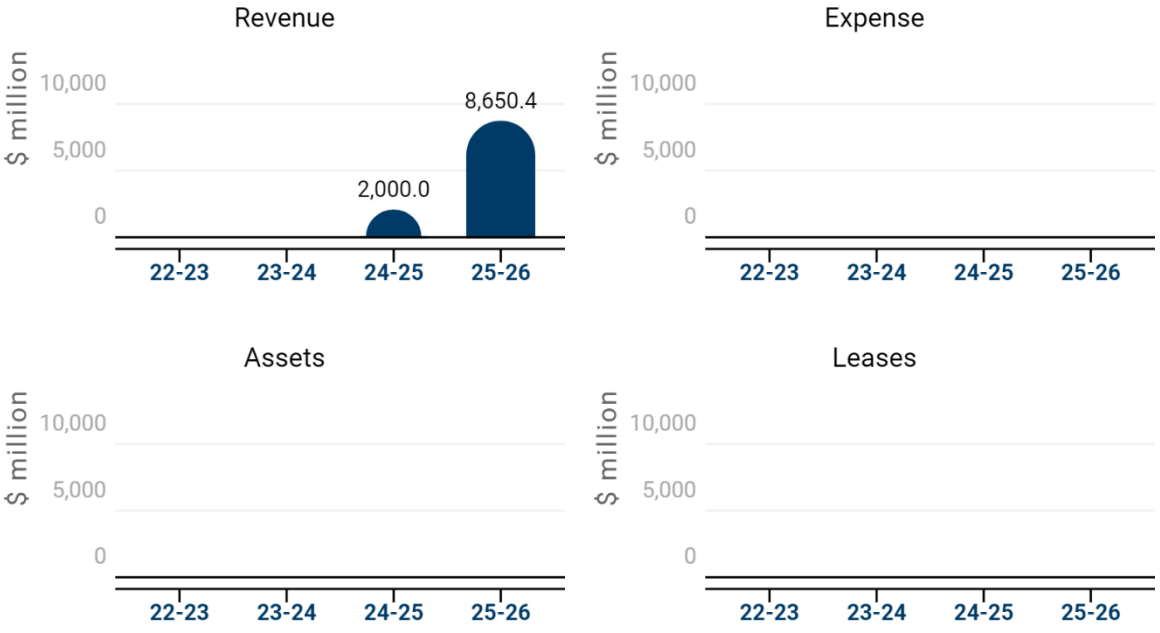
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

The government announced the Victorian Future Fund in the 2022–23 budget. On 30 June 2022, the Premier's website stated that $7.9 billion, generated from the VicRoads Modernisation Joint Venture, would be invested in the fund.

The government plans to make further investments into the fund through proceeds from designated government land sales and a proportion of future budget surpluses. The fund is budgeted to pay dividends each year over the forward estimates.

The Victorian Funds Management Corporation (VFMC) manages the fund. The VFMC is a public financial corporation that sits outside the general government sector.

Costing overview

We expect this policy to increase the state's budgeted net position by:

- $10,650.4 million across 2022–23 to 2025–26, this reflects:
  - an increase in revenue of $10,732.4 million due to a drawdown from the fund
  - partly offset by a decrease in revenue of $82.0 million due to dividend payments foregone.
- $6,781.8 million across 2022–23 to 2032–33, this reflects:
  - an increase in revenue of $10,732.4 million due to a drawdown from the fund
  - partly offset by a decrease in revenue of $3,950.6 due to dividend payments foregone.

This cost estimate is sensitive to changes in:

- VFMC portfolio returns
- dividend payout ratio
- the value and timing of dividend payments
- the value and timing of additional contributions to the fund.

This costing is also sensitive to the specific arrangements for the Victorian Future Fund. None of the 2022-23 Victorian Budget, 2022 Victorian economic and fiscal update or the 2022 Pre-election budget update detailed the specific arrangements including:

- how the balance of the fund would be used to offset borrowings
- Whether the fund would be within or outside the general government sector.

We sought information from the Department of Treasury and Finance. While it provided some information, it advised that materials relating to the Victorian Future Fund were commercially confidential.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Earnings on the fund's assets and additional contributions would be in line with government estimates.
2. Fund earnings over the period 2026–27 to 2032–33 would be in line with the 8-year average of VFMC's actual 3-year per annum returns for Foundation CIM clients.
3. There would be no inflows into the fund, other than retained earnings, over the period 2026–27 to 2032–33.
4. Drawdowns would occur on 30 June each year a drawdown is stipulated.
5. The Victorian Future Fund sits outside the general government sector.
6. Dividend payments foregone over the period 2025–26 to 2032–33 would be in line with the 2025–26 dividend payout ratio.

Method

When costing this policy, we:

- identified the government's fund forecasts for 2025–26
- estimated the fund's earnings over the period 2026–27 to 2032–33
- estimated the fund's dividend payments foregone.

Data sources

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Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	2,000.0	8,650.4	-485.9	-506.6	-528.2	-550.7	-574.2	-598.7	-624.2
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	-	2,000.0	8,650.4	-485.9	-506.6	-528.2	-550.7	-574.2	-598.7	-624.2
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	2,000.0	8,650.4	-485.9	-506.6	-528.2	-550.7	-574.2	-598.7	-624.2

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	2,000.0	10,650.4	10,164.5	9,657.9	9,129.7	8,579.0	8,004.8	7,406.1	6,781.8
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	-	2,000.0	10,650.4	10,164.5	9,657.9	9,129.7	8,579.0	8,004.8	7,406.1	6,781.8
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	2,000.0	10,650.4	10,164.5	9,657.9	9,129.7	8,579.0	8,004.8	7,406.1	6,781.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

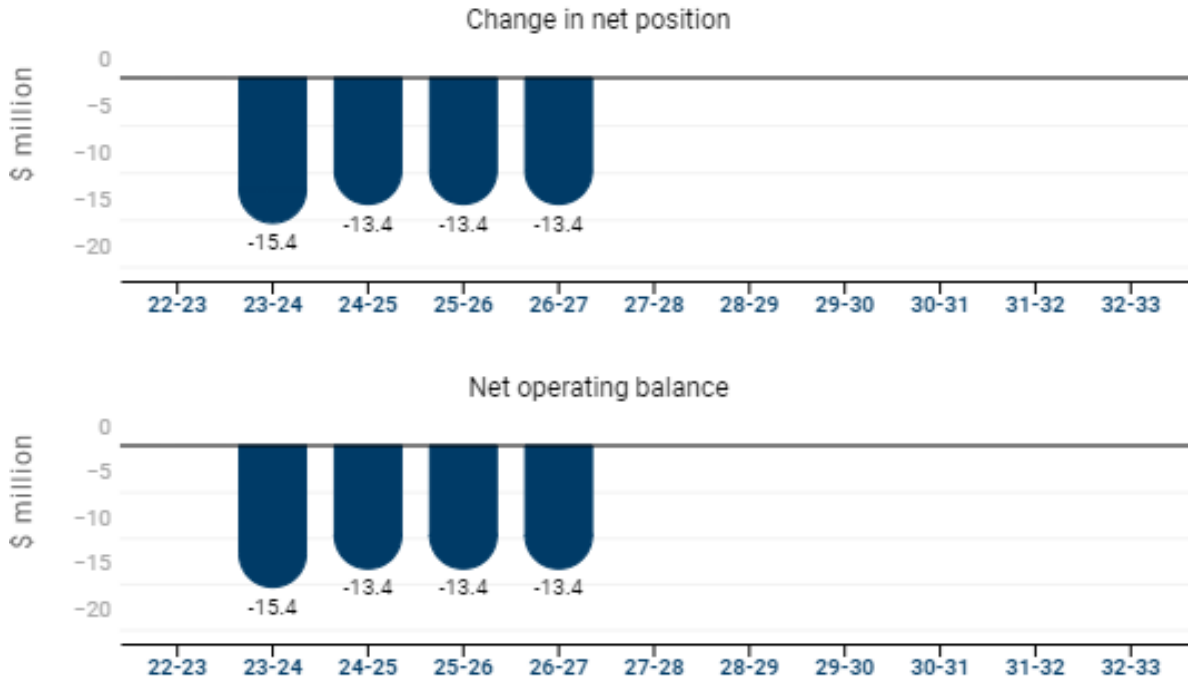
Publicly-announced policy costing

Better educated communities

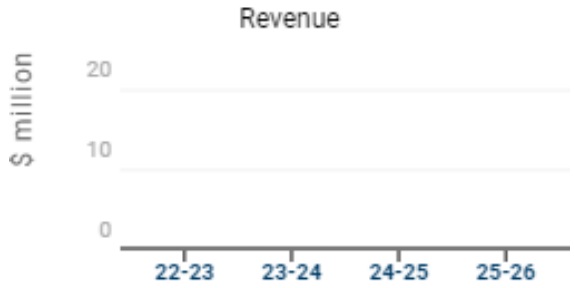
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $50 million to develop and deliver improve music education in Victorian schools ▪ $5.4 million to better support community language schools across Victoria ▪ to ensuring that Victorian students will have their face-to-face learning guaranteed ▪ to reviewing and improving the special examination arrangements for VCE students sitting their exams and school assessed coursework, using existing DET resources.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

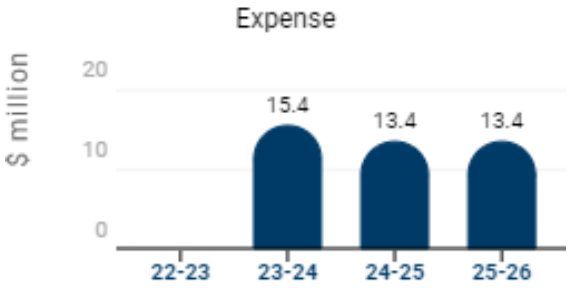
Our response

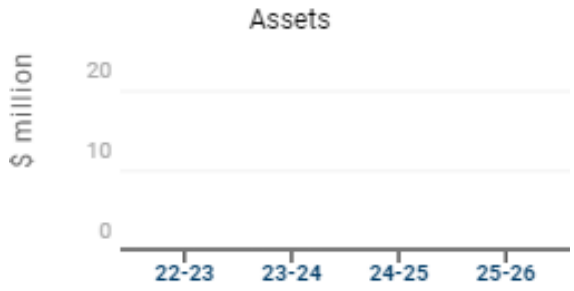
Budget impact

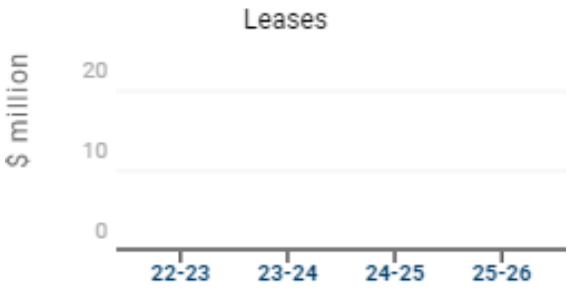


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $42.0 million across 2022–23 to 2025–26
- $55.4 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

We do not expect the following policy components to have an impact on the state's budgeted net position as they would be met within existing departmental resources:

- Ensuring that Victorian students will have their face-to-face learning guaranteed.
- Reviewing and improving the special examination arrangements for VCE students sitting their exams and school assessed coursework, using existing DET resources.

Our approach

Assumptions

When costing this policy, we assumed that specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	15.4	13.4	13.4	13.4	-	-	-	-	-	-
Net operating balance	-	-15.4	-13.4	-13.4	-13.4	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-15.4	-13.4	-13.4	-13.4	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	15.4	28.7	42.0	55.4	55.4	55.4	55.4	55.4	55.4	55.4
Net operating balance	-	-15.4	-28.7	-42.0	-55.4	-55.4	-55.4	-55.4	-55.4	-55.4	-55.4
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-15.4	-28.7	-42.0	-55.4	-55.4	-55.4	-55.4	-55.4	-55.4	-55.4

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

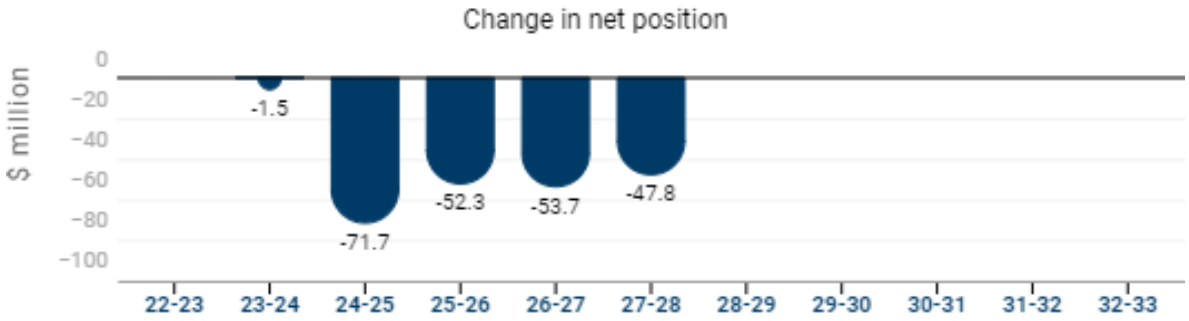
Publicly-announced policy costing

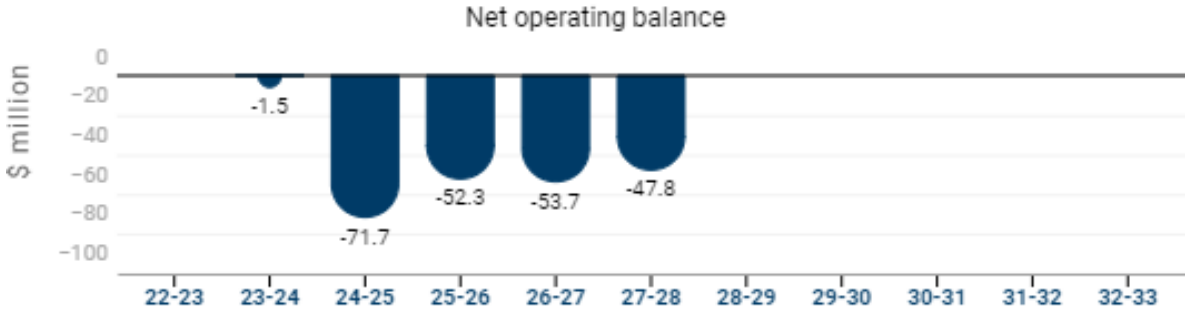
Better readers plan

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2028
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $227.0 million to fund the Better Readers Plan to improve reading outcomes for Victorian children. This plan would include: ▪ implementing evidenced-based systematic synthetic phonics in government schools ▪ the development of a revised Prep to Year 2 reading curriculum ▪ the provision of new teaching resources, tools and professional development, and expert advice ▪ the employment of 150 additional specialist allied health staff, and increased support for Maternal and Child Health Services.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

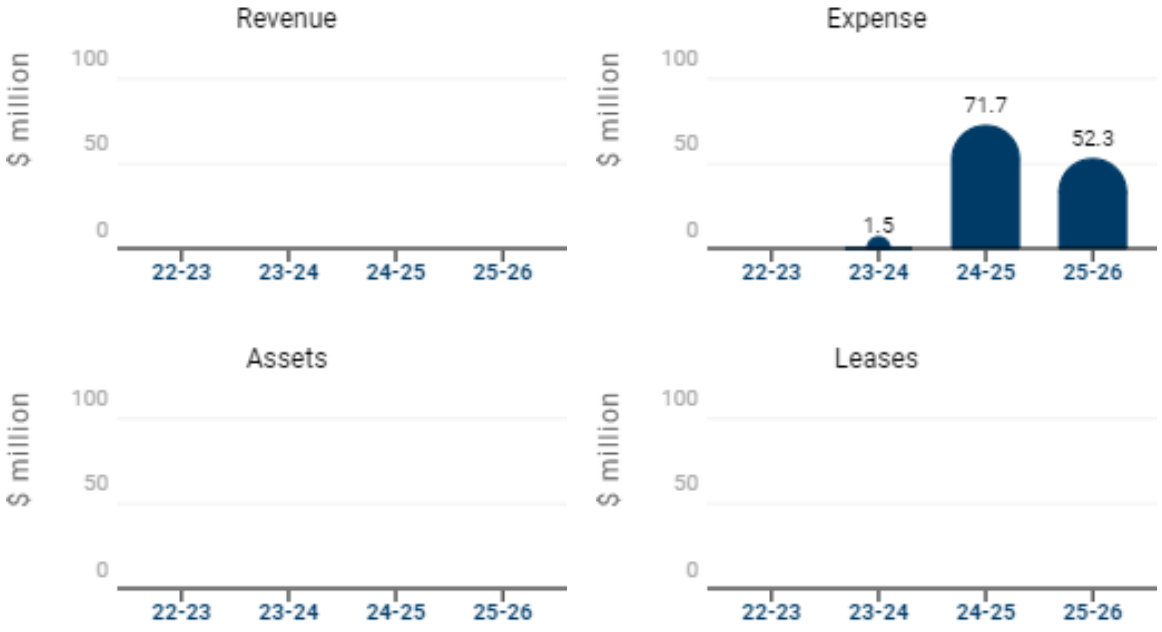
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $125.5 million across 2022–23 to 2025–26
- $227.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses to fund the Better Readers Plan. The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

The specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.5	71.7	52.3	53.7	47.8	-	-	-	-	-
Net operating balance	-	-1.5	-71.7	-52.3	-53.7	-47.8	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-1.5	-71.7	-52.3	-53.7	-47.8	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.5	73.2	125.5	179.2	227.0	227.0	227.0	227.0	227.0	227.0
Net operating balance	-	-1.5	-73.2	-125.5	-179.2	-227.0	-227.0	-227.0	-227.0	-227.0	-227.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-1.5	-73.2	-125.5	-179.2	-227.0	-227.0	-227.0	-227.0	-227.0	-227.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Free kinder

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	31 December 2032
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ free kinder for 3 and 4-year-old children ▪ new childcare facilities from within existing state budget allocations.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as the costs for free kinder would be provided for within the existing budget of the Department of Education and Training.

We make no judgement of the type, location, capacity or other characteristics of the new childcare facilities.

Publicly-announced policy costing

Free TAFE

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to support the ongoing development of a diverse vocational education and training system in Victoria and the role of both public and private providers. The policy would also support a system of free TAFE and its expansion to cover areas experiencing skill or workforce shortages including nursing and the construction industry. This policy would be funded from within existing state budget allocations and departmental appropriations.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as the policy is specified to be funded from within existing state budget allocations and departmental appropriations.

We made no judgement on the impact to other functions delivered by the relevant department because of this policy.

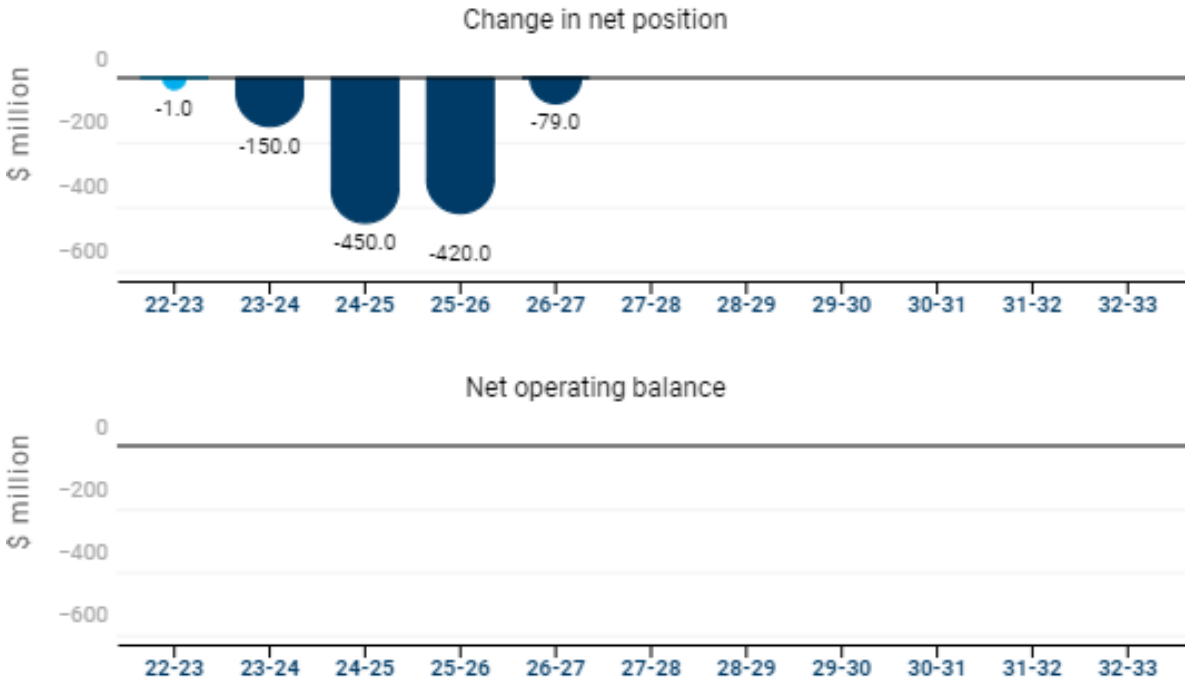
Publicly-announced policy costing

Government school capital funding

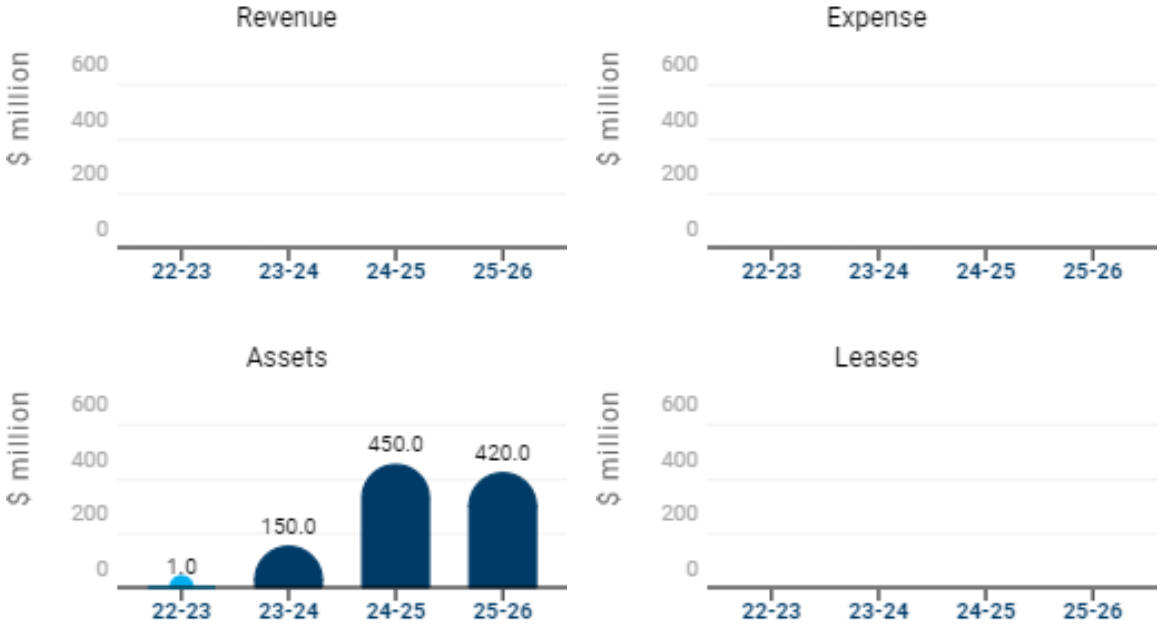
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $1.1 billion for: ▪ the construction of new government schools ▪ government school upgrades ▪ related planning works.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $1,021.0 million across 2022–23 to 2025–26
- $1,100.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in assets.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $1,100.0 million from the commencement of asset works in 2022–23 to completion in 2026–27.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	-	-	-	-	-	-	-	-	-	-
Assets	1.0	150.0	450.0	420.0	79.0	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-1.0	-150.0	-450.0	-420.0	-79.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	-	-	-	-	-	-	-	-	-	-
Assets	1.0	151.0	601.0	1,021.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-1.0	-151.0	-601.0	-1,021.0	-1,100.0	-1,100.0	-1,100.0	-1,100.0	-1,100.0	-1,100.0	-1,100.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

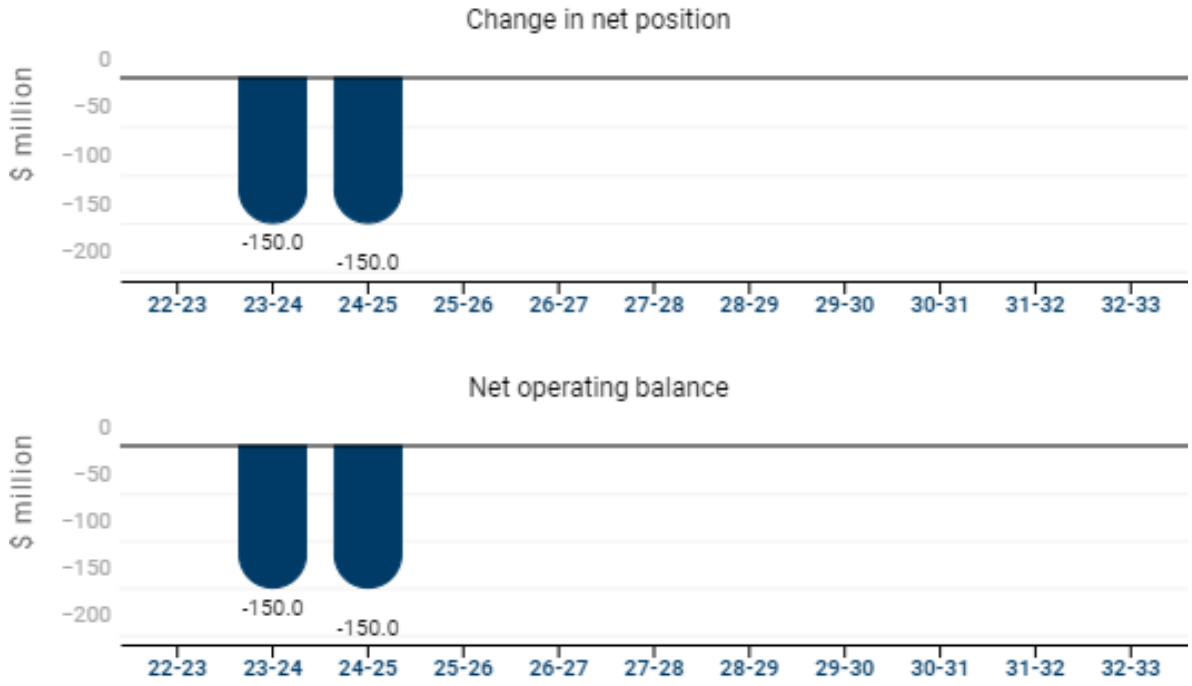
Publicly-announced policy costing

Healthy school lunches

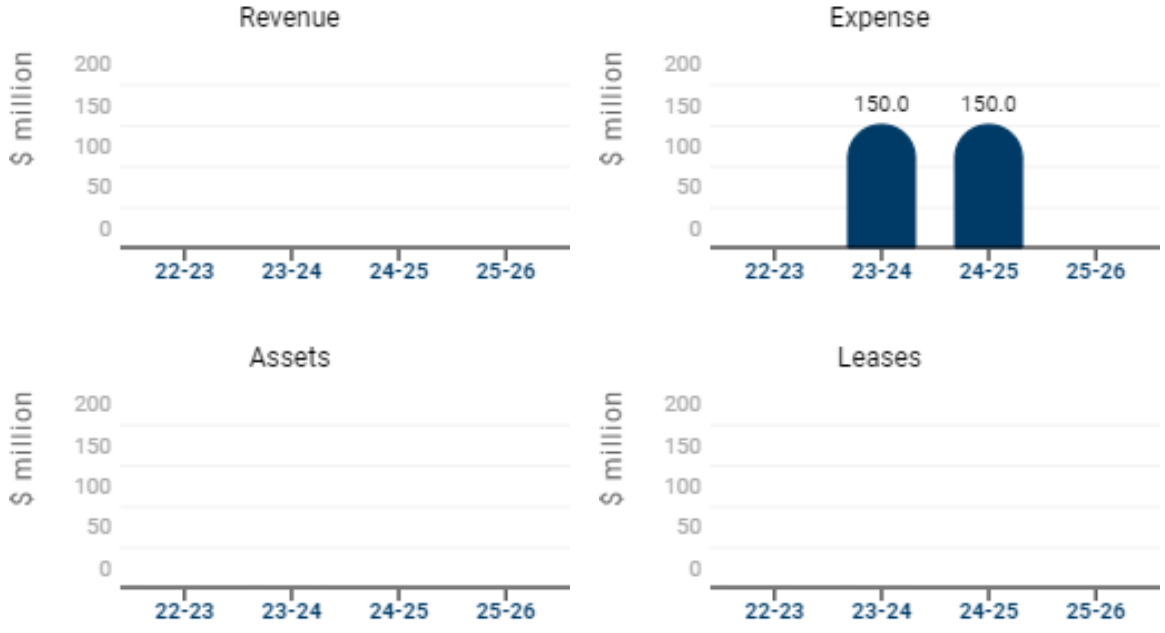
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2025
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $300.0 million to deliver a 2-year pilot of a healthy lunches program in Victorian Government schools.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $300.0 million across 2023–24 to 2024-25. This is entirely due to an increase in operating expenses from funding the 2-year pilot of a healthy lunches program

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The specified funding amount would encompass administrative costs.
2. Funding would be evenly spread within the 2-year trial period.

Method

We based this policy costing on the capped amount of funding and profile specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	150.0	150.0	-	-	-	-	-	-	-	-
Net operating balance	-	-150.0	-150.0	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-150.0	-150.0	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	150.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0
Net operating balance	-	-150.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-150.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

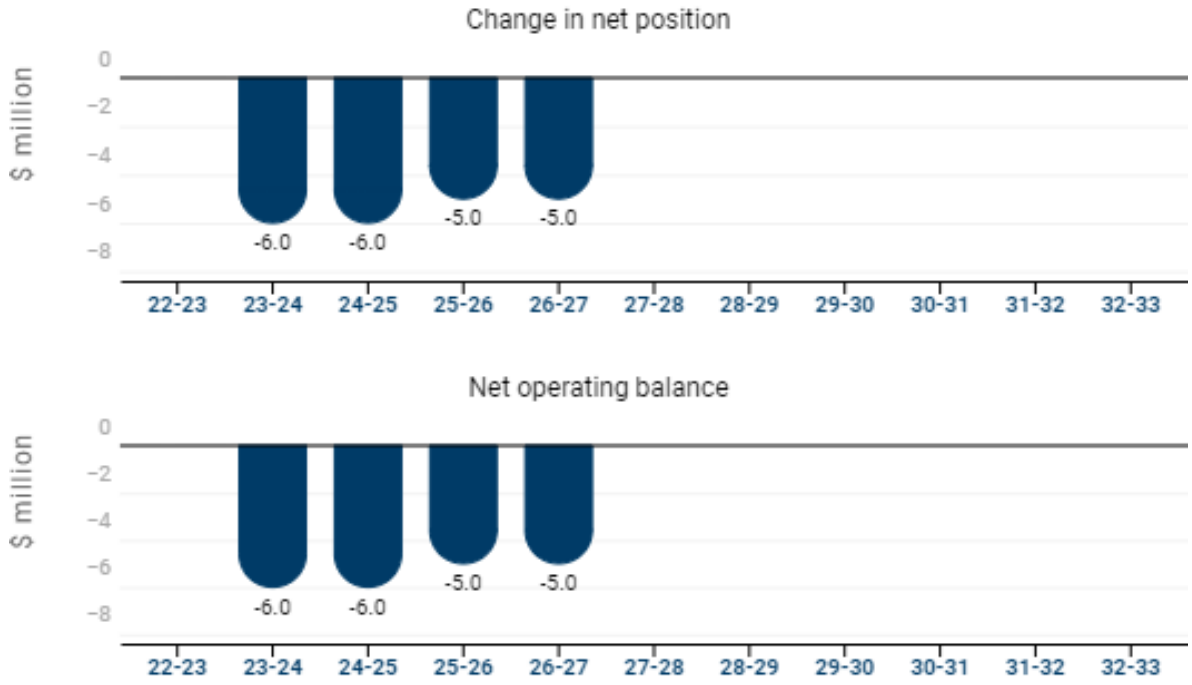
Publicly-announced policy costing

Improved kindergarten and child care support

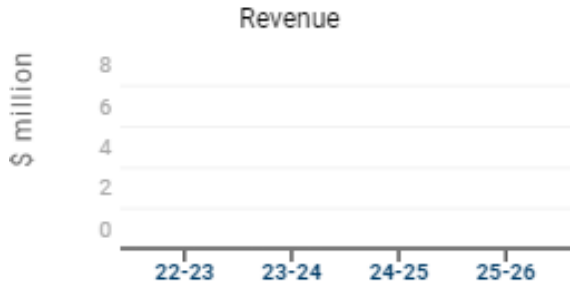
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $22.0 million to deliver a new: ▪ childcare facilities improvement program providing grants of up to $500,000 to existing childcare facilities that are run by local government or the not-for-profit sector for the renovation or refurbishment of facilities ▪ childcare workforce planning program to develop a strategy to ensure that all childcare centres will be able to find staff.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

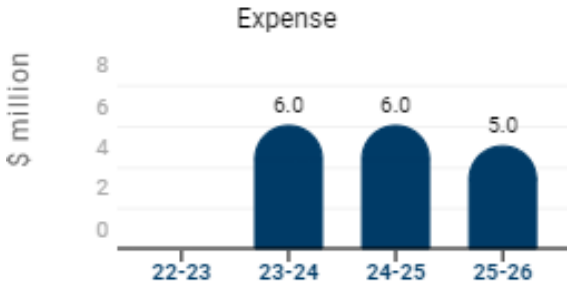
Our response

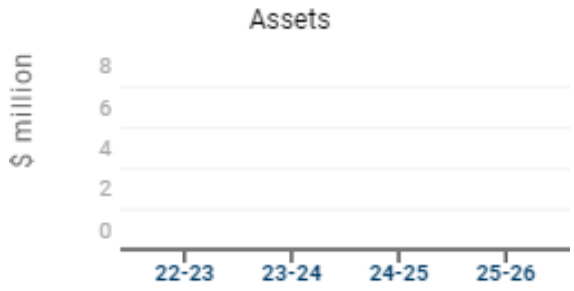
Budget impact

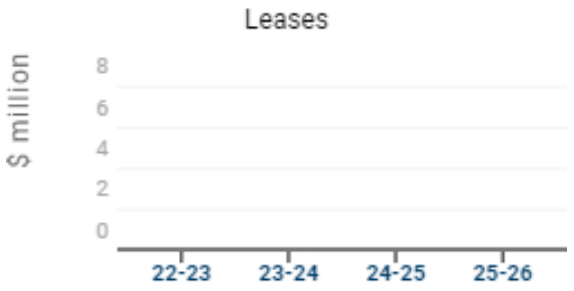


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $17.0 million across 2022–23 to 2025–26
- $22.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from delivery of the programs.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	6.0	6.0	5.0	5.0	-	-	-	-	-	-
Net operating balance	-	-6.0	-6.0	-5.0	-5.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-6.0	-6.0	-5.0	-5.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	6.0	12.0	17.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Net operating balance	-	-6.0	-12.0	-17.0	-22.0	-22.0	-22.0	-22.0	-22.0	-22.0	-22.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-6.0	-12.0	-17.0	-22.0	-22.0	-22.0	-22.0	-22.0	-22.0	-22.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

International students

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	30 June 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to a range of international student initiatives including to: ▪ focus on diversifying the source of student flows to a wider range of countries while supporting those countries that have been traditional sources of international students ▪ explore the need for targeted incentives to encourage the return of international students ▪ ensure there is a minister with designated responsibility for international education supported by a high-quality advisory panel ▪ ensure there is clearer Victorian state support through state sponsored visa places, particularly in key areas of workforce need including health, nursing, aged care, agriculture, and hospitality.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

This policy is an extension of existing activities of the Department of Jobs Precincts and Regions. We expect that these would be covered under existing departmental funding, and would not have an impact on the state's budgeted net position.

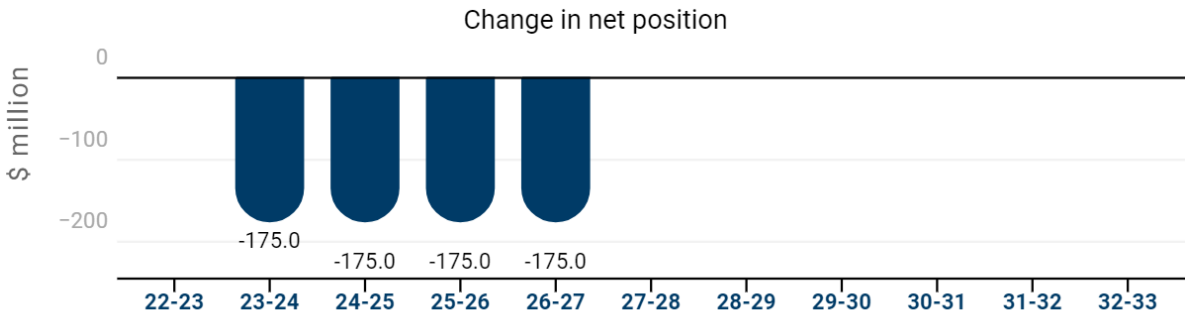
Publicly-announced policy costing

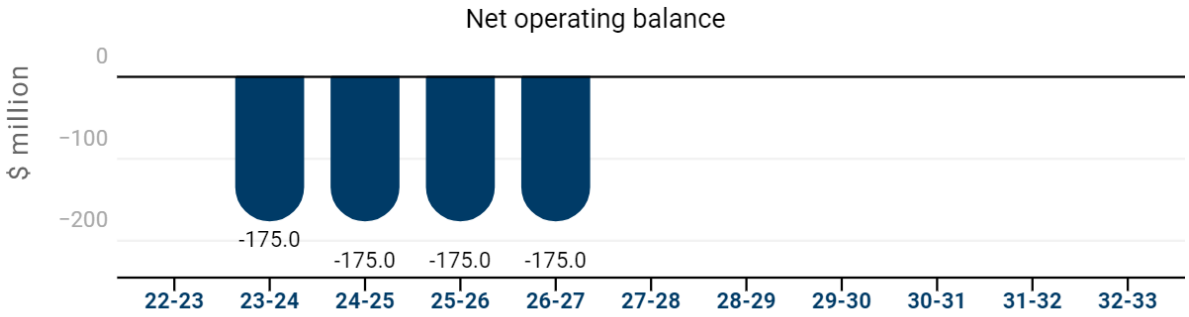
Non-government school capital funding

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $700.0 million over 4 years for capital funding support to the non-government school sector.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact





Costing components

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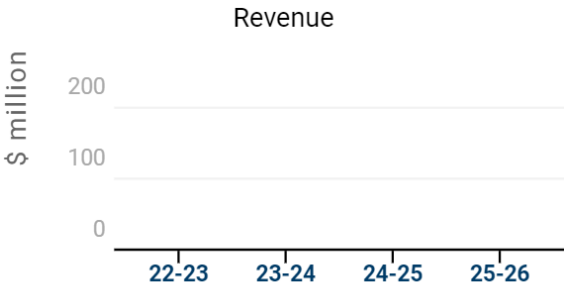
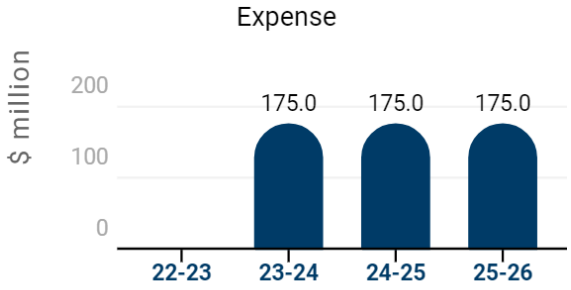
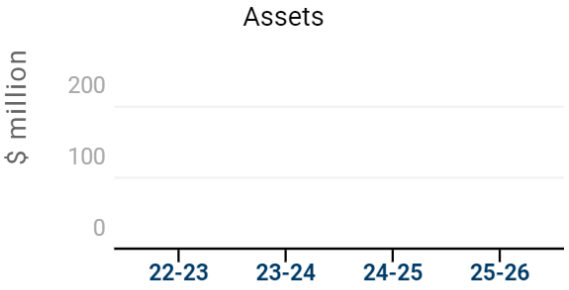






Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $525.0 million across 2022–23 to 2025–26
- $700.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from providing funding support for non-government school sector.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	175.0	175.0	175.0	175.0	-	-	-	-	-	-
Net operating balance	-	-175.0	-175.0	-175.0	-175.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-175.0	-175.0	-175.0	-175.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	175.0	350.0	525.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0
Net operating balance	-	-175.0	-350.0	-525.0	-700.0	-700.0	-700.0	-700.0	-700.0	-700.0	-700.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-175.0	-350.0	-525.0	-700.0	-700.0	-700.0	-700.0	-700.0	-700.0	-700.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

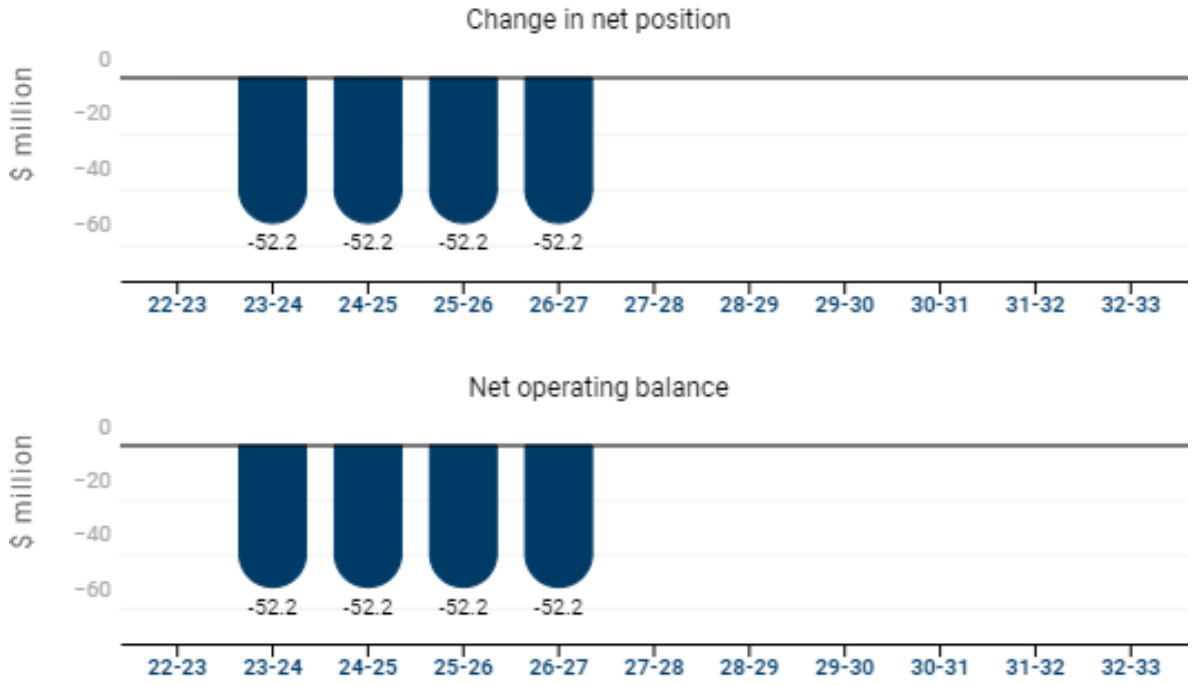
Publicly-announced policy costing

Simplifying school curriculum

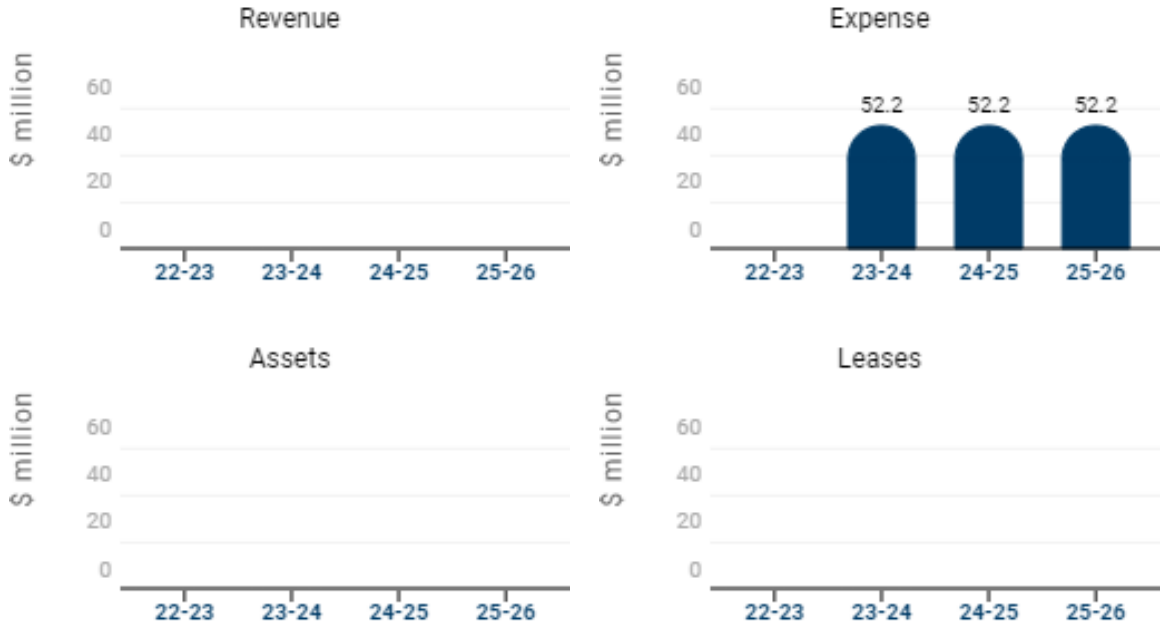
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $208.7 million to develop and implement a simplified Victorian school curriculum.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $156.5 million across 2022–23 to 2025–26
- $208.7 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses for the development and implementation of a simplified school curriculum.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

In costing this policy we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and expenditure phasing profile specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	52.2	52.2	52.2	52.2	-	-	-	-	-	-
Net operating balance	-	-52.2	-52.2	-52.2	-52.2	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-52.2	-52.2	-52.2	-52.2	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	52.2	104.3	156.5	208.7	208.7	208.7	208.7	208.7	208.7	208.7
Net operating balance	-	-52.2	-104.3	-156.5	-208.7	-208.7	-208.7	-208.7	-208.7	-208.7	-208.7
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-52.2	-104.3	-156.5	-208.7	-208.7	-208.7	-208.7	-208.7	-208.7	-208.7

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

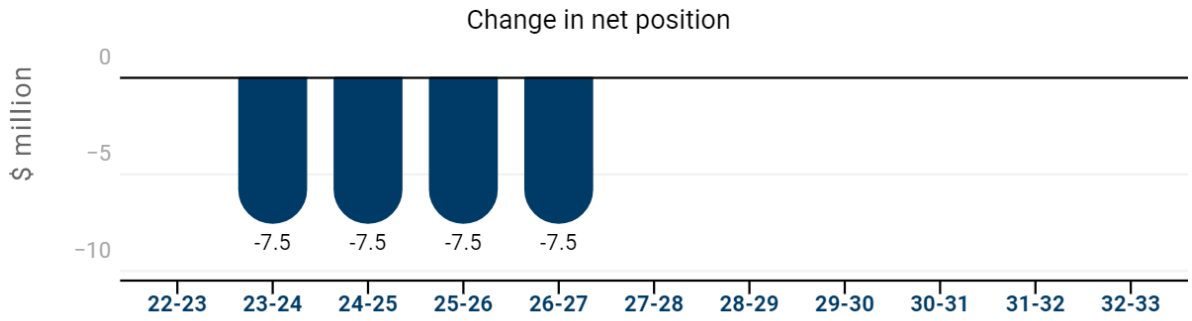
Publicly-announced policy costing

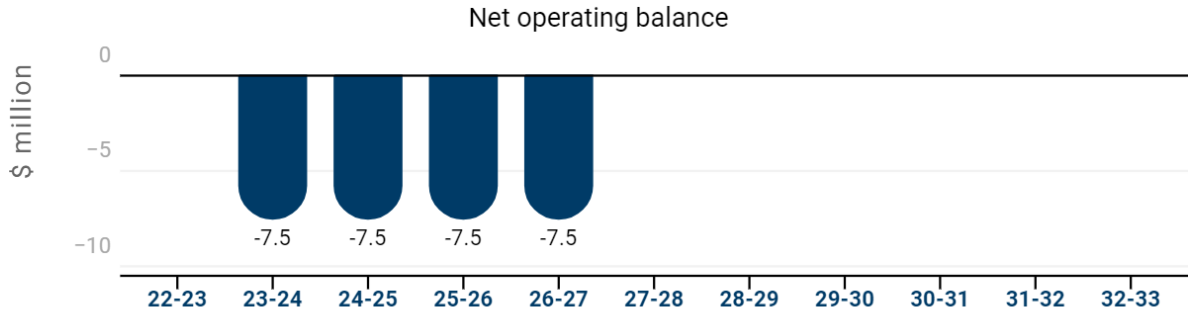
Cleaning up our communities

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $30.0 million over 4 years to establish a new grants scheme for community and volunteer groups who commit themselves to cleaning and preserving Victoria's diverse landscapes, and graffiti removal.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

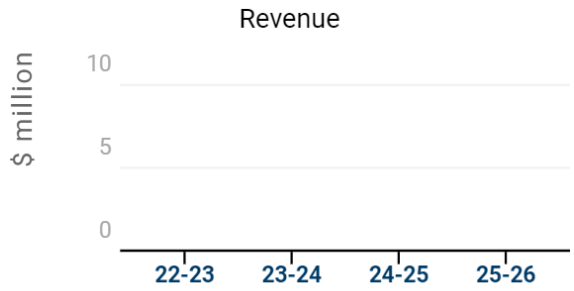
Our response

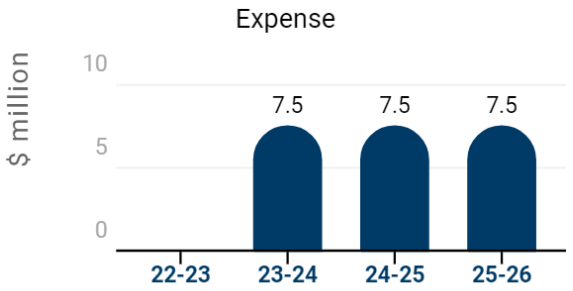
Budget impact

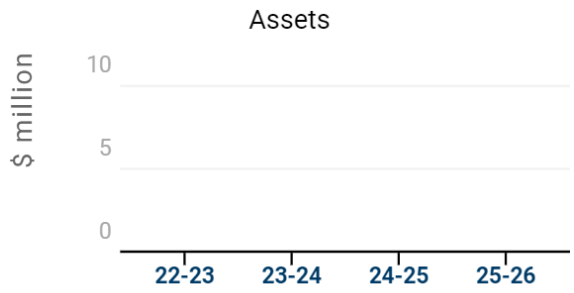


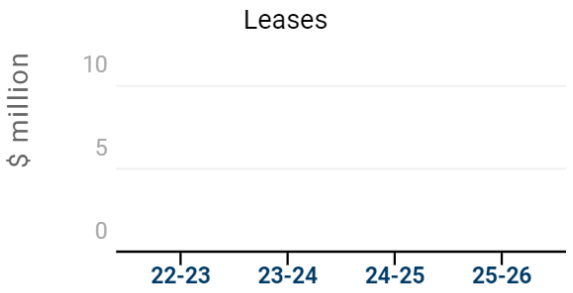


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $22.5 million across 2022–23 to 2025–26
- $30.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	7.5	7.5	7.5	7.5	-	-	-	-	-	-
Net operating balance	-	-7.5	-7.5	-7.5	-7.5	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-7.5	-7.5	-7.5	-7.5	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	7.5	15.0	22.5	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Net operating balance	-	-7.5	-15.0	-22.5	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-7.5	-15.0	-22.5	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

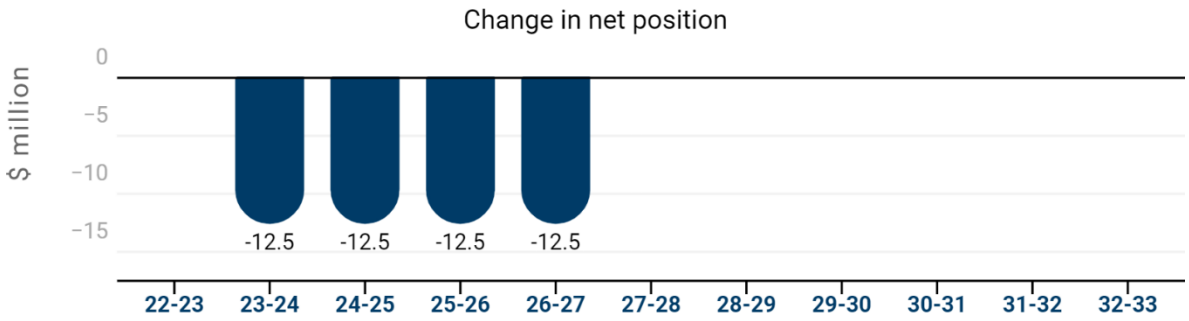
Publicly-announced policy costing

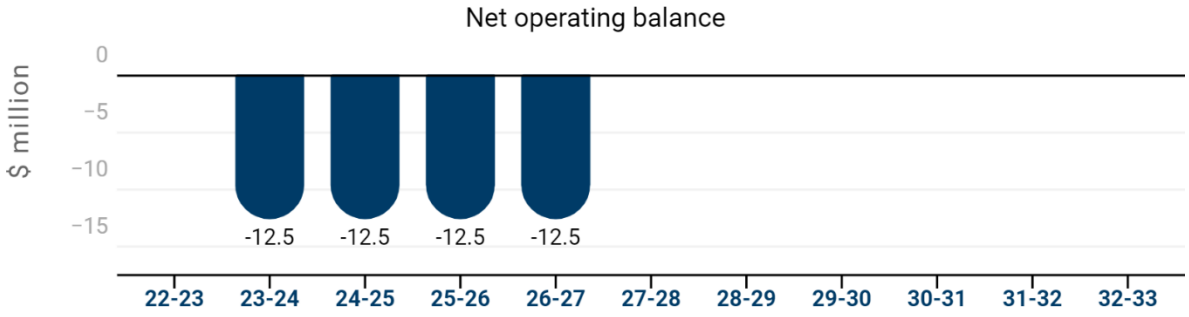
Deliver 600 new EV charging stations

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $50.0 million over 4 years to establish and operate a new community charging fund. The fund would leverage co-investment from business and community organisations, including councils, to deliver 600 new electric vehicle (EV) charging stations across Victoria.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

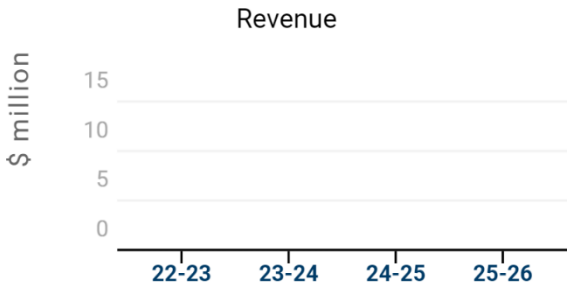
Our response

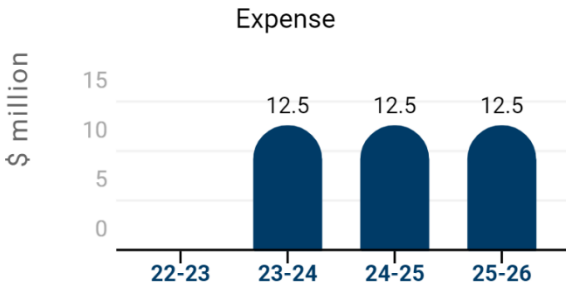
Budget impact

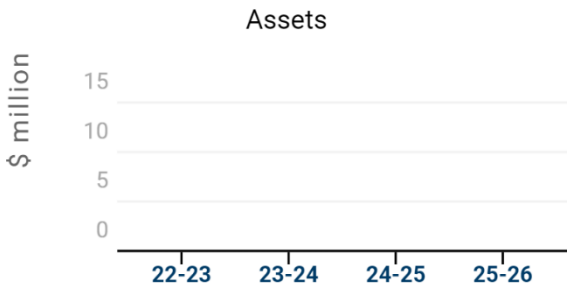


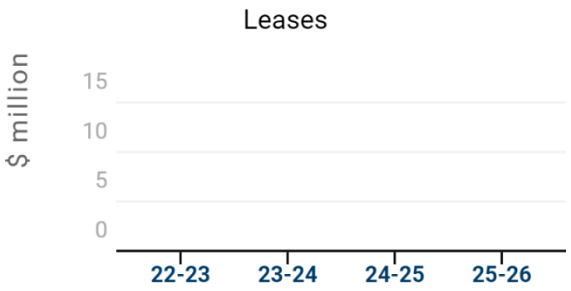


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $37.5 million across 2022–23 to 2025–26
- $50.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from the establishment of the Community Charging Fund.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Funding would be split evenly over 2023–24 to 2026–27.
2. The specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the costing request.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	12.5	12.5	12.5	12.5	-	-	-	-	-	-
Net operating balance	-	-12.5	-12.5	-12.5	-12.5	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-12.5	-12.5	-12.5	-12.5	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	12.5	25.0	37.5	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Net operating balance	-	-12.5	-25.0	-37.5	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-12.5	-25.0	-37.5	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Drawdown of the sustainability fund for projects that improve Victoria's environment

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to drawdown funds from the Sustainability Fund for projects that improve Victoria's environment.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Context

The Victorian Government collects the Municipal and Industrial Waste Levy. Some of these funds are distributed to environmental agencies and the remainder go into the Sustainability Fund.

The Premier and the Minister for Environment and Climate Action determine how to use money in the Sustainability Fund.

Our response

We expect this policy to have no impact on the state's budgeted net position as money in the Sustainability Fund is already held by the general government sector.

Any expenditure using this fund would only result in an increase in operating expenses.

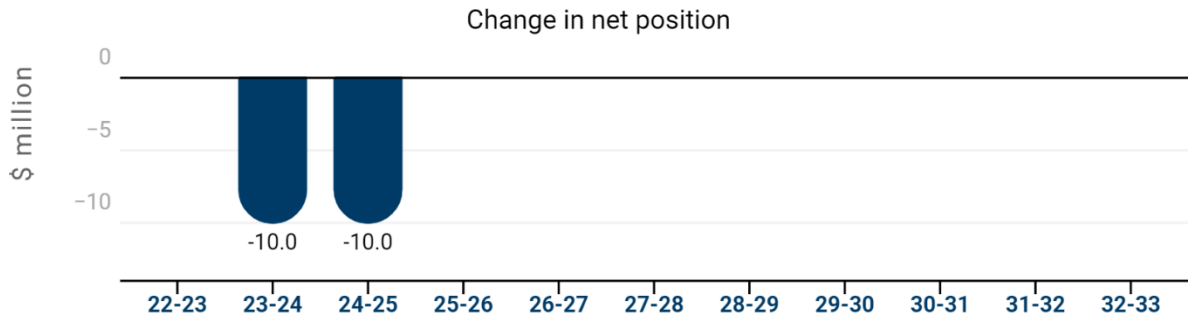
Publicly-announced policy costing

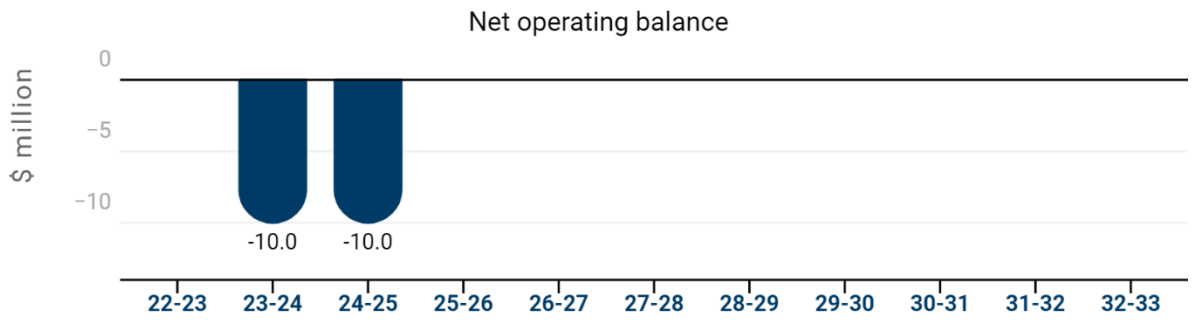
Putting an end to Labor's destructive toxic soil dumping

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2025
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $20.0 million to fast-track processes for the commercial remediation and processing of toxic soil from infrastructure projects.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

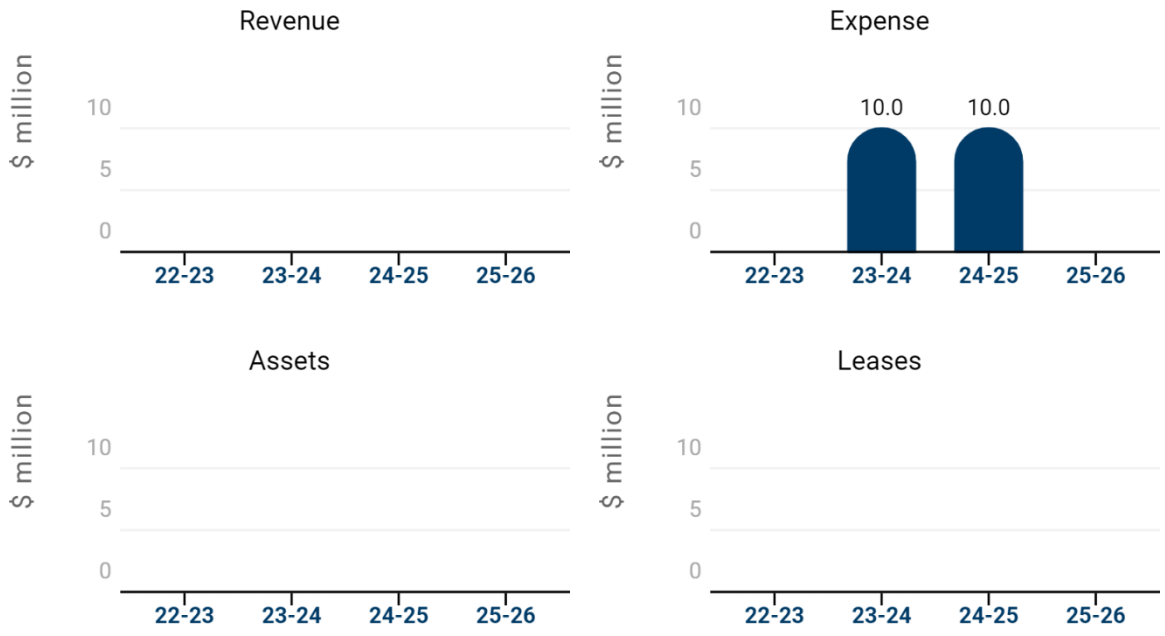
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $20.0 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	10.0	10.0	-	-	-	-	-	-	-	-
Net operating balance	-	-10.0	-10.0	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-10.0	-10.0	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	10.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Net operating balance	-	-10.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-10.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Strengthening Victoria's native timber industry and protecting old growth forests

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to immediately reverse the ban on native timber harvesting, which is scheduled to commence in 2030. This policy would be funded from within existing departmental appropriations.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Context

The Victorian Government announced in November 2019 that it would phase out native forest logging by 2030, and the logging of old growth forests would cease immediately. VicForests is the state-owned business responsible for the harvest, commercial sale, and re-growing of timber from Victoria's state forests.

Our response

We expect this policy to have no impact on the state's budgeted net position as it is specified to be funded from existing departmental appropriations. We made no judgement on the impact to other functions delivered by the relevant department because of this policy.

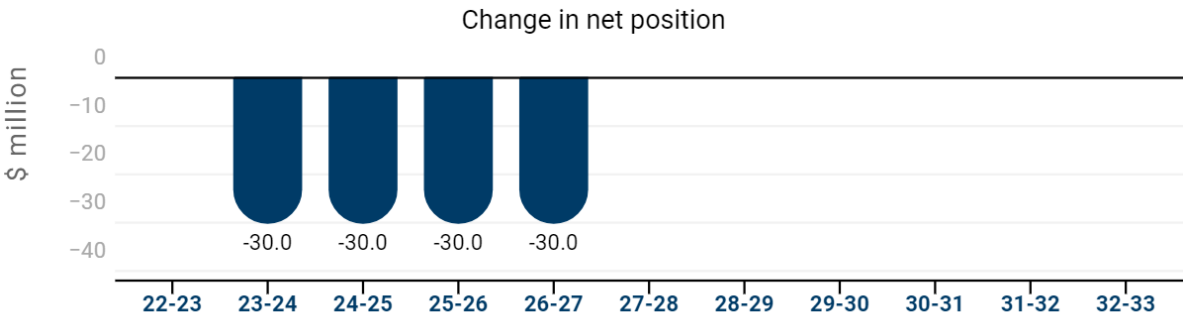
Publicly-announced policy costing

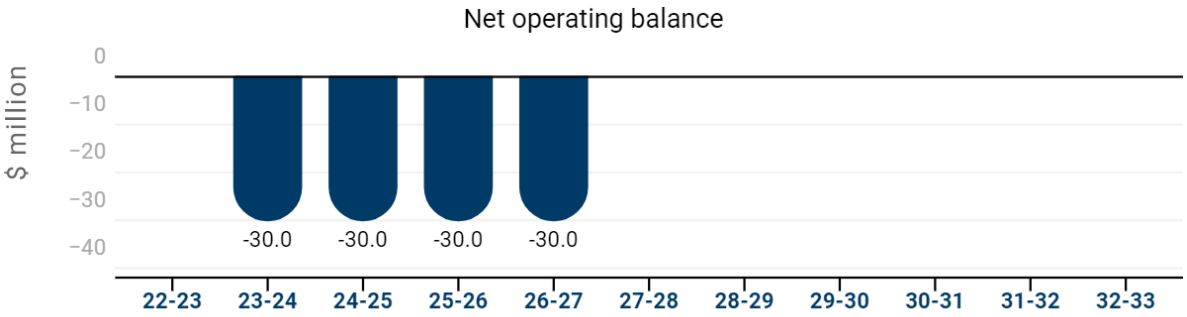
Zero to landfill

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $120.0 million over 4 years, drawing down from the Sustainability Fund, to support the commitment to achieve a 100% reduction of household waste going to landfill by 2025, including: ▪ a Zero to Landfill Fund with a 'Recycling Futures Stream' to upgrade recycling technology, standards, rules and facilities and partner with local councils ▪ an 'Energy-from-waste Stream' to deliver projects that recover energy from non-recyclable waste ▪ the delivery of a container deposit scheme in Victoria.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

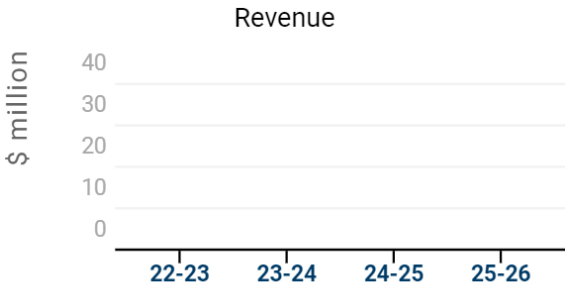
Our response

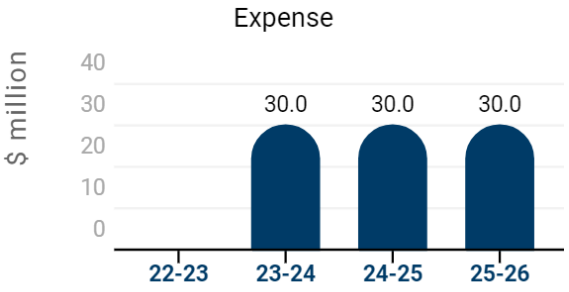
Budget impact

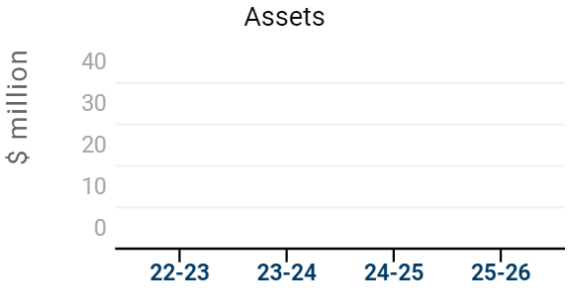


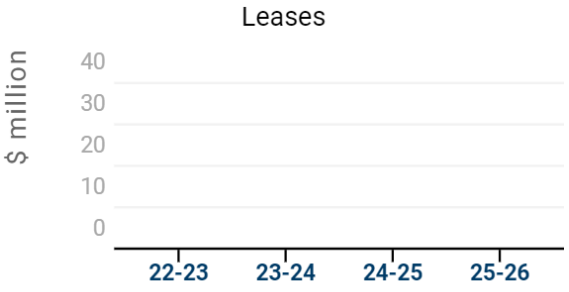


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $90.0 million across 2022–23 to 2025–26
- $120.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	30.0	30.0	30.0	30.0	-	-	-	-	-	-
Net operating balance	-	-30.0	-30.0	-30.0	-30.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-30.0	-30.0	-30.0	-30.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	30.0	60.0	90.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Net operating balance	-	-30.0	-60.0	-90.0	-120.0	-120.0	-120.0	-120.0	-120.0	-120.0	-120.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-30.0	-60.0	-90.0	-120.0	-120.0	-120.0	-120.0	-120.0	-120.0	-120.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

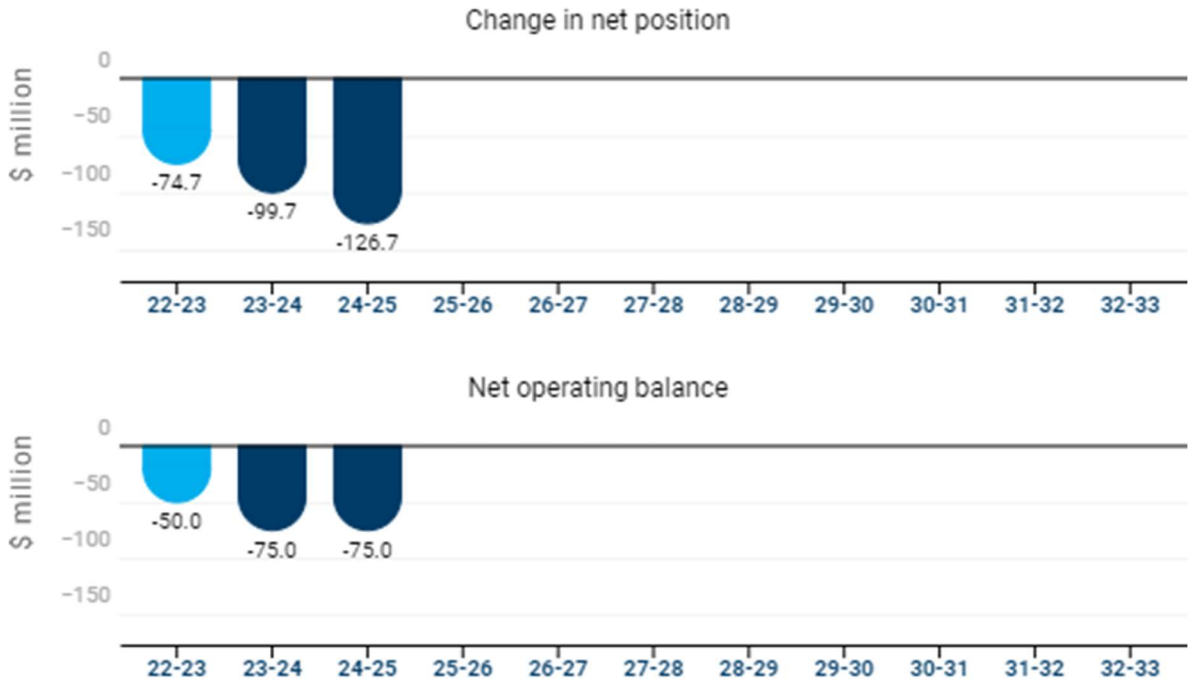
Publicly-announced policy costing

Establish Connect Victoria

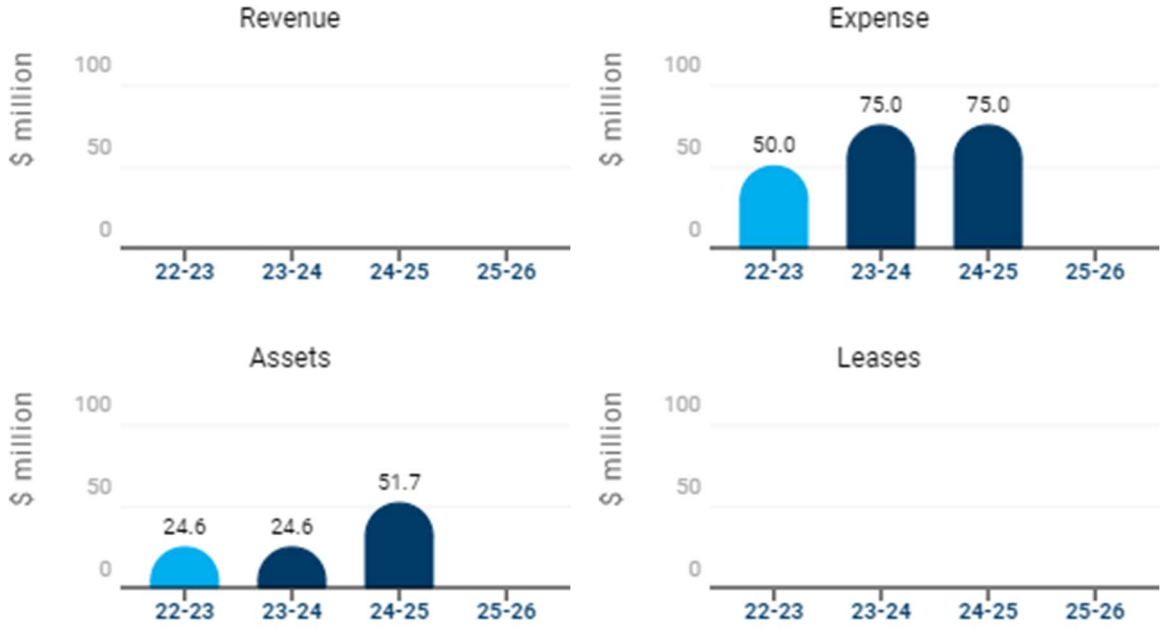
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2025
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $301.0 million to establish a new, fully integrated Connect Victoria to provide better access to government services for Victorians.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $301.0 million across 2022–23 to 2025–26, this reflects:

- an increase in operating expenses of $200.0 million
- an increase in assets of $101.0 million.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $101.0 million from the commencement of asset works in 2022-23 to completion in 2024-25.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When preparing this policy costing, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding, phasing and split between assets and expenses specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	50.0	75.0	75.0	-	-	-	-	-	-	-	-
Net operating balance	-50.0	-75.0	-75.0	-	-	-	-	-	-	-	-
Assets	24.6	24.6	51.7	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-74.7	-99.7	-126.7	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	50.0	125.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Net operating balance	-50.0	-125.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0
Assets	24.6	49.3	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-74.7	-174.3	-301.0	-301.0	-301.0	-301.0	-301.0	-301.0	-301.0	-301.0	-301.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Fair share for regional Victoria

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ create a new Department of Regional Victoria, with costs absorbed by existing departmental budgets ▪ deliver a 25% Regional Infrastructure Funding Guarantee that would deliver at least a quarter of all new government capital investment, in the first term of government, to regional communities.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as:

- machinery of government changes, including the creation of a new department to absorb functions currently delivered by other departments without additional funding allocated, are generally budget neutral
- the 25% Regional Infrastructure Funding Guarantee relates to the allocation of asset investment rather than changes to the aggregate level.

Publicly-announced policy costing

Fixing the Planning Process

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ make changes to Neighbourhood Residential Zones including introducing: – mechanism which respects identified neighbourhood character – requirement for the preservation of existing tree canopy – two-dwelling maximum on a titled site – mandatory height limits. ▪ improve the protection of Victoria's built heritage and pre-1930 homes.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Context

Under Victoria's planning system, local councils and the state government develop planning schemes to control land use and development. The neighbourhood residential zone is applied to land that has been identified as having specific neighbourhood, heritage, environmental or landscape character values that distinguish the land from other parts of the municipality or surrounding area.

State and local government have a range of heritage protections in place, usually in the form of planning overlays or protections for specific buildings or sites.

Our response

We expect this policy to have no impact on the state's budgeted net position as:

- these policies are an adjustment or extension of existing regulations in these areas
- the cost of changing regulations would be covered under existing functions and departmental funding.

Publicly-announced policy costing

Premier's Rebuild Victoria Summit

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2024
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to holding a post-election summit to consult with community and industry leaders on Victoria's economic recovery from the COVID-19 pandemic. This policy would be funded from within existing departmental appropriations.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy would have no impact on the state's budgeted net position as it is specified to be funded out of existing departmental appropriations. We make no judgement on the impact to other government service delivery as a result of this policy.

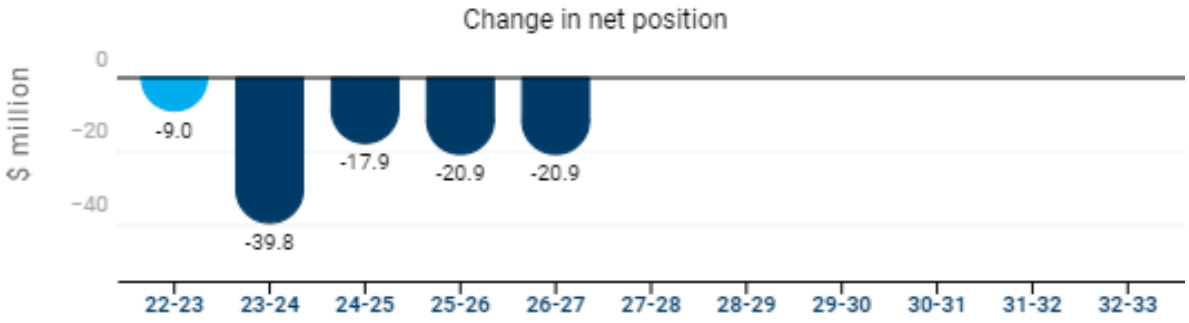
Publicly-announced policy costing

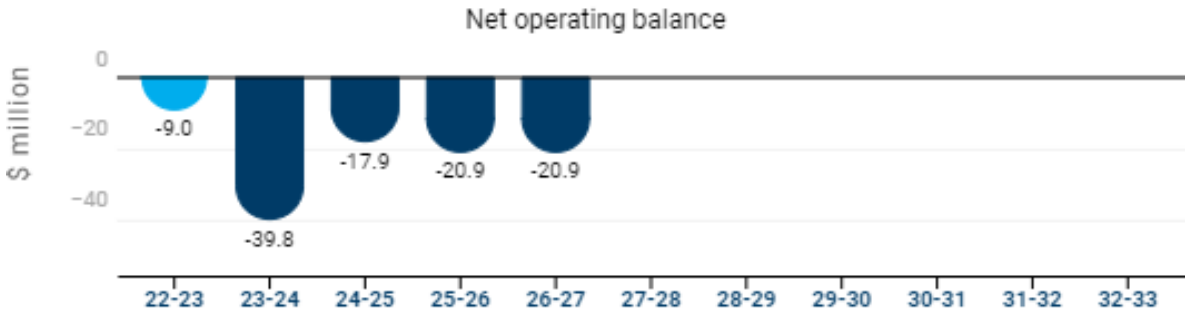
Restore integrity and accountability in government

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ $85.5 million for a clean-up corruption package consisting of: – $50 million additional funding to IBAC over 4 years – $16 million additional funding to the Victorian Ombudsman over 4 years – an audit of Labor's major projects over $100 million – the re-establishment of the Public Works Committee – an overhaul of Victoria's freedom of information system – a new Officers of the Parliament Committee ▪ $20.0 million to establish and operate a Victorian Productivity Commission to independently advise the Victorian Government and community on productivity enhancing reforms ▪ $2.8 million for additional resources for the Parliamentary Budget Office (PBO).
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

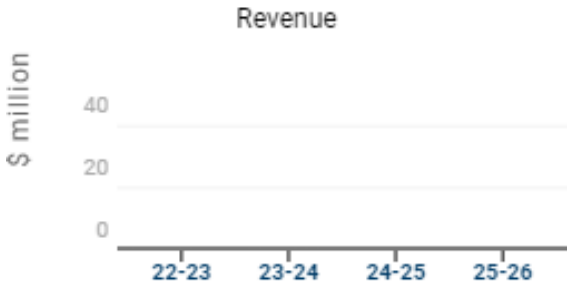
Our response

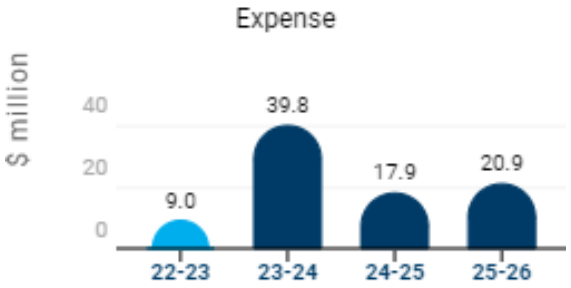
Budget impact

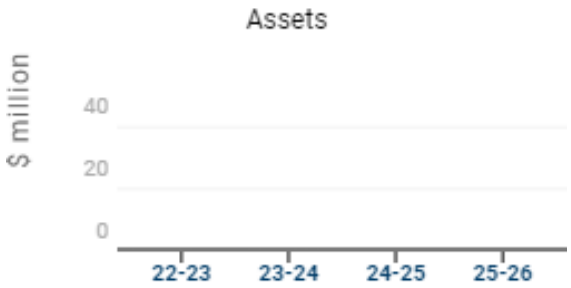


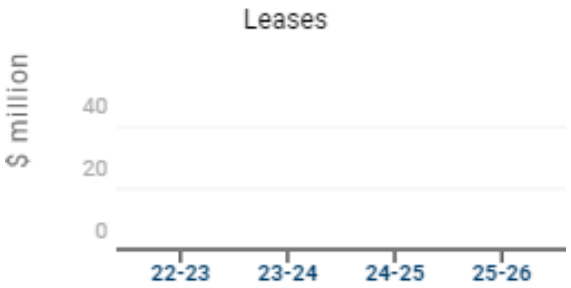


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $87.4 million across 2022–23 to 2025–26
- $108.3 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from funding the clean-up corruption package, establishing and operating a new Victorian Productivity Commission and increasing funding for the PBO.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	9.0	39.8	17.9	20.9	20.9	-	-	-	-	-	-
Net operating balance	-9.0	-39.8	-17.9	-20.9	-20.9	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-9.0	-39.8	-17.9	-20.9	-20.9	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	9.0	48.8	66.6	87.4	108.3	108.3	108.3	108.3	108.3	108.3	108.3
Net operating balance	-9.0	-48.8	-66.6	-87.4	-108.3	-108.3	-108.3	-108.3	-108.3	-108.3	-108.3
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-9.0	-48.8	-66.6	-87.4	-108.3	-108.3	-108.3	-108.3	-108.3	-108.3	-108.3

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

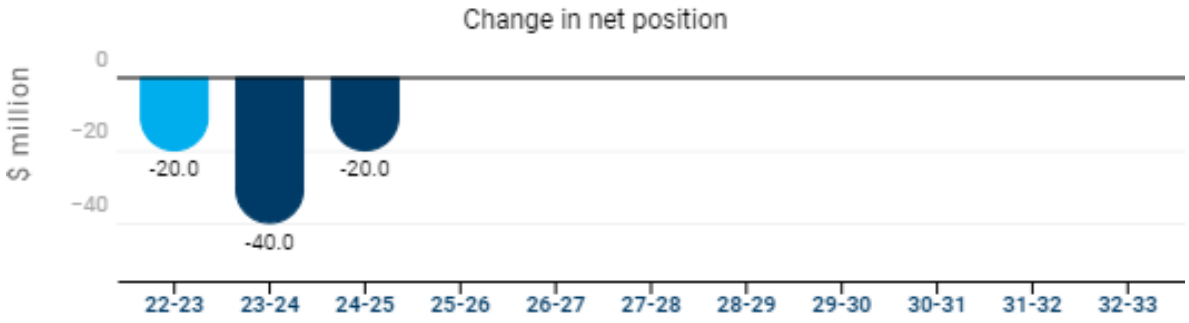
Publicly-announced policy costing

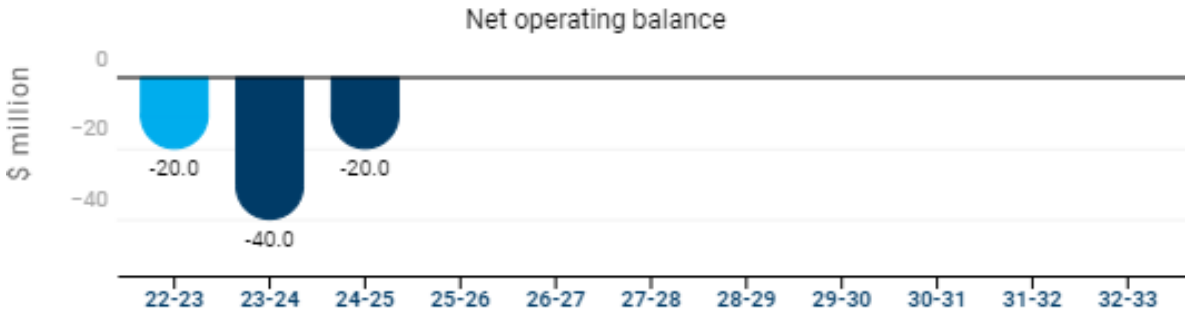
Royal Commission into the Victorian Government's COVID response

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	31 December 2024
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $80.0 million to establish a Royal Commission into the Victorian Government's response to the COVID pandemic.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

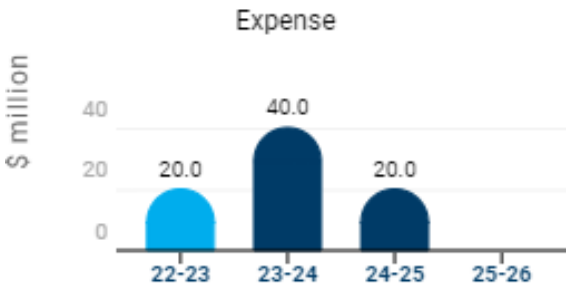
Budget impact

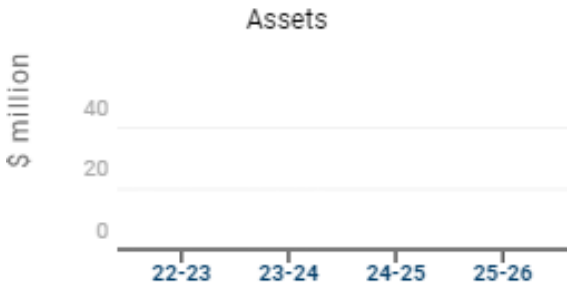


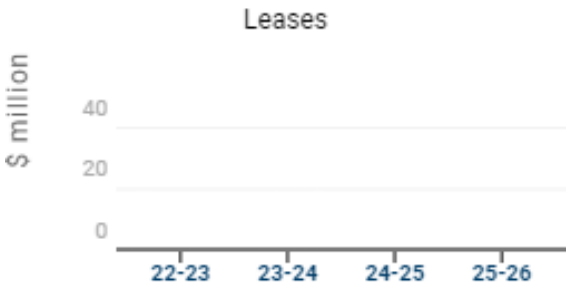


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $80.0 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses from the establishment of a royal commission into the Victorian Government's COVID response.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	20.0	40.0	20.0	-	-	-	-	-	-	-	-
Net operating balance	-20.0	-40.0	-20.0	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-20.0	-40.0	-20.0	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	20.0	60.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Net operating balance	-20.0	-60.0	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-20.0	-60.0	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

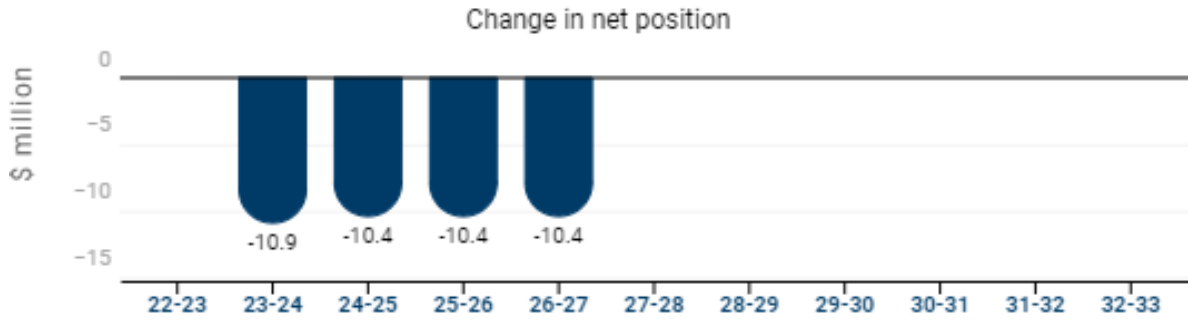
Publicly-announced policy costing

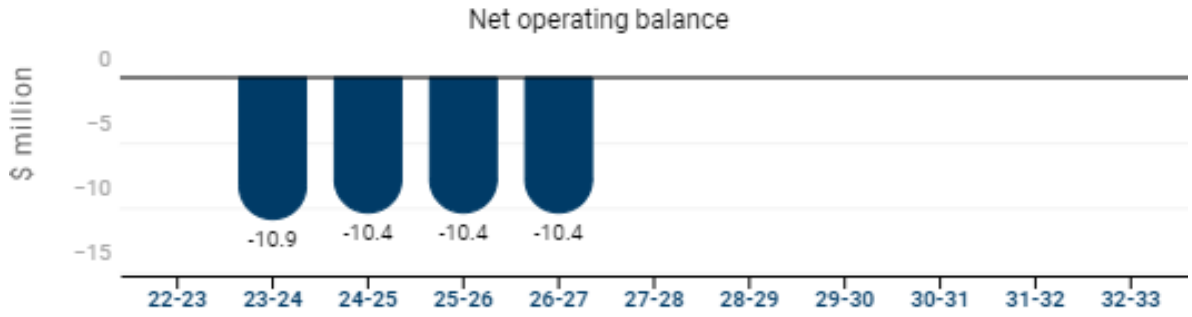
Better mental health, training and systems for Victoria police

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $20.0 million over 4 years to support an expansion of The Police Association Victoria's BlueHub program to support Victoria Police officers with greater access to mental health support services ▪ $20.0 million over 4 years to introduce virtual reality simulation training to augment current operational scenario-based training ▪ $1.6 million over 4 years to extend the work of Police Veterans Victoria ▪ $0.5 million in 2023-24 to conduct an independent, organisation wide review of all IT systems and processes used by Victoria Police to inform a pathway for modernisation.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

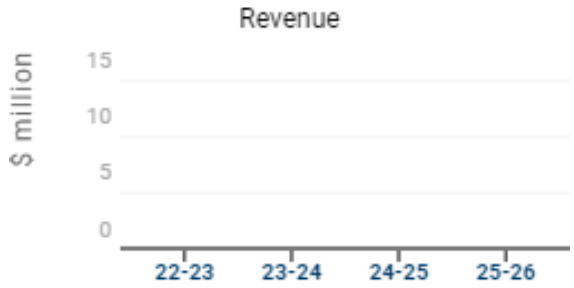
Our response

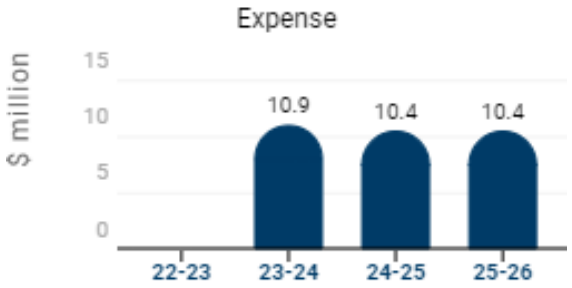
Budget impact

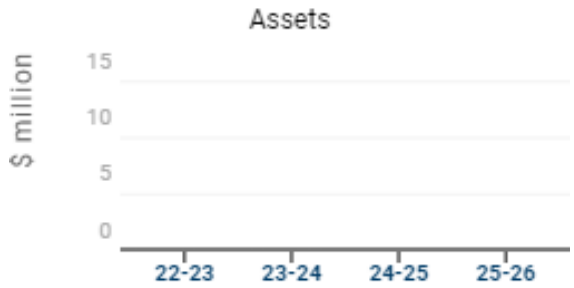


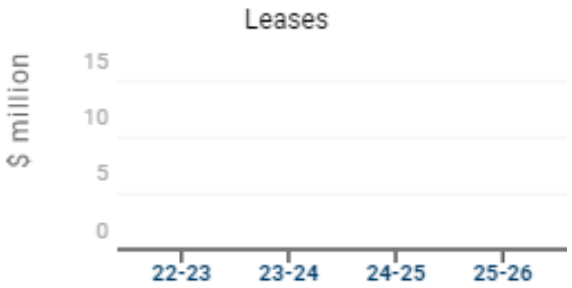


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $31.7 million across 2022–23 to 2025–26
- $42.1 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from grant funding for the specified purposes.

The aggregate financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	10.9	10.4	10.4	10.4	-	-	-	-	-	-
Net operating balance	-	-10.9	-10.4	-10.4	-10.4	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-10.9	-10.4	-10.4	-10.4	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	10.9	21.3	31.7	42.1	42.1	42.1	42.1	42.1	42.1	42.1
Net operating balance	-	-10.9	-21.3	-31.7	-42.1	-42.1	-42.1	-42.1	-42.1	-42.1	-42.1
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-10.9	-21.3	-31.7	-42.1	-42.1	-42.1	-42.1	-42.1	-42.1	-42.1

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

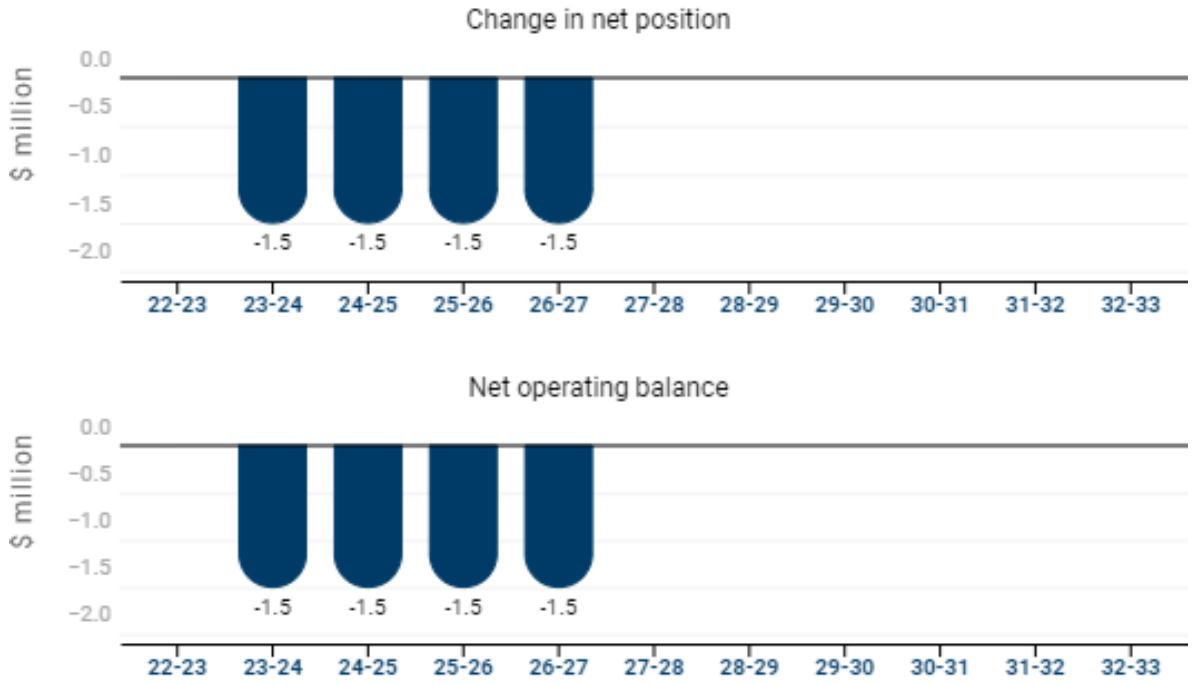
Publicly-announced policy costing

Breast cancer nurses for McGrath Foundation

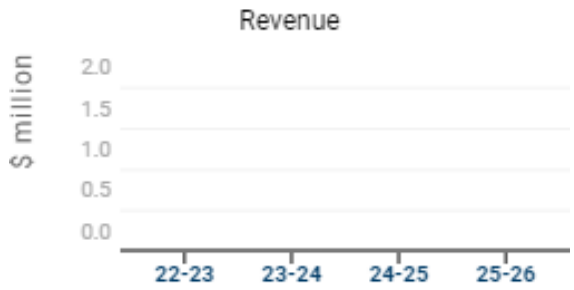
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $6.0 million in funding over 4 years to the McGrath Foundation for an additional 14 nurses to better support Victorians.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

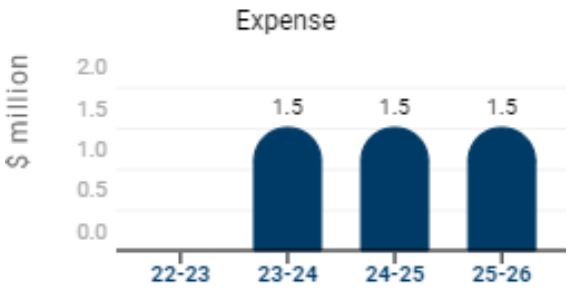
Our response

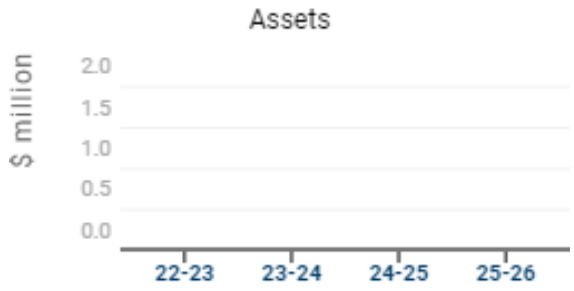
Budget impact

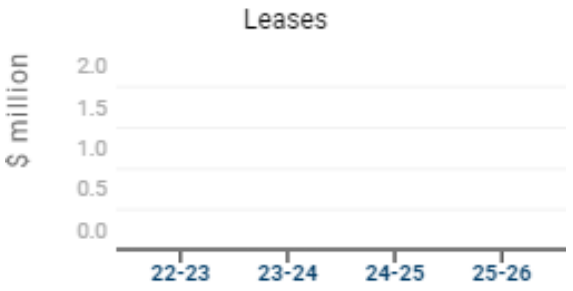


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $4.5 million across 2022–23 to 2025–26
- $6.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to provision of grants.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed that the relevant department would absorb the costs of administering the grants.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.5	1.5	1.5	1.5	-	-	-	-	-	-
Net operating balance	-	-1.5	-1.5	-1.5	-1.5	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-1.5	-1.5	-1.5	-1.5	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.5	3.0	4.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Net operating balance	-	-1.5	-3.0	-4.5	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-1.5	-3.0	-4.5	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

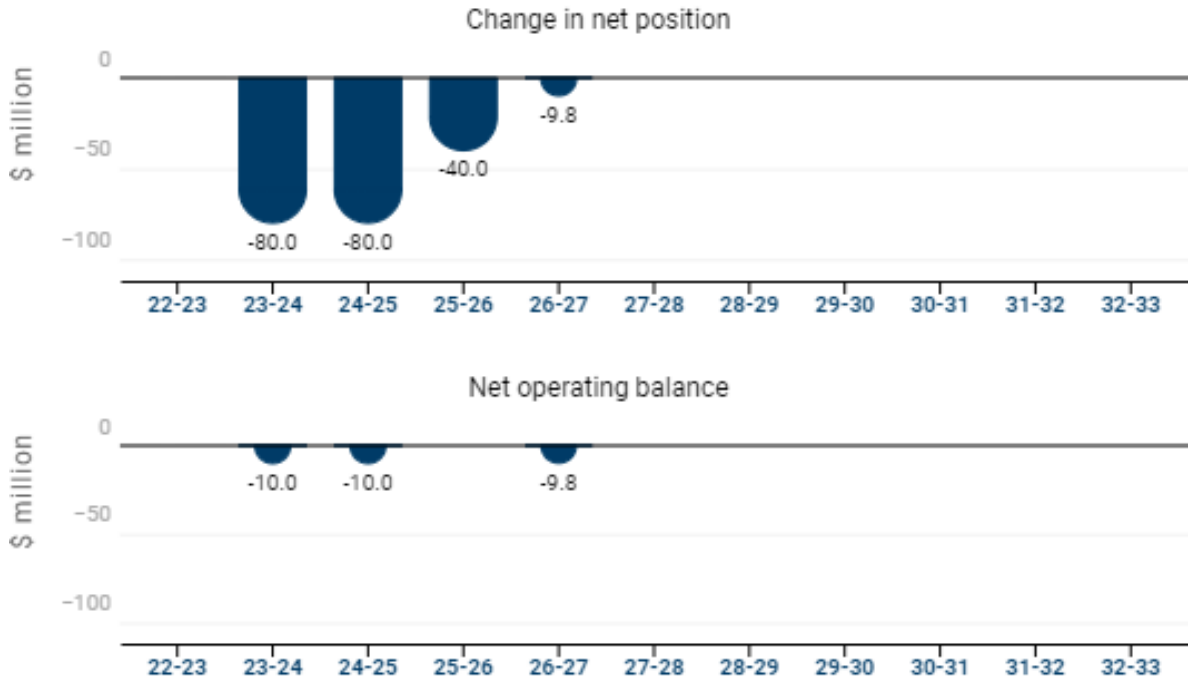
Publicly-announced policy costing

Drug treatment and rehabilitation

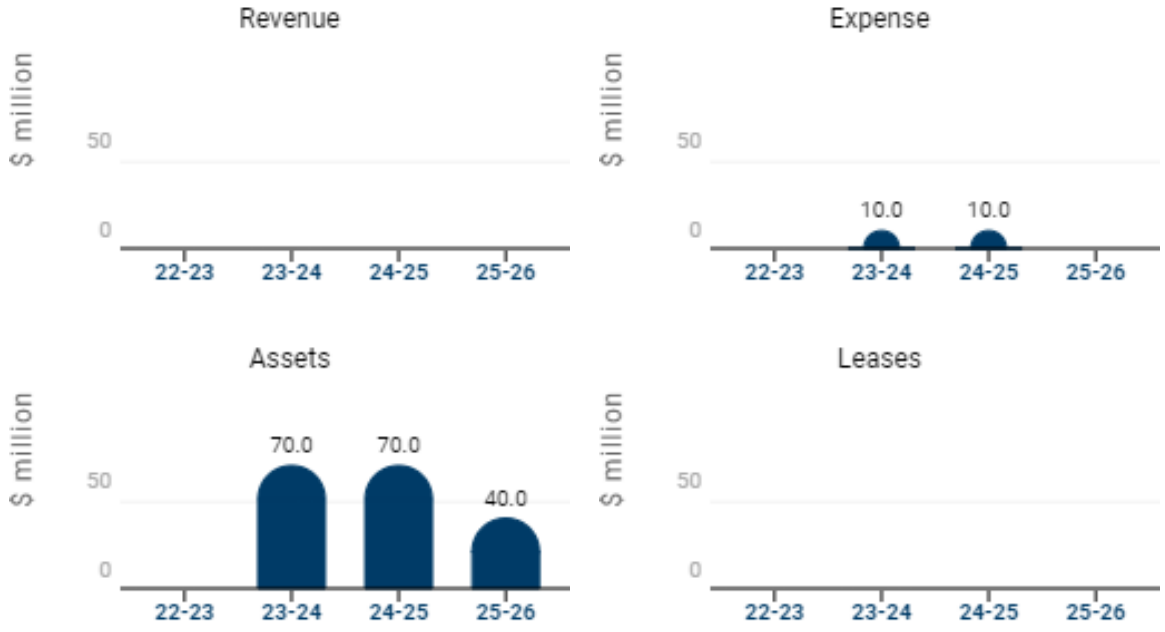
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ $189.75 million to deliver at least 180 new alcohol or other drug (AOD) rehabilitation and withdrawal beds at 6 new all-age treatment centres in the Latrobe Valley, Mildura, Shepparton, Warrnambool, Frankston and Melbourne ▪ $20.0 million towards shifting Victoria's approach to drug addiction to a health-based model, introducing a gold-standard in drug treatment with a supervised Injectable opioid treatment trial at a major metropolitan hospital.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $200.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $180.0 million
  - an increase in operating expenses of $20.0 million
- $209.8 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $180.0 million
  - an increase in operating expenses of $29.8 million

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $180.0 million from the commencement of asset works in 2023–24 to completion in 2025–26.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed that the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and the phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	10.0	10.0	-	9.8	-	-	-	-	-	-
Net operating balance	-	-10.0	-10.0	-	-9.8	-	-	-	-	-	-
Assets	-	70.0	70.0	40.0	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-80.0	-80.0	-40.0	-9.8	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	10.0	20.0	20.0	29.8	29.8	29.8	29.8	29.8	29.8	29.8
Net operating balance	-	-10.0	-20.0	-20.0	-29.8	-29.8	-29.8	-29.8	-29.8	-29.8	-29.8
Assets	-	70.0	140.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-80.0	-160.0	-200.0	-209.8	-209.8	-209.8	-209.8	-209.8	-209.8	-209.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

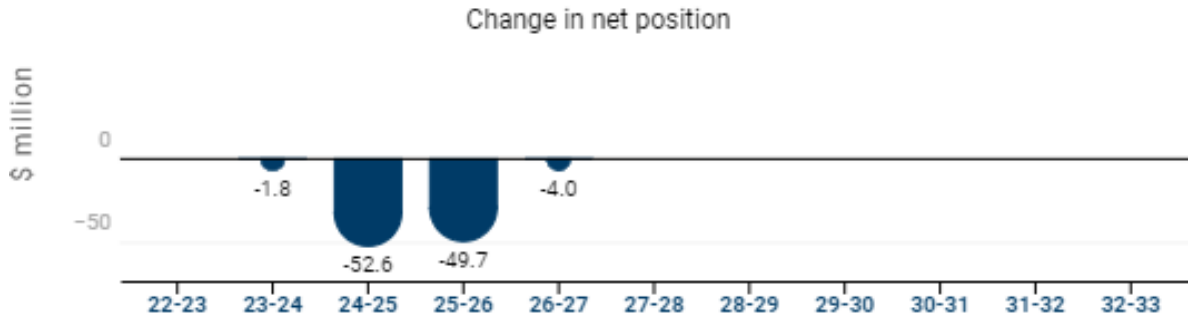
Publicly-announced policy costing

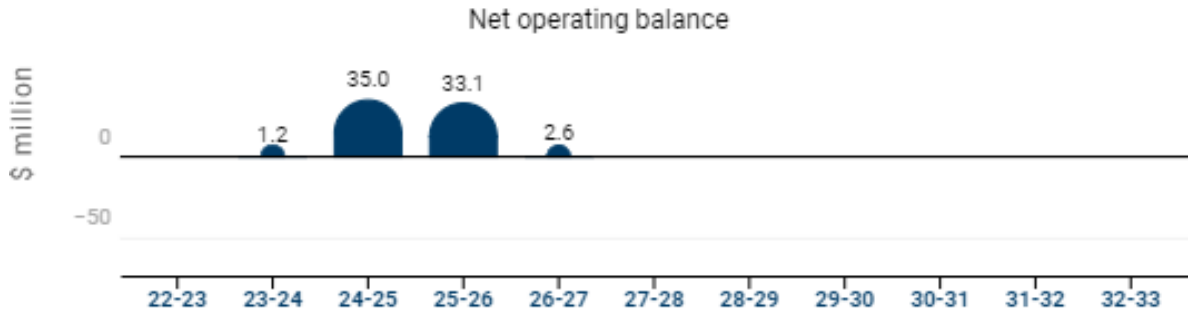
Eastern Clinical Trials and Research Centre (ECTRC) and additional car parking at the Box Hill Hospital

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $180.0 million towards the construction of: ▪ a dedicated state-of-the-art Eastern Clinical Trials and Research Centre (ECTRC) ▪ additional car parking at the Box Hill Hospital. The Australian Government and Monash University combined would provide $72.0 million with the Victorian Government providing the remaining $108.0 million.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

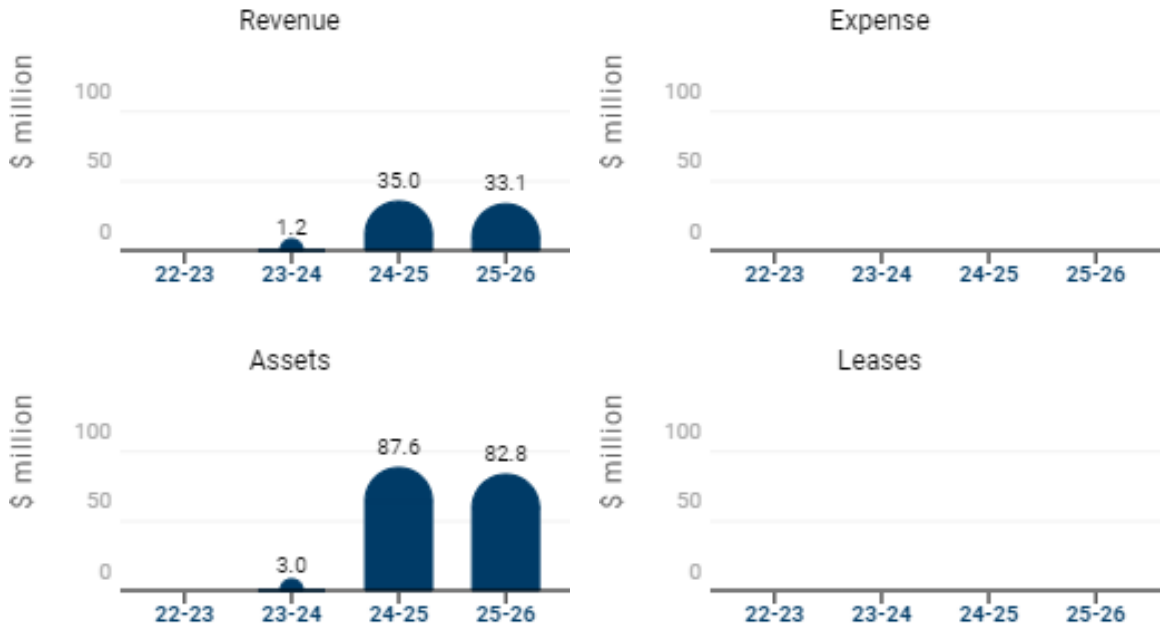
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

The Eastern Clinical Trials and Research Centre (ECTRC) is a proposed $180 million construction to be jointly developed and operated by Eastern Health and Monash University.

Monash University's Eastern Clinical Research Unit is part of the Eastern Health Clinical School. Eastern Health manages Box Hill Hospital.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $104.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $173.4 million due to construction of the centre
  - an increase in revenue of $69.4 million from the Australian Government and Monash University
- $108.0 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $180.0 million due to construction of the centre
  - an increase in revenue of $72.0 million from the Australian Government and Monash University.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $180.0 million from the commencement of asset works in 2023–24 to completion in 2027–28.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes. We made no judgement on whether the specified co-contribution from the Australian Government would be given.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. ECTRC would be built as an extension of Box Hill Hospital.
2. Timelines for the construction would follow similar projects.
3. Australian Government contributions would follow construction timelines.
4. All funding would be for the construction of the centre and would not cover ongoing operational or maintenance costs.
5. The relevant department would absorb administration costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Data sources

- Bridget Vallence MP. 2022. World-leading medical research precinct. [ONLINE] Available https://www.bridgetvallence.com.au/news/world-leading-medical-research-precinct. [Accessed 1 December 2022]
- Eastern Health. 2022. Box Hill Hospital. [ONLINE] Available at: https://www.easternhealth.org.au/locations/box-hill-hospital/item/216-box-hill-hospital. [Accessed 1 December 2022]
- Information from the Department of Health

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	1.2	35.0	33.1	2.6	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	1.2	35.0	33.1	2.6	-	-	-	-	-	-
Assets	-	3.0	87.6	82.8	6.6	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-1.8	-52.6	-49.7	-4.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	1.2	36.2	69.4	72.0	72.0	72.0	72.0	72.0	72.0	72.0
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	1.2	36.2	69.4	72.0	72.0	72.0	72.0	72.0	72.0	72.0
Assets	-	3.0	90.6	173.4	180.0	180.0	180.0	180.0	180.0	180.0	180.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-1.8	-54.4	-104.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

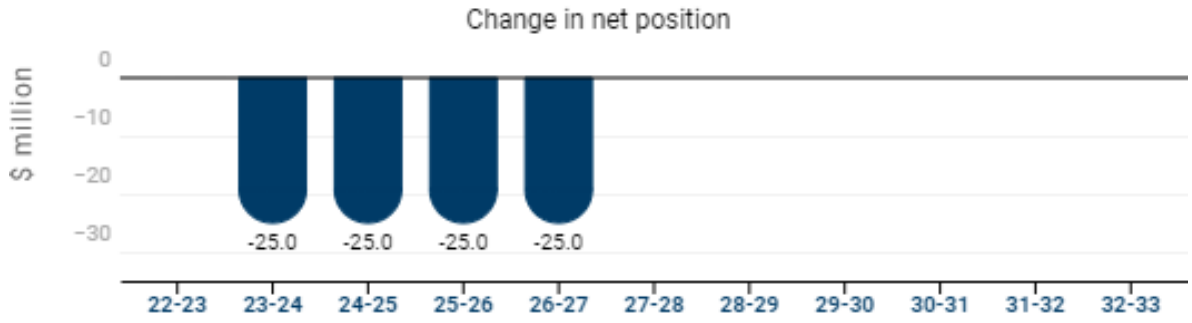
Publicly-announced policy costing

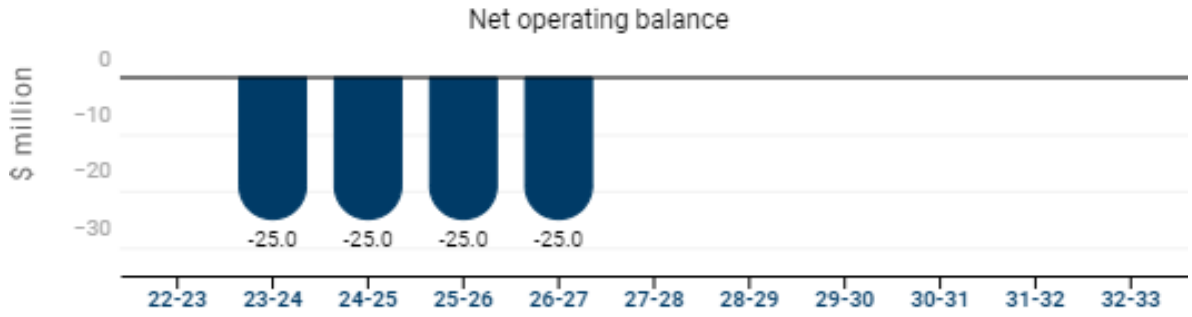
Empowering communities

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $100.0 million over 4 years to deliver a community empowerment and wellbeing grants program to empower local communities to engage in mental health, wellbeing and alcohol or other drug intervention and prevention initiatives.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

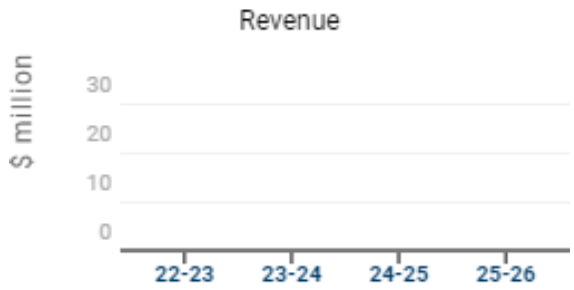
Our response

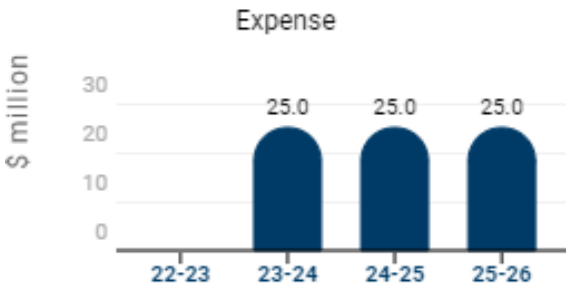
Budget impact

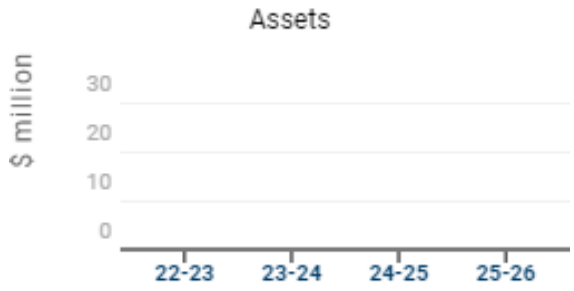


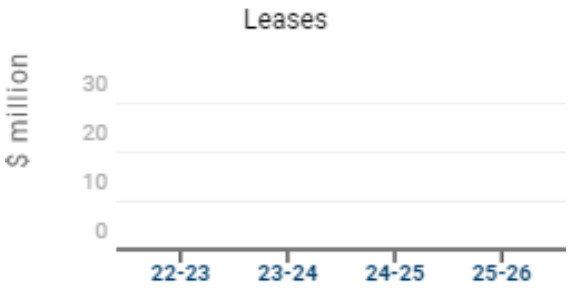


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $75.0 million across 2022–23 to 2025–26
- $100.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to the delivery of the program.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

The specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	25.0	25.0	25.0	25.0	-	-	-	-	-	-
Net operating balance	-	-25.0	-25.0	-25.0	-25.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-25.0	-25.0	-25.0	-25.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	25.0	50.0	75.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Net operating balance	-	-25.0	-50.0	-75.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-25.0	-50.0	-75.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

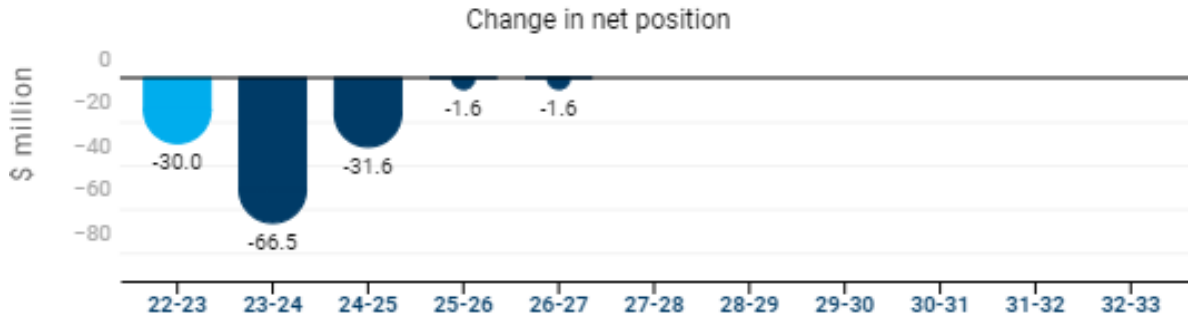
Publicly-announced policy costing

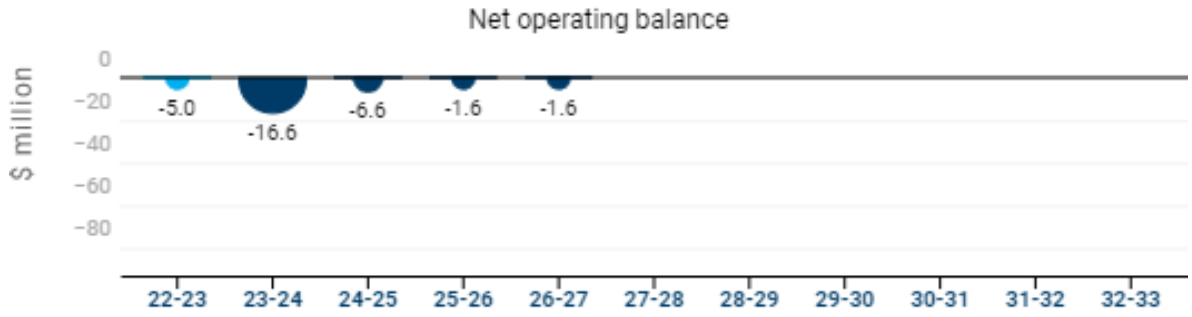
Fixing Victoria's triple-zero crisis

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed an additional $131.2 million to fix Triple- Zero, including: ▪ upgrading all IT systems including a new computer-aided dispatch (CAD) system and a fully functional new back-up system with sufficient capacity for surge demand ▪ facilitating multiple service training for 50% of all call taking and dispatch staff ▪ refocusing staff recruitment on frontline call taking and dispatch roles, not corporate positions ▪ delivering sustainable ongoing funding ▪ $6.2 million additional funding for the Inspector-General for Emergency Management over 4 years.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

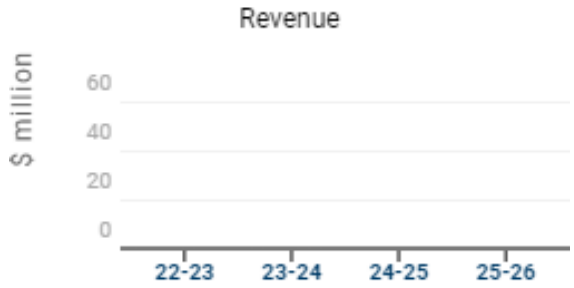
Our response

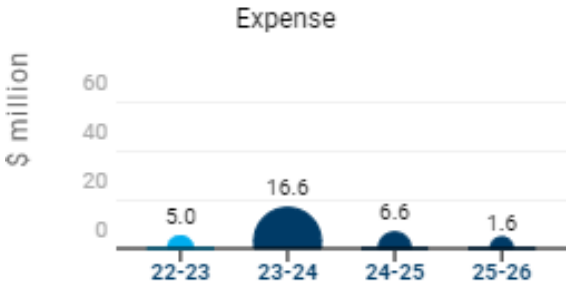
Budget impact

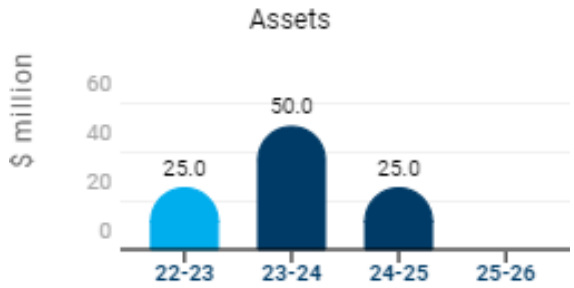


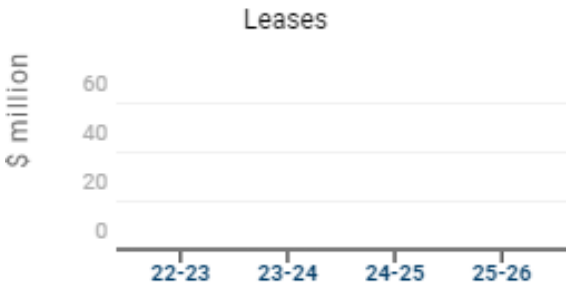


Costing components









Source: Parliamentary Budget Office.

Context

CAD systems are utilised by dispatchers, call-takers, and triple-zero operators to prioritise and record incident calls, identify the status and location of responders in the field, and effectively dispatch responder personnel.

Emergency responders in the field can receive messages initiated by CAD systems via their mobile data terminals, radios, and mobile phones.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $129.7 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $100.0 million
  - an increase in operating expenses of $29.7 million
- $131.2 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $100.0 million
  - an increase in operating expense of $31.2 million.

This is entirely due to an increase in both operating expenses and assets for funding, systems, training and recruitment.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $100.0 million from the commencement of asset works in 2022–23 to completion in 2024–25.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding, and the phasing and nature of funding (asset) specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	5.0	16.6	6.6	1.6	1.6	-	-	-	-	-	-
Net operating balance	-5.0	-16.6	-6.6	-1.6	-1.6	-	-	-	-	-	-
Assets	25.0	50.0	25.0	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-30.0	-66.5	-31.6	-1.6	-1.6	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	5.0	21.6	28.1	29.7	31.2	31.2	31.2	31.2	31.2	31.2	31.2
Net operating balance	-5.0	-21.6	-28.1	-29.7	-31.2	-31.2	-31.2	-31.2	-31.2	-31.2	-31.2
Assets	25.0	75.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-30.0	-96.5	-128.1	-129.7	-131.2	-131.2	-131.2	-131.2	-131.2	-131.2	-131.2

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

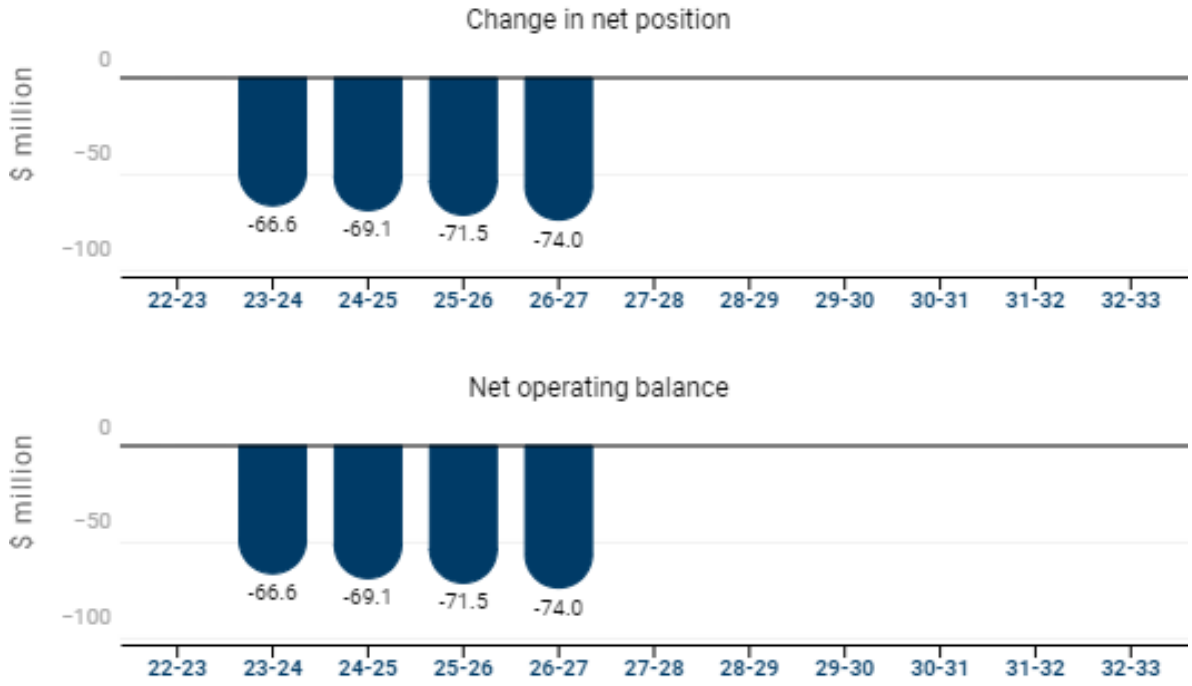
Publicly-announced policy costing

Free public transport for health professionals (including V/Line) and paying paramedic registration fees

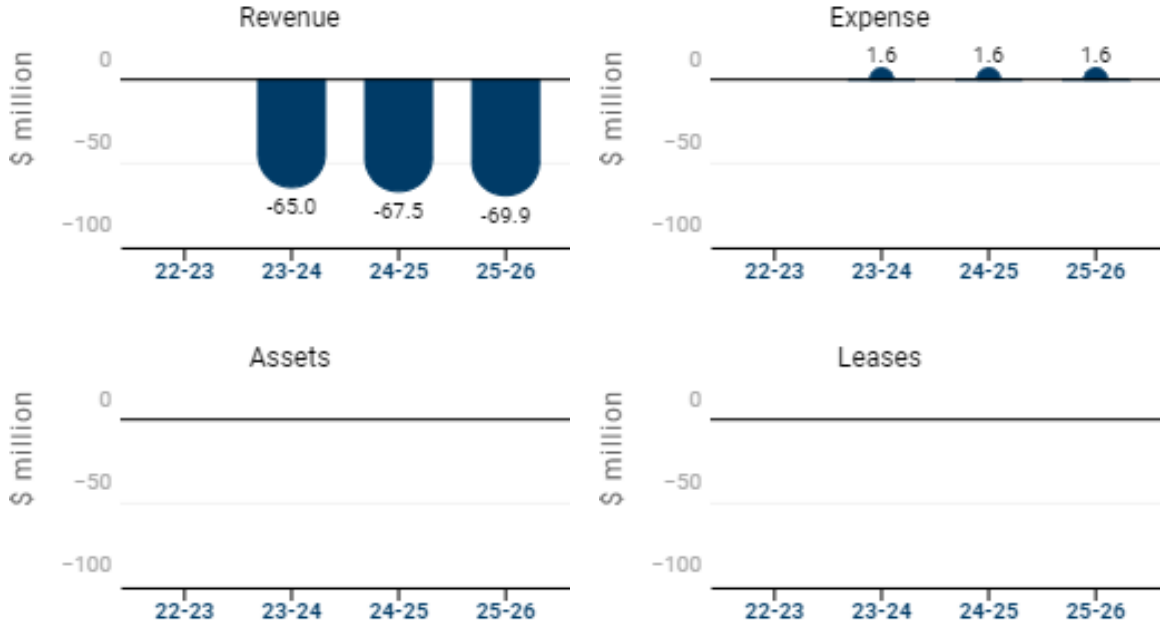
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to free public transport for more than 260,000 Victorian healthcare workers, including: ▪ nurses ▪ personal and aged care workers ▪ trainee doctors and allied health workers ▪ paramedics ▪ other hospital workers, like patient transport orderlies and clerical staff. This policy would also provide $6.44 million to pay Victorian paramedics' annual professional registration fees for the next 4 years.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Context

This policy would make fares free for selected Victorian healthcare workers. In doing so it interacts with the Liberals and Nationals' publicly-announced policy costings:

- Cap local public transport fares to $2 full fare $1 concession fare
- Halve V/Line fares

The cap local public transport fares policy would reduce the daily caps from current levels to $2 for full fare paying passengers and $1 for concession fare paying passengers. While the cap local public transport fares policy would not apply to V/Line services, the Halve V/Line fares policy would reduce all V/Line fares by 50%.

This policy would further reduce daily public transport fare caps to zero for affected Victorian healthcare workers.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $207.3 million across 2022–23 to 2025–26, this reflects:
  - a decrease in revenue of $202.5 million due to reduced farebox revenue from healthcare workers
  - an increase in operating expenses of $4.8 million due to paying paramedic registration fees
- $281.3 million across 2022–23 to 2032–33, this reflects:
  - a decrease in revenue of $274.8 million due to reduced farebox revenue from healthcare workers
  - an increase in operating expenses of $6.4 million due to paying paramedic registration fees.

This cost estimate is sensitive to changes in public transport usage.

The financial implications of the policy component to pay paramedic registration fees are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. There would be no impact on operating costs of the public transport system.
2. Public transport usage by healthcare workers would be constant.
3. Healthcare workers would take an average of 2 trips per day during routine working days.

4. The use of V/Line services by healthcare workers would be consistent with the general uptake of the V/Line services.
5. Eligible healthcare population would increase in line with the historical trend.
6. 260,000 healthcare workers would be eligible for this policy in 2022–23.

Method

When costing this policy, we estimated the revenue foregone by providing free public transport for healthcare workers after considering public transport usage, fare prices, and eligible population.

We based the operating expenditure of this policy costing on the capped amount of funding specified in the costing request.

Data sources

- Australian Bureau of Statistics. 2022. Labour Force, Australia, Detailed. [ONLINE] Available at: https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release [Accessed 21 December 2022]
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- Matt Guy MP. 2022. Free public transport for Victoria's nurses. [ONLINE] Available at: https://www.matthewguy.com.au/media-releases/2022-08-14-free-public-transport-for-victorias-nurses?topic=health,public-transport [Accessed 21 December 2022]
- Public Transport Victoria. 2022. Fares. [ONLINE] Available at: https://www.ptv.vic.gov.au/tickets/fares/ [Accessed 21 December 2022]

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-65.0	-67.5	-69.9	-72.4	-	-	-	-	-	-
Expense	-	1.6	1.6	1.6	1.6	-	-	-	-	-	-
Net operating balance	-	-66.6	-69.1	-71.5	-74.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-66.6	-69.1	-71.5	-74.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-65.0	-132.5	-202.5	-274.8	-274.8	-274.8	-274.8	-274.8	-274.8	-274.8
Expense	-	1.6	3.2	4.8	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Net operating balance	-	-66.6	-135.7	-207.3	-281.3	-281.3	-281.3	-281.3	-281.3	-281.3	-281.3
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-66.6	-135.7	-207.3	-281.3	-281.3	-281.3	-281.3	-281.3	-281.3	-281.3

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Future pandemic management

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2024
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ amend the Victorian *Constitution Act 1975* to limit a State of Emergency or State of Disaster declaration and to ensure that the operation of the Parliament cannot be suspended under a State of Emergency or State of Disaster declaration ▪ repeal the 2021 pandemic legislation and replace it with more considered laws ▪ guarantee no more lockdowns.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Context

During the COVID-19 pandemic, the government enacted a State of Emergency and periodically renewed it with a non-renewable expiration date of 15 December 2021. This was mandated by the *Public Health & Wellbeing Act 2008*. The Act was subsequently amended to broaden the power of the Victorian Government during pandemics to effectively transfer the power to make pandemic orders, from the Chief Health Officer to the Premier of Victoria and the Minister of Health.

Our response

We expect this policy to have no impact on the state's budgeted net position as:

- the cost of amending the Victorian *Constitution Act 1975* is likely incorporated in the operational budget of the Department of Justice and Community Safety
- the State of Emergency had a non-renewable expiration date of 15 December 2021
- the cost of repealing the pandemic laws through the removal of Part 8A of the *Public Health & Wellbeing Act 2008* is likely incorporated in the operational budget of the Department of Justice and Community Safety.

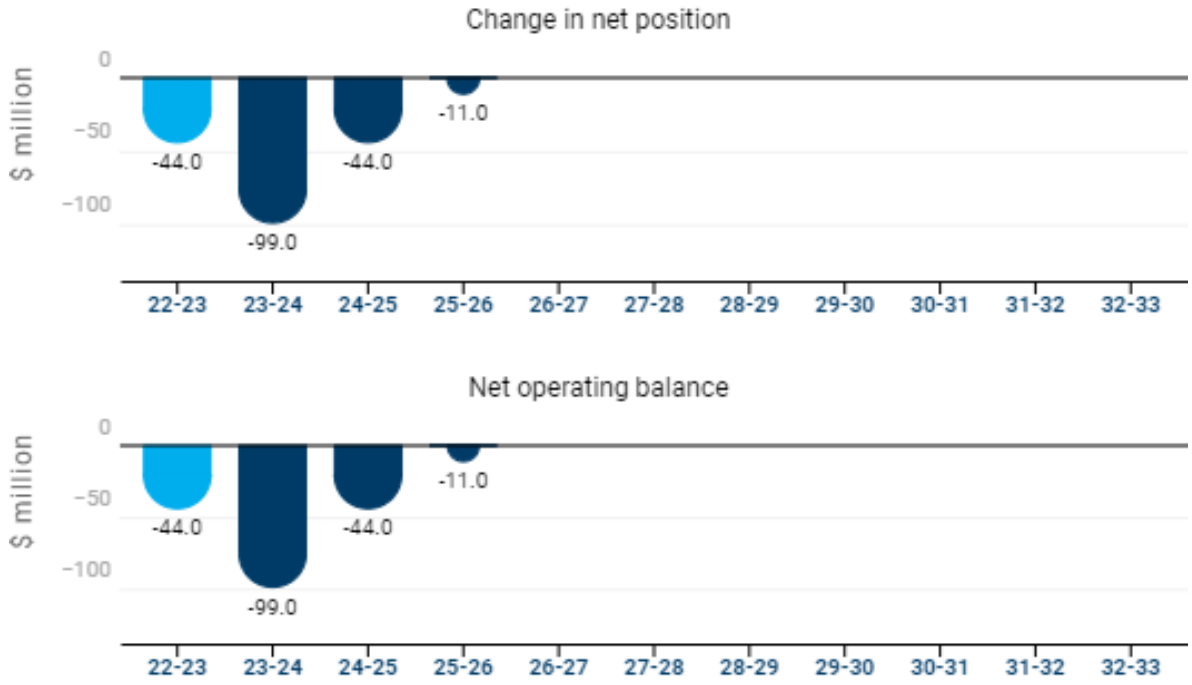
Publicly-announced policy costing

Halve elective surgery wait lists ($360 million elective surgery waiting list action fund)

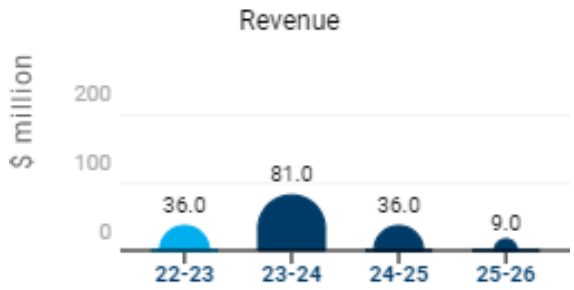
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2026
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $360.0 million towards bringing down the elective surgery wait list. The Australian and Victorian governments would contribute funding consistent with other hospital funding initiatives.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

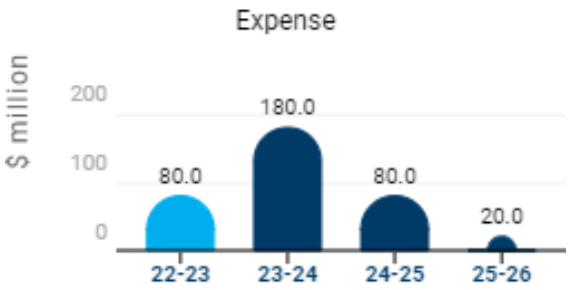
Our response

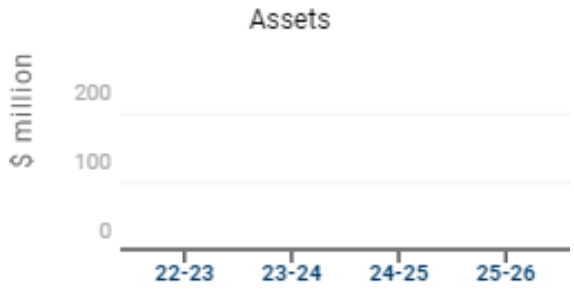
Budget impact

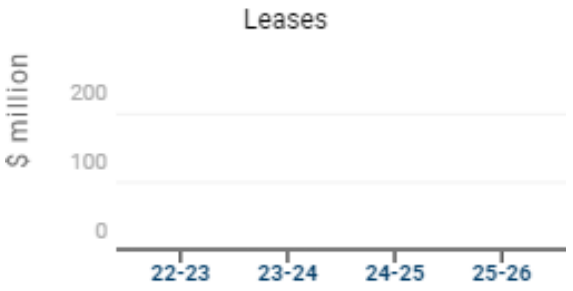


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $198.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $360.0 million due to increased funding for elective surgery
  - partly offset by an increase in revenue of $162.0 million due to increased funding from the Australian Government.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes. We made no judgement on whether the specified co-contributions from the Australian Government would be given.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The specified funding amount would encompass administrative costs.
2. Consistent with the Addendum to National Health Funding Reform 2020–2025 the Victorian Government would provide 55% of the additional hospital funding and the Australian Government would provide 45%.

Method

When costing this policy, we:

- estimated the Australian Government funds provided as revenue to the Victorian Government
- derived the Victorian Government funding contribution.

Data sources

- Australian Government. 2021. Addendum to National Health Reform Agreement 2020–2025 [ONLINE] Available at: https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2021-07/NHRA_2020-25_Addendum_consolidated.pdf. [Accessed 30 November 2022]

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	36.0	81.0	36.0	9.0	-	-	-	-	-	-	-
Expense	80.0	180.0	80.0	20.0	-	-	-	-	-	-	-
Net operating balance	-44.0	-99.0	-44.0	-11.0	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-44.0	-99.0	-44.0	-11.0	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	36.0	117.0	153.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0
Expense	80.0	260.0	340.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0
Net operating balance	-44.0	-143.0	-187.0	-198.0	-198.0	-198.0	-198.0	-198.0	-198.0	-198.0	-198.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-44.0	-143.0	-187.0	-198.0	-198.0	-198.0	-198.0	-198.0	-198.0	-198.0	-198.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

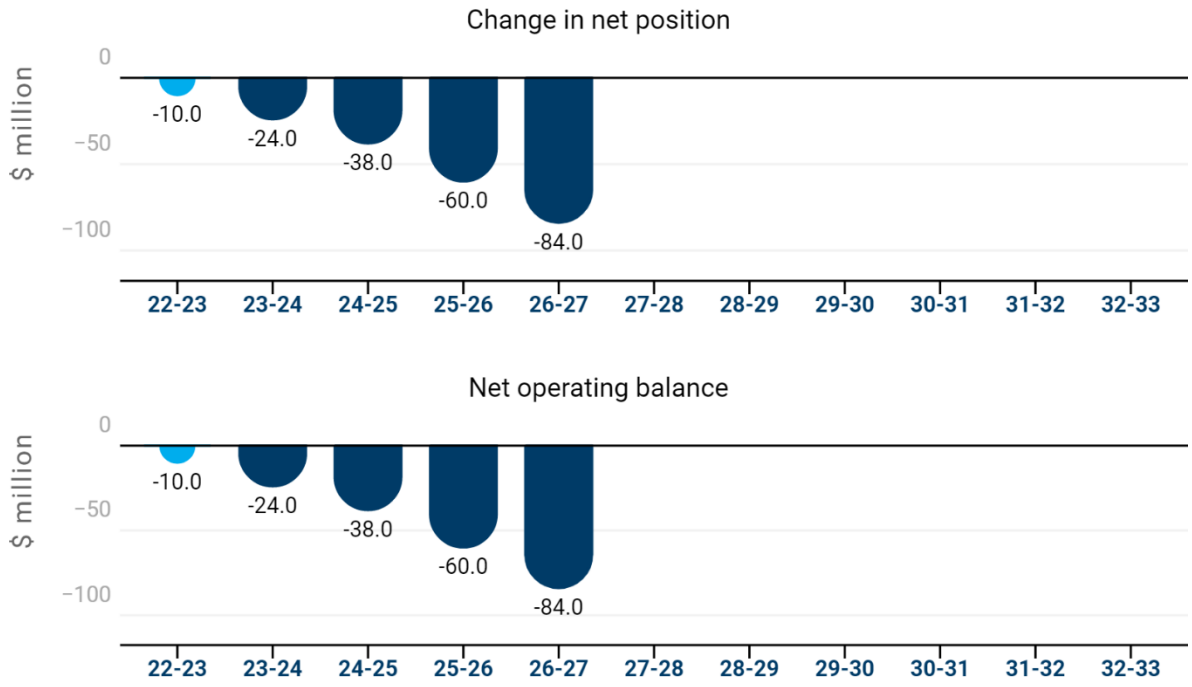
Publicly-announced policy costing

Halve public dentist waiting times (expanded public dentistry and vouchers)

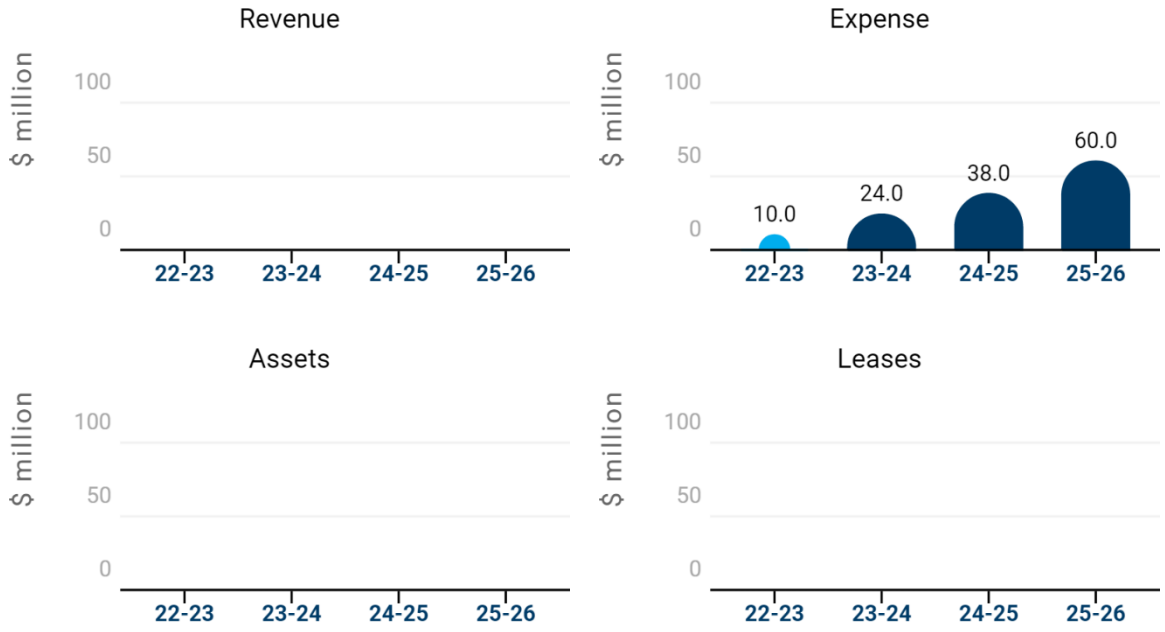
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $216.0 million to improve dental services available for public patients by: ▪ increasing base funding for public sector dental services ▪ providing 32,000 Victorians with $500 dental care vouchers for priority dental treatment.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $132.0 million across 2022–23 to 2025–26
- $216.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses by providing funding to improve dental services available for public patients.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	10.0	24.0	38.0	60.0	84.0	-	-	-	-	-	-
Net operating balance	-10.0	-24.0	-38.0	-60.0	-84.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-10.0	-24.0	-38.0	-60.0	-84.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	10.0	34.0	72.0	132.0	216.0	216.0	216.0	216.0	216.0	216.0	216.0
Net operating balance	-10.0	-34.0	-72.0	-132.0	-216.0	-216.0	-216.0	-216.0	-216.0	-216.0	-216.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-10.0	-34.0	-72.0	-132.0	-216.0	-216.0	-216.0	-216.0	-216.0	-216.0	-216.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

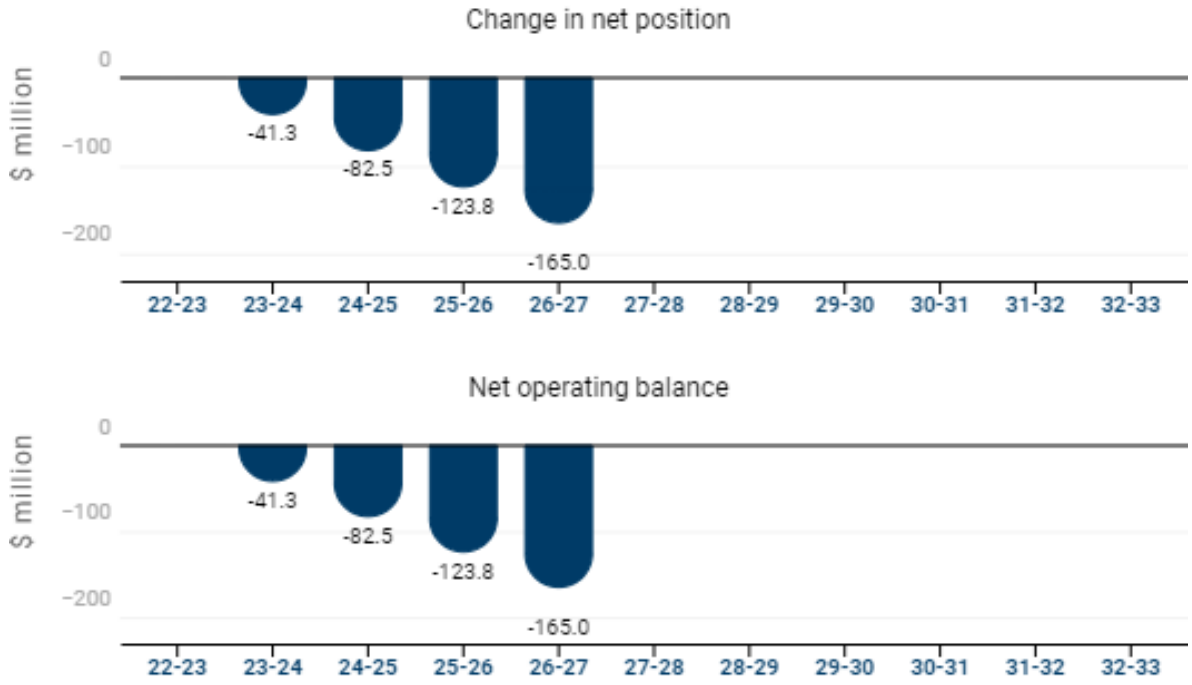
Publicly-announced policy costing

Health growth funding ($750 million in addition to contingency funding)

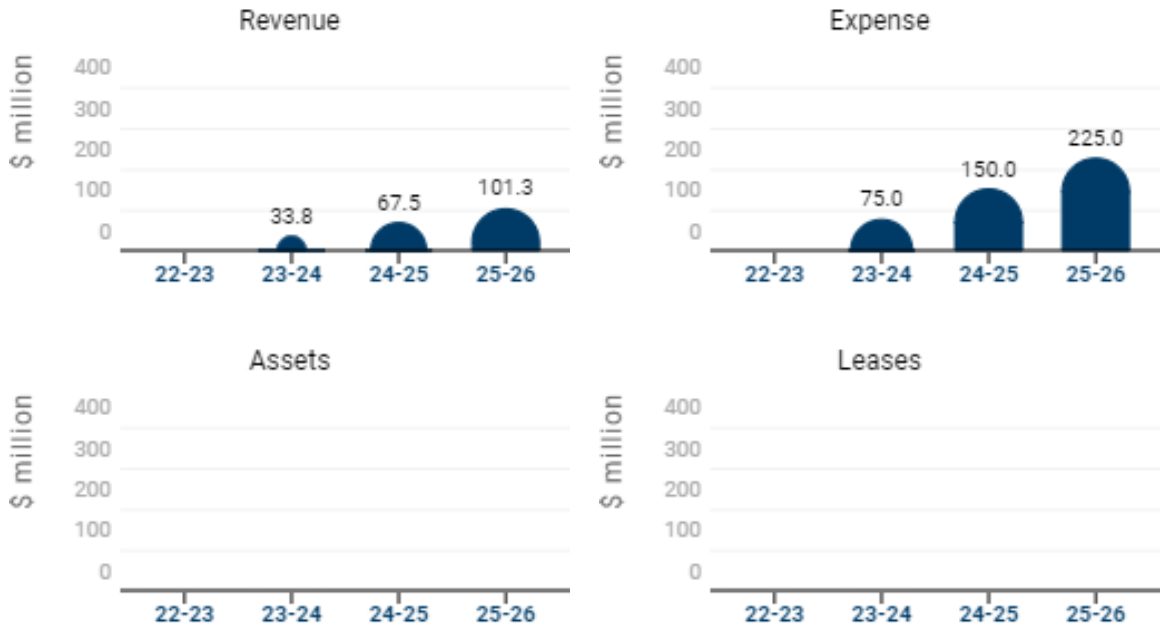
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $750.0 million for additional growth funding for Victoria's heath system. The Australian and Victorian governments would contribute funding consistent with other hospital funding initiatives.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $247.5 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $450.0 million due to increased funding for Victoria's health system, partly offset by
  - an increase in revenue of $202.5 million due to increased funding from the Australian Government
- $412.5 million across 2022–23 to 2032–33, this reflects:
  - an increase in operating expenses of $750.0 million due to increased funding for Victoria's health system, partly offset by
  - an increase in revenue of $337.5 million due to increased funding from the Australian Government.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes. We made no judgement on whether the specified co-contributions from the Australian Government would be given.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The specified funding amount would encompass administrative costs.
2. Consistent with the Addendum to National Health Funding Reform 2020–2025 the Victorian Government would provide 55% of the additional hospital funding and the Australian Government would provide 45%.

Method

When costing this policy, we:

- estimated the Australian Government funds provided as revenue to the Victorian Government
- derived the Victorian Government funding contribution.

Data sources

- Australian Government. 2021. Addendum to National Health Reform Agreement 2020-2025 [ONLINE] Available at: https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2021-07/NHRA_2020-25_Addendum_consolidated.pdf [Accessed 2 December 2022]

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	33.8	67.5	101.3	135.0	-	-	-	-	-	-
Expense	-	75.0	150.0	225.0	300.0	-	-	-	-	-	-
Net operating balance	-	-41.3	-82.5	-123.8	-165.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-41.3	-82.5	-123.8	-165.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	33.8	101.3	202.5	337.5	337.5	337.5	337.5	337.5	337.5	337.5
Expense	-	75.0	225.0	450.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0
Net operating balance	-	-41.3	-123.8	-247.5	-412.5	-412.5	-412.5	-412.5	-412.5	-412.5	-412.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-41.3	-123.8	-247.5	-412.5	-412.5	-412.5	-412.5	-412.5	-412.5	-412.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

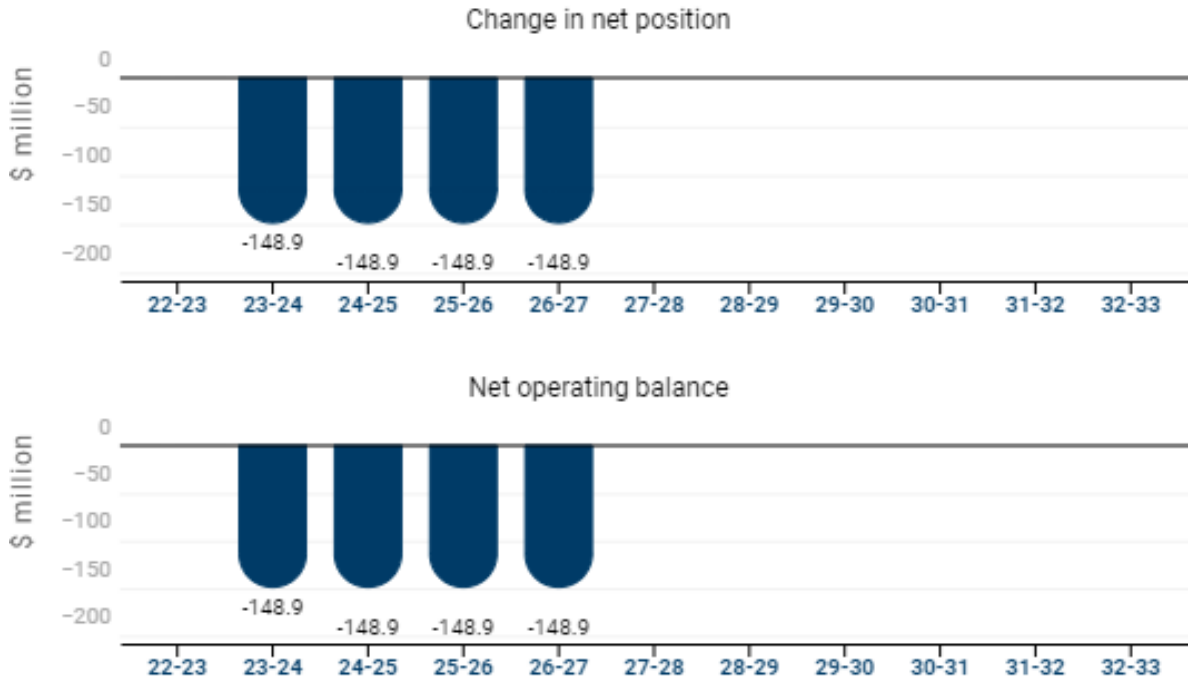
Publicly-announced policy costing

Health workforce plan including making it free to study nursing and midwifery

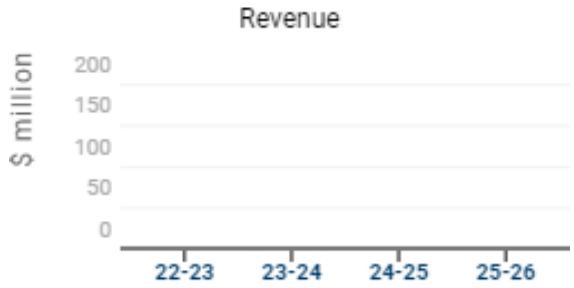
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed an additional $595.5 million to support the delivery of: ▪ scholarships to fully offset the upfront HECS debts of nursing and midwifery students ▪ scholarships for existing nurses and midwives to upgrade their skills with postgraduate and specialist training fully paid ▪ retraining for nurses and midwives ▪ establishing a new visa subclass for international health workers ▪ establishing a Victorian Ministerial Health Workforce Council ▪ recruitment of nurses, midwives and other health workers.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

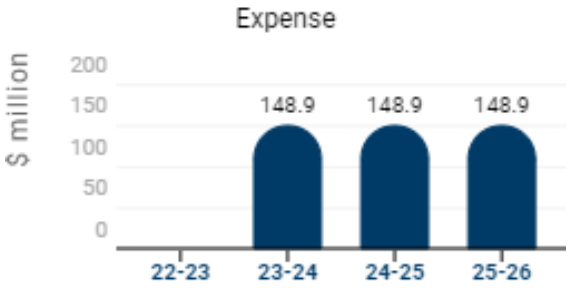
Our response

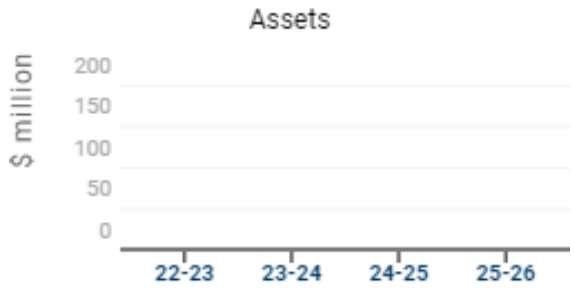
Budget impact

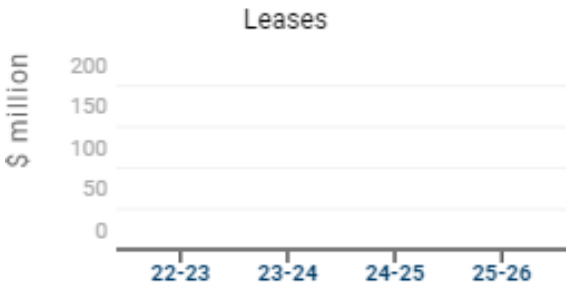


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $446.6 million across 2022–23 to 2025–26
- $595.5 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from the provision of scholarships and grants.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	148.9	148.9	148.9	148.9	-	-	-	-	-	-
Net operating balance	-	-148.9	-148.9	-148.9	-148.9	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-148.9	-148.9	-148.9	-148.9	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	148.9	297.8	446.6	595.5	595.5	595.5	595.5	595.5	595.5	595.5
Net operating balance	-	-148.9	-297.8	-446.6	-595.5	-595.5	-595.5	-595.5	-595.5	-595.5	-595.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-148.9	-297.8	-446.6	-595.5	-595.5	-595.5	-595.5	-595.5	-595.5	-595.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

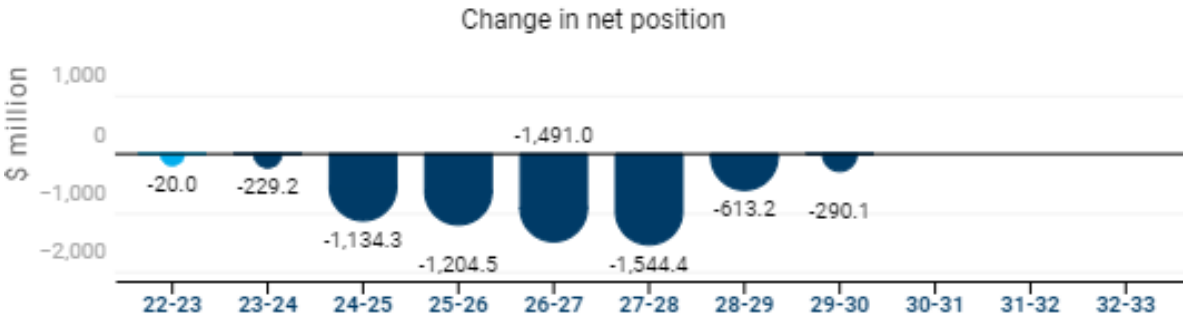
Publicly-announced policy costing

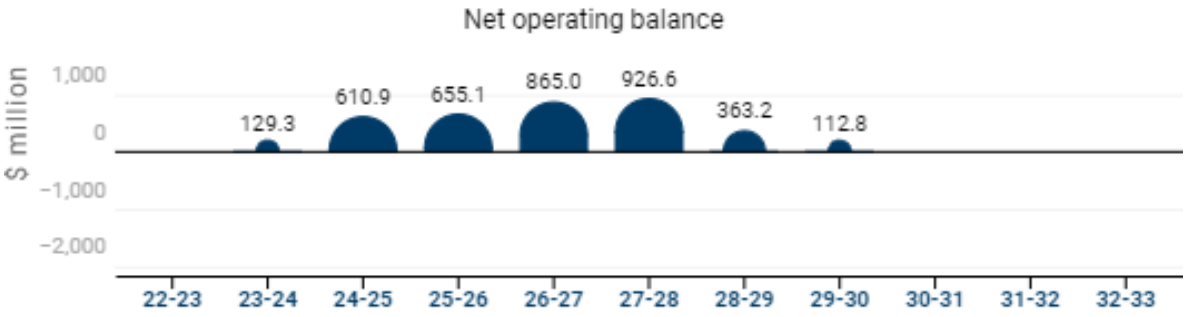
Hospital capital package

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2030
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to providing $10.2 billion for capital works to build new hospitals, upgrade or redevelop existing hospitals, including $20 million in 2022–23 for early works: The Australian Government would provide: ▪ $300 million toward the new Outer Eastern Hospital in Wantirna ▪ $300 million toward the new Albury Wodonga Hospital ▪ $250 million toward the new Mildura Hospital ▪ $200 million toward the new West Gippsland Hospital ▪ $113 million toward the new Rosebud Hospital ▪ $2,200 million additional funding for the package of hospital capital works. The New South Wales Government would provide $300 million towards the new Albury Wodonga Hospital.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

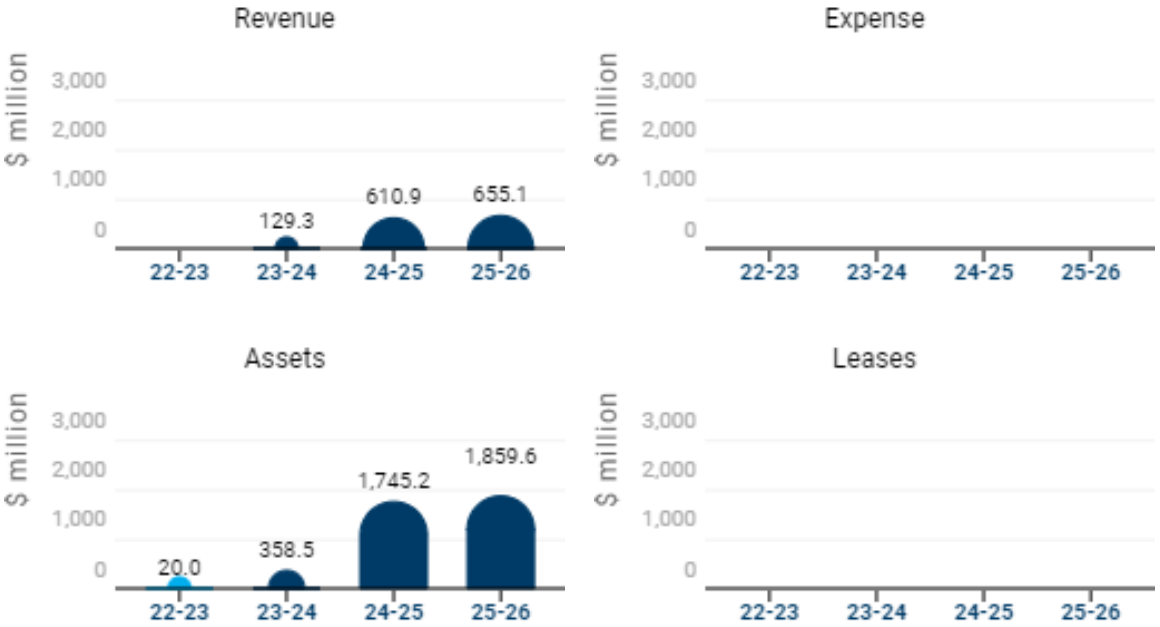
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $2,588.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $3,983.2 million due to capital works, partly offset by
  - an increase in revenue of $1,395.3 million from the Australian and New South Wales governments
- $6,526.8 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $10,189.8 million due to capital works, partly offset by
  - an increase in revenue of $3,663.0 million from the Australian and New South Wales governments.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $10,189.8 million from the commencement of asset works in 2022–23 to completion in 2029–30.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes. We made no judgement on whether the specified co-contributions from the Australian Government would be given

Our approach

Assumptions

When costing this policy, we assumed that the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	129.3	610.9	655.1	865.0	926.6	363.2	112.8	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	129.3	610.9	655.1	865.0	926.6	363.2	112.8	-	-	-
Assets	20.0	358.5	1,745.2	1,859.6	2,356.1	2,471.0	976.5	403.0	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-20.0	-229.2	-1,134.3	-1,204.5	-1,491.0	-1,544.4	-613.2	-290.1	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	129.3	740.2	1,395.3	2,260.3	3,186.9	3,550.2	3,663.0	3,663.0	3,663.0	3,663.0
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	129.3	740.2	1,395.3	2,260.3	3,186.9	3,550.2	3,663.0	3,663.0	3,663.0	3,663.0
Assets	20.0	378.5	2,123.7	3,983.2	6,339.3	8,810.3	9,786.8	10,189.8	10,189.8	10,189.8	10,189.8
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-20.0	-249.2	-1,383.5	-2,588.0	-4,079.0	-5,623.4	-6,236.6	-6,526.8	-6,526.8	-6,526.8	-6,526.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

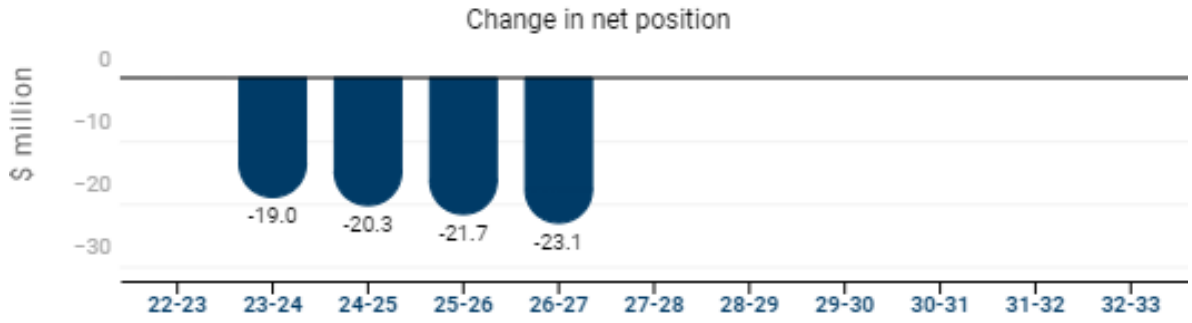
Publicly-announced policy costing

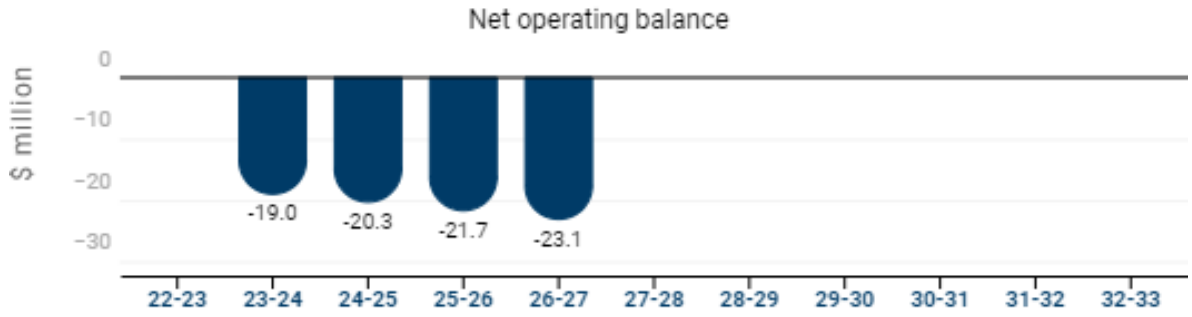
Medical research boost

Political party	Liberal Nationals Victoria
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $84.1million over the next 4 years in additional funding to better enable Victoria's medical research sector to expand their capabilities in research, commercialisation, and governance, while supporting workforce development and retention.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

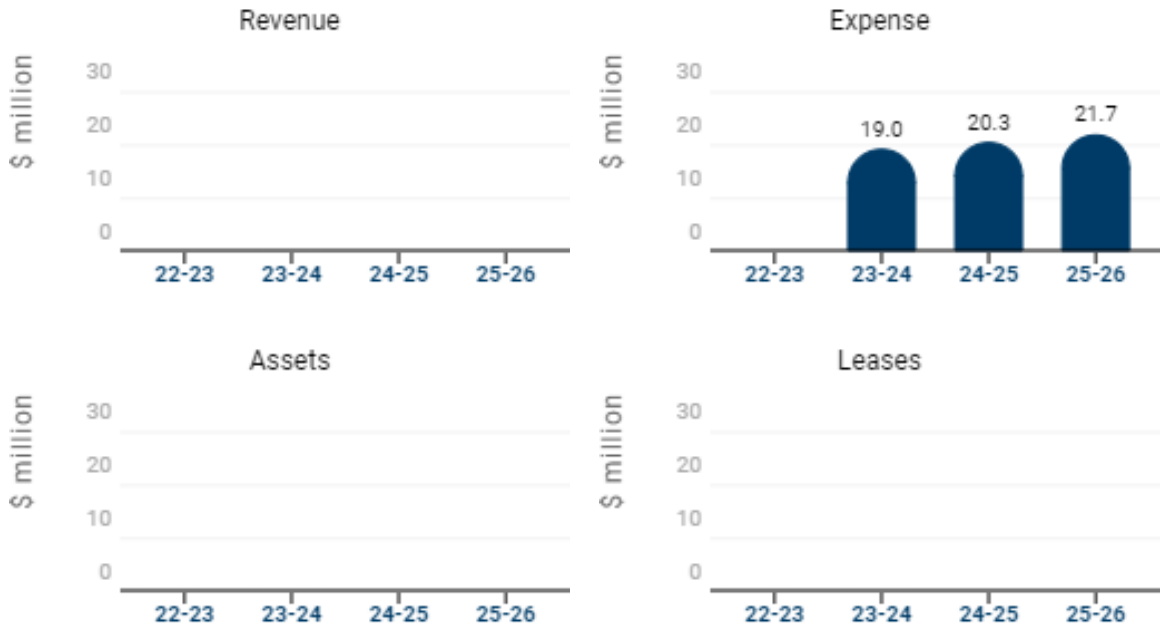
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $61.0 million across 2022–23 to 2025–26
- $84.1 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to the provision of grants.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The relevant department would administer grants.
2. The specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	19.0	20.3	21.7	23.1	-	-	-	-	-	-
Net operating balance	-	-19.0	-20.3	-21.7	-23.1	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-19.0	-20.3	-21.7	-23.1	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	19.0	39.3	61.0	84.1	84.1	84.1	84.1	84.1	84.1	84.1
Net operating balance	-	-19.0	-39.3	-61.0	-84.1	-84.1	-84.1	-84.1	-84.1	-84.1	-84.1
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-19.0	-39.3	-61.0	-84.1	-84.1	-84.1	-84.1	-84.1	-84.1	-84.1

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Mental health

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to recognising 2,000 registered counsellors as mental health practitioners, for deployment into Victorian schools. The policy will also work to implement all recommendations of the Mental Health Royal Commission.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Context

The Royal Commission into Victoria's Mental Health System concluded in February 2021, resulting in 65 recommendations to the Victorian Government. The *Mental Health and Wellbeing Act 2022* received royal assent on 6 September 2022.

Our response

We expect this policy to have no impact on the state's budgeted net position as recognising counsellors as mental health practitioners and working towards implementing recommendations do not incur a cost to the budget.

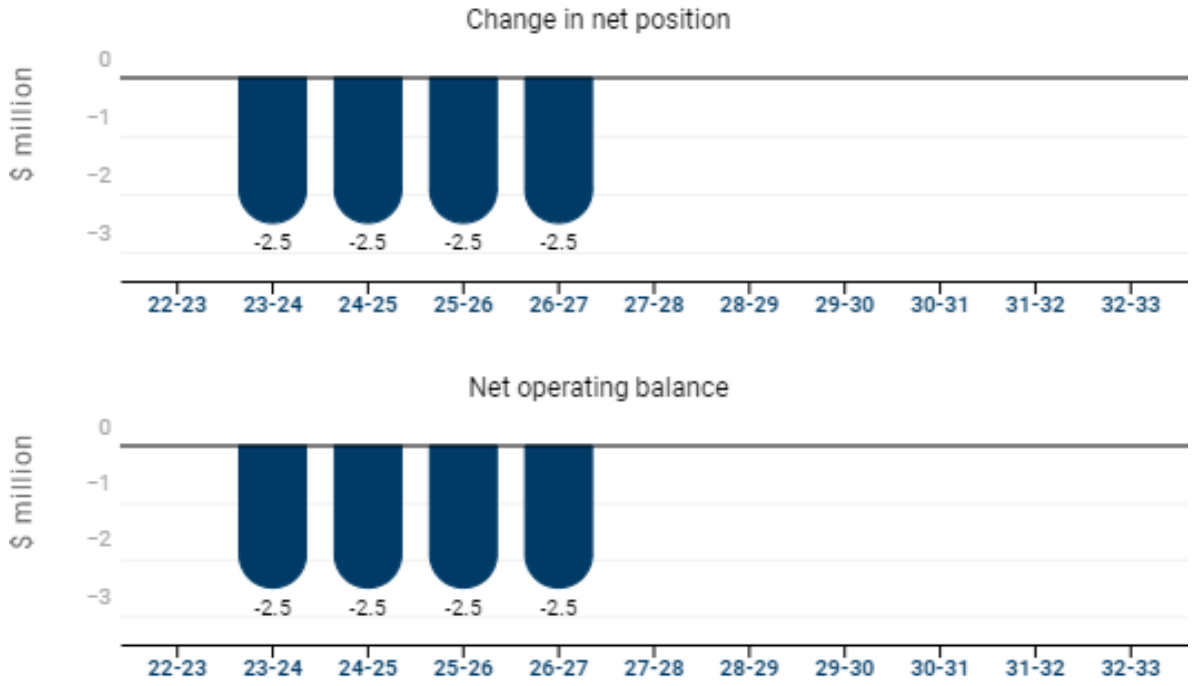
Publicly-announced policy costing

Mental health support for emergency services workers

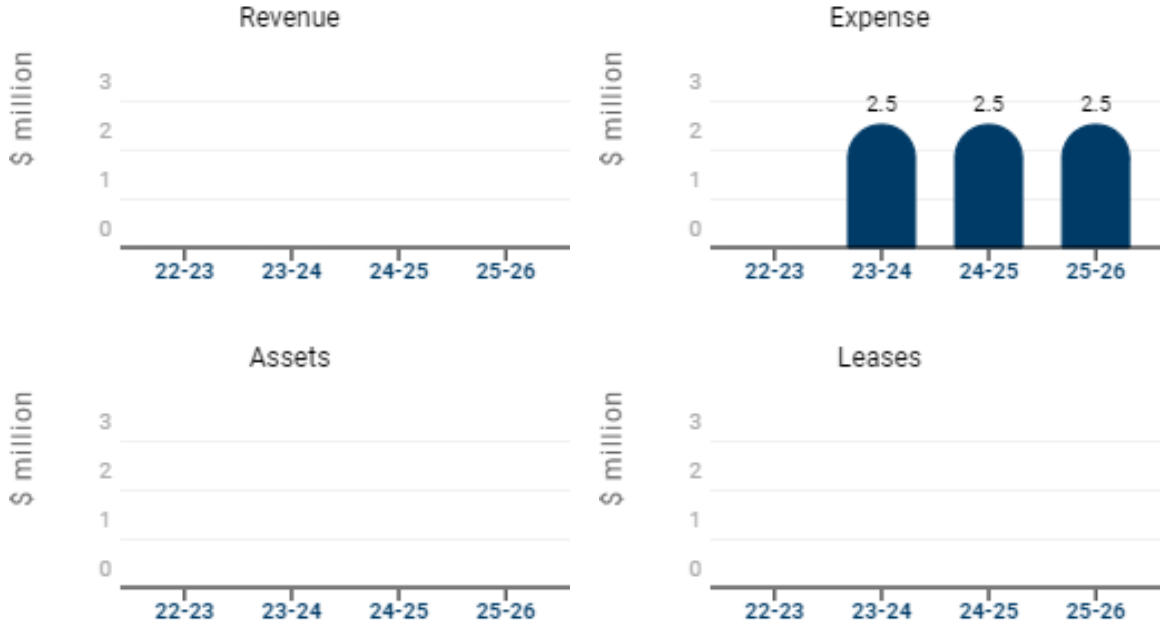
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $10.0 million over 4 years to treat the mental health crisis amongst emergency service workers.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $7.5 million across 2022–23 to 2025–26
- $10.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	2.5	2.5	2.5	2.5	-	-	-	-	-	-
Net operating balance	-	-2.5	-2.5	-2.5	-2.5	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-2.5	-2.5	-2.5	-2.5	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	2.5	5.0	7.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Net operating balance	-	-2.5	-5.0	-7.5	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-2.5	-5.0	-7.5	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

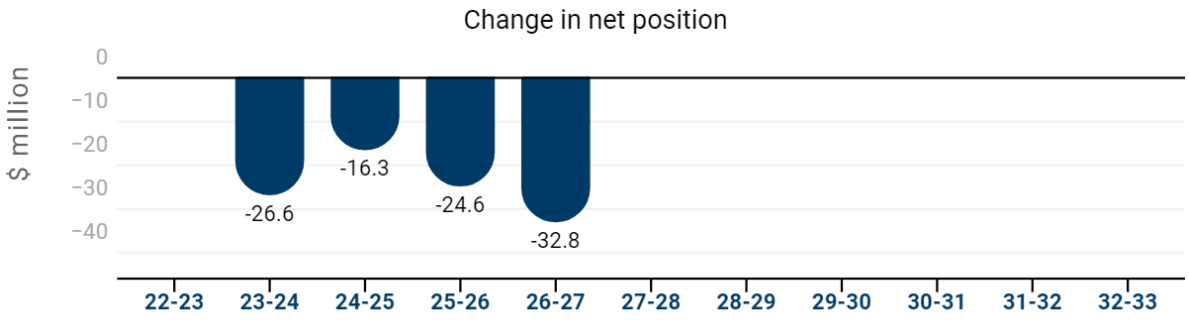
Publicly-announced policy costing

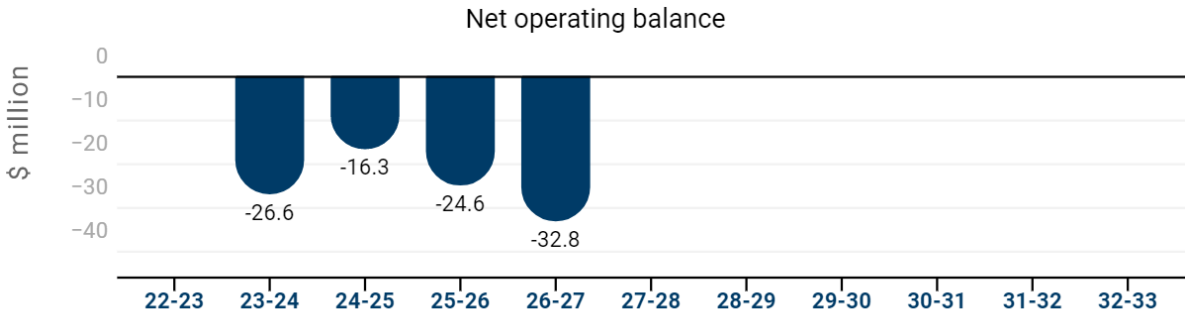
Mental health workforce strategy

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $100.2 million to: ▪ deliver a new mental health recruitment scheme ▪ deliver a new mental health workforce scholarship ▪ fund new psychiatrist trainee positions ▪ train more psychology supervisors ▪ fund a new 'find a supervisor' matching service.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

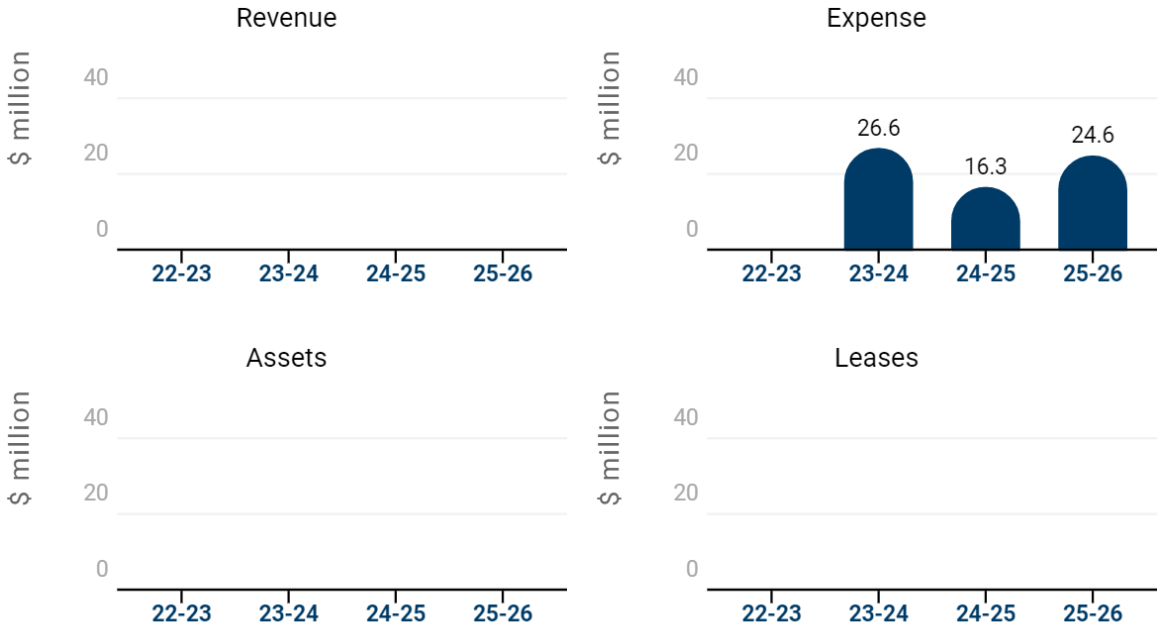
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $67.5 million across 2022–23 to 2025–26
- $100.2 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from the provision of support.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	26.6	16.3	24.6	32.8	-	-	-	-	-	-
Net operating balance	-	-26.6	-16.3	-24.6	-32.8	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-26.6	-16.3	-24.6	-32.8	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	26.6	42.9	67.5	100.2	100.2	100.2	100.2	100.2	100.2	100.2
Net operating balance	-	-26.6	-42.9	-67.5	-100.2	-100.2	-100.2	-100.2	-100.2	-100.2	-100.2
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-26.6	-42.9	-67.5	-100.2	-100.2	-100.2	-100.2	-100.2	-100.2	-100.2

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

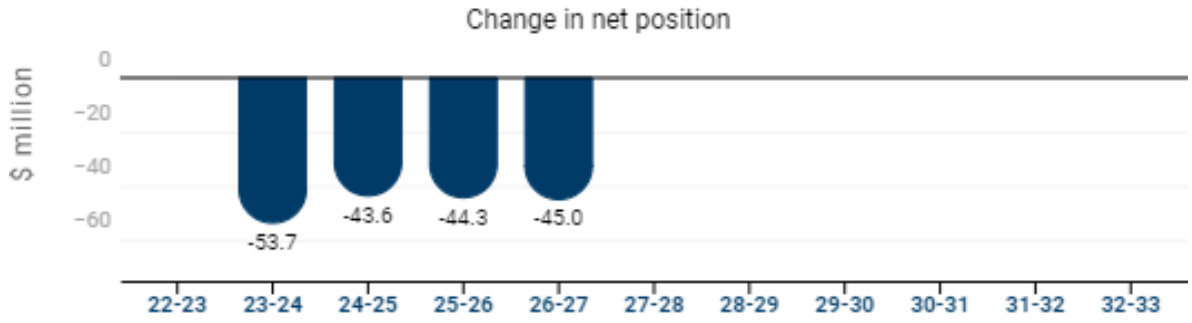
Publicly-announced policy costing

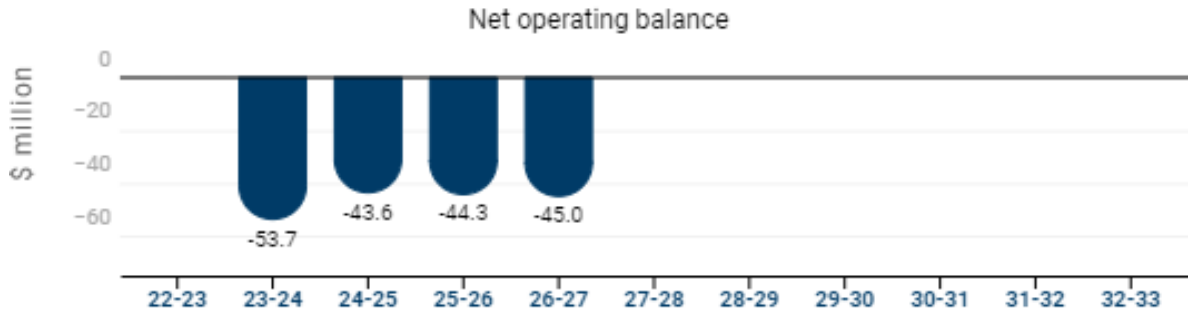
Provide more affordable IVF and egg freezing

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $165.5 million for: – a rebate of up to $2,000 to undertake an initial IVF procedure using private fertility clinics – a rebate of up to $2,000 to undertake a subsequent IVF procedure (if not successful with the initial procedure) – rebates of up to $500 for pre–IVF Fertility Testing – up to 5 days of paid fertility treatment leave for nurses, teachers, and other Victorian public service workers ▪ $21.0 million for a rebate of up to $7,000 to Victorian women with medical conditions such as severe endometriosis and cancers that require chemotherapy, to ensure they can freeze their eggs without significant out-of-pocket expense.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

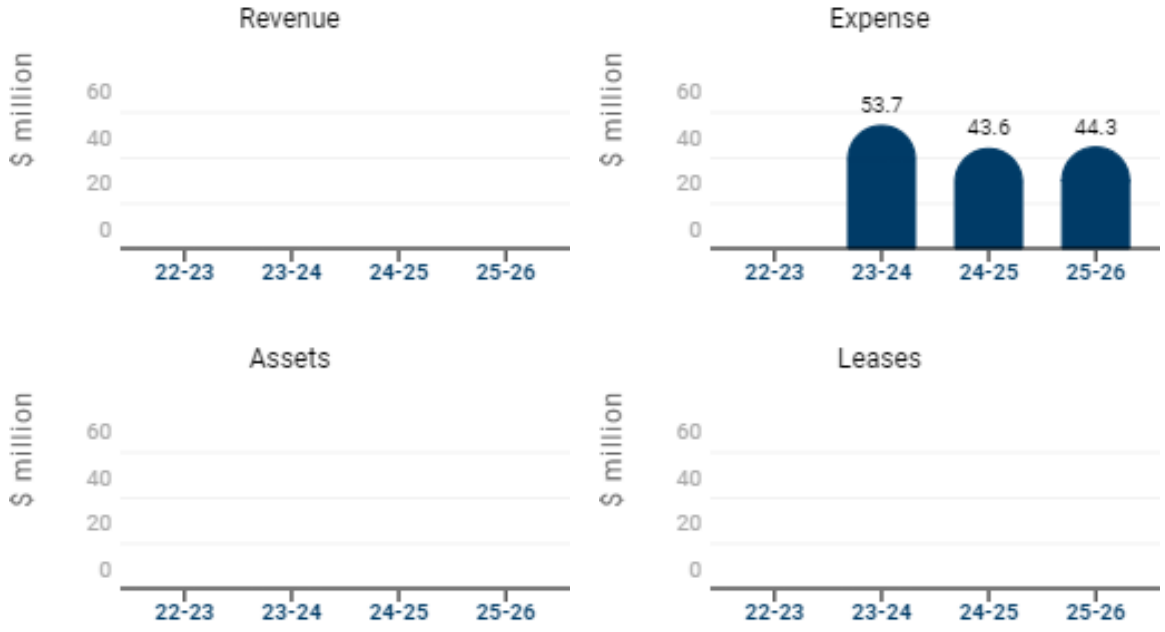
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

In vitro fertilisation (IVF) is a procedure, where an egg and sperm are joined together outside the body, to overcome a range of fertility issues. A single IVF cycle currently costs $10,532, with an estimated out-of-pocket cost of $5,483 for an initial cycle and $4,898 for a subsequent cycle due to Medicare rebates.

Under this policy, individuals working in the public sector would be eligible for paid fertility treatment leave. The public sector is made up of the Victorian Public Service (VPS) and employees working for Victorian public entities, which include public health services, schools, TAFE, police and emergency services, water and land management, creative industries, finance, and transport.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $141.6 million across 2022–23 to 2025–26
- $186.5 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from funding egg freezing, IVF and fertility testing rebates, and providing paid fertility leave to Victorian public sector employees.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	53.7	43.6	44.3	45.0	-	-	-	-	-	-
Net operating balance	-	-53.7	-43.6	-44.3	-45.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-53.7	-43.6	-44.3	-45.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	53.7	97.3	141.6	186.5	186.5	186.5	186.5	186.5	186.5	186.5
Net operating balance	-	-53.7	-97.3	-141.6	-186.5	-186.5	-186.5	-186.5	-186.5	-186.5	-186.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-53.7	-97.3	-141.6	-186.5	-186.5	-186.5	-186.5	-186.5	-186.5	-186.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

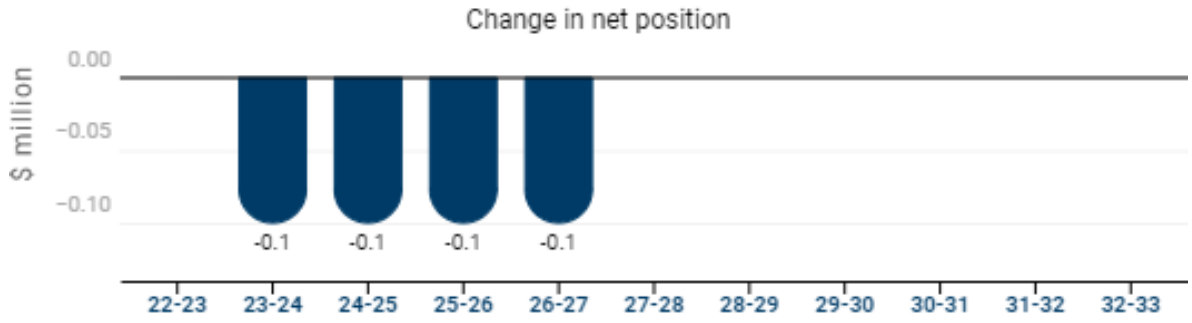
Publicly-announced policy costing

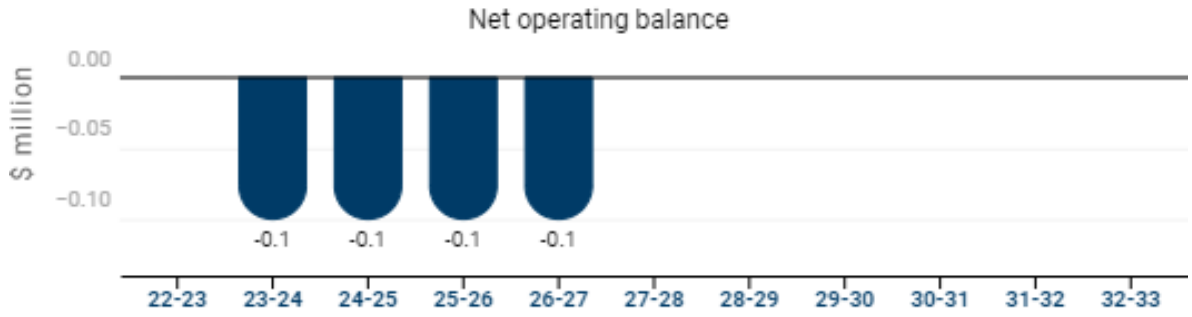
Public health initiatives

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $500,000 to: ▪ crackdown on the sale of e-cigarettes by retailers ▪ launch an information campaign in schools to increase awareness of the health risks of using e-cigarettes.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

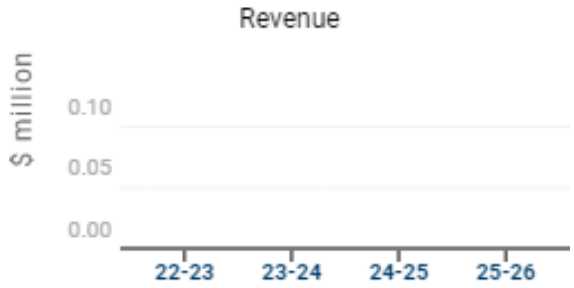
Our response

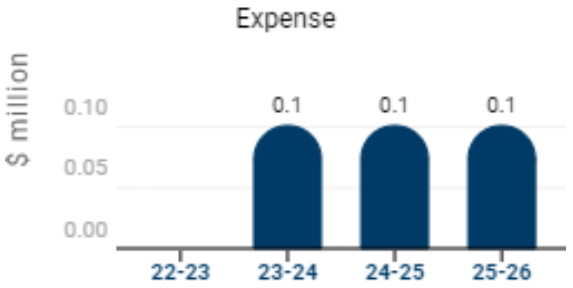
Budget impact

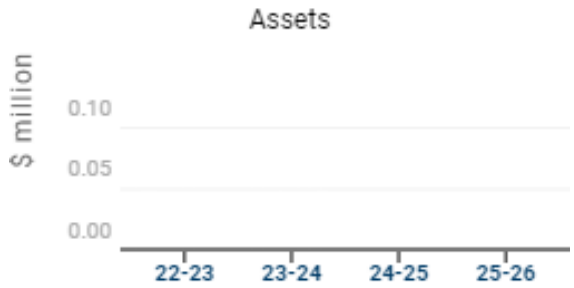


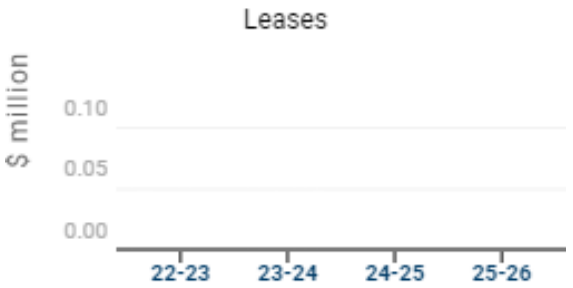


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $0.4 million across 2022–23 to 2025–26
- $0.5 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses for the increase in policing of e-cigarette retailers and to provide an information campaign in schools.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and profile specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	0.1	0.1	0.1	0.1	-	-	-	-	-	-
Net operating balance	-	-0.1	-0.1	-0.1	-0.1	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-0.1	-0.1	-0.1	-0.1	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	0.1	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Net operating balance	-	-0.1	-0.3	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-0.1	-0.3	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

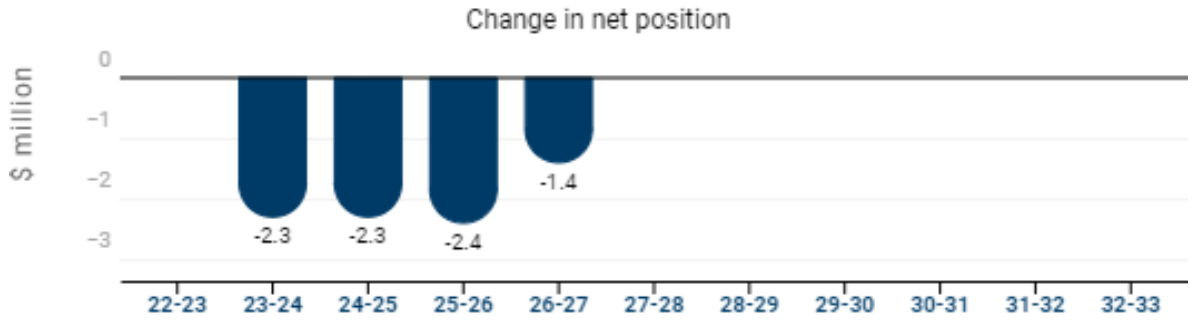
Publicly-announced policy costing

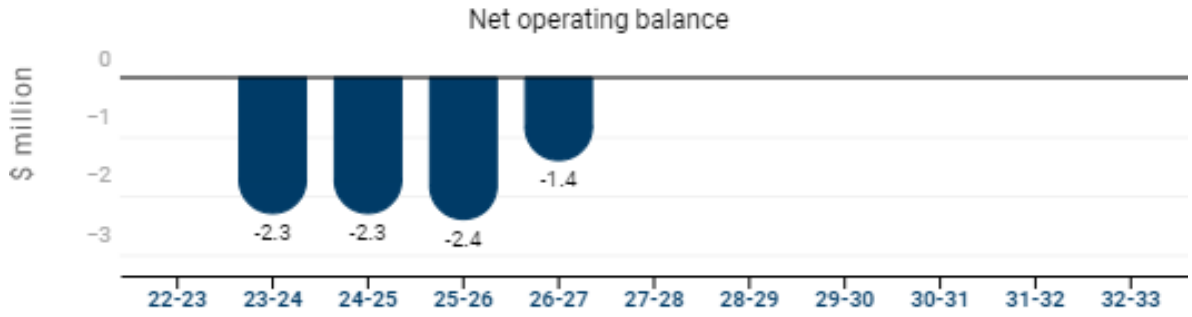
Stroke Foundation funding

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $8.4 million to improve outcomes for Victorian stroke patients through community education and post-stroke support programs for survivors.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

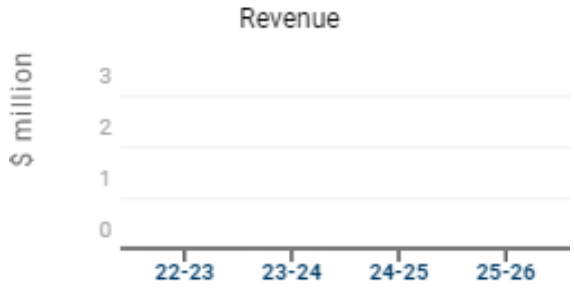
Our response

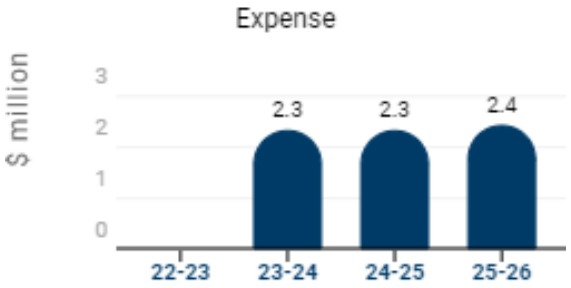
Budget impact

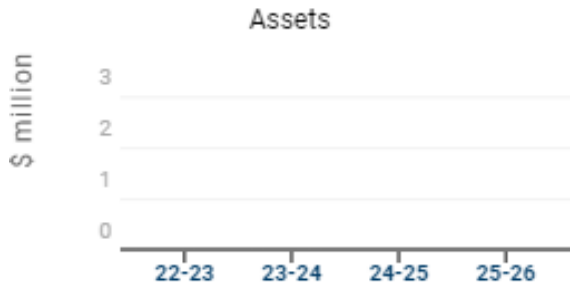


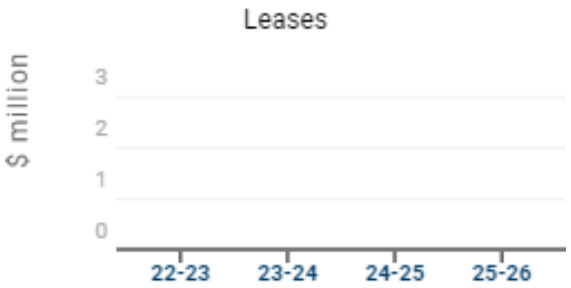


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $7.0 million across 2022–23 to 2025–26
- $8.4 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to provision of grants.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The program would be delivered as grants.
2. The relevant department would absorb the costs of administering the grants.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	2.3	2.3	2.4	1.4	-	-	-	-	-	-
Net operating balance	-	-2.3	-2.3	-2.4	-1.4	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-2.3	-2.3	-2.4	-1.4	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	2.3	4.6	7.0	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Net operating balance	-	-2.3	-4.6	-7.0	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-2.3	-4.6	-7.0	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

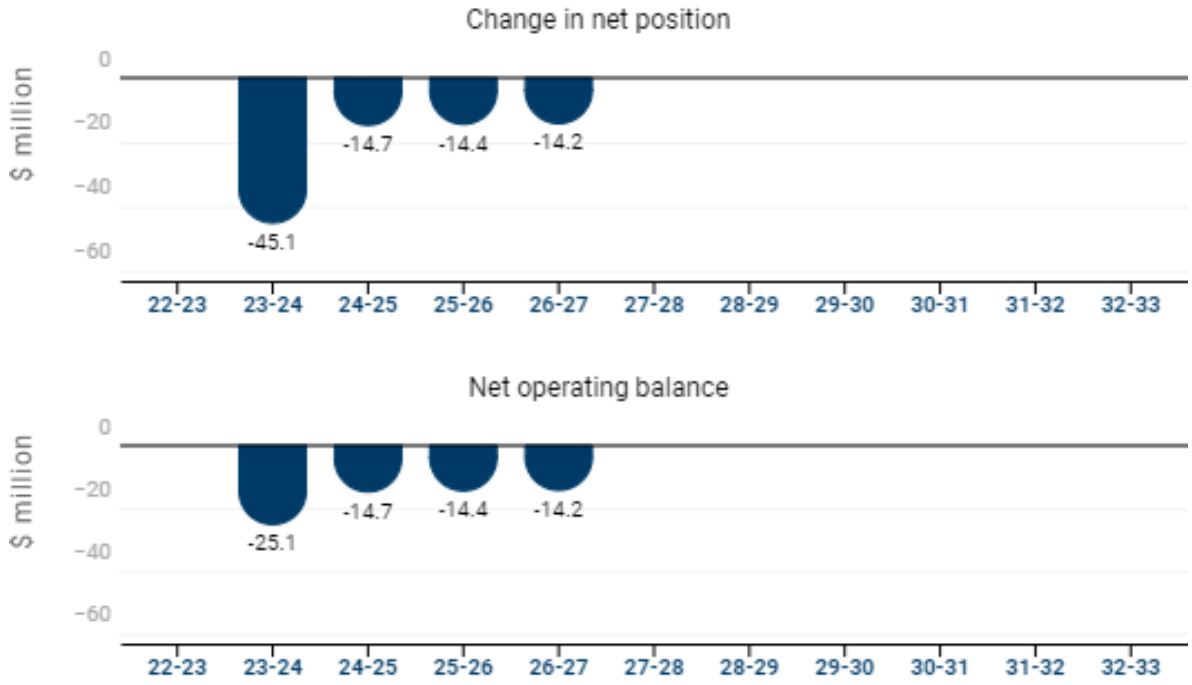
Publicly-announced policy costing

Supporting and recognising veterans

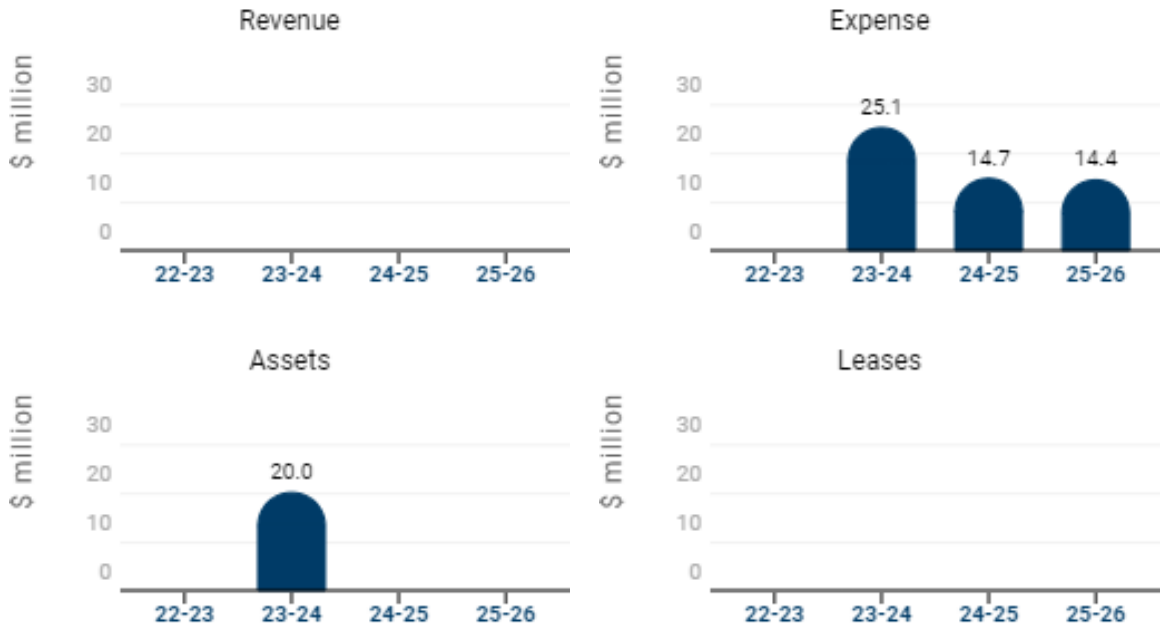
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $58.5 million to improve Gold Card Benefits for veterans including free public transport for Veteran Gold Card holders and their companions and more taxi fare concessions ▪ $20.0 million towards modernising facilities to support the Ward 17 program now and into the future ▪ $10.0 million towards the construction of the new National Vietnam Veterans' Museum on its new site at Phillip Island.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $74.3 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $54.3 million due to grants
  - an increase in assets of $20.0 million due to Ward 17 refurbishments
- $88.5 million across 2022–23 to 2032–33, this reflects:
  - an increase in operating expenses of $68.5 million due to grants
  - an increase in assets of $20.0 million due to Ward 17 refurbishments.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $20.0 million from asset works in 2023–24.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. All funding for towards modernising facilities to support the Ward 17 program would be for building improvements which would be distinct from any existing upgrades planned. Works would be completed within one year.
2. Funding for the new museum would be provided as a once-off grant to a non-government sector entity.
3. The relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding, phasing and split between assets and operating expenses specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	25.1	14.7	14.4	14.2	-	-	-	-	-	-
Net operating balance	-	-25.1	-14.7	-14.4	-14.2	-	-	-	-	-	-
Assets	-	20.0	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-45.1	-14.7	-14.4	-14.2	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	25.1	39.9	54.3	68.5	68.5	68.5	68.5	68.5	68.5	68.5
Net operating balance	-	-25.1	-39.9	-54.3	-68.5	-68.5	-68.5	-68.5	-68.5	-68.5	-68.5
Assets	-	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-45.1	-59.9	-74.3	-88.5	-88.5	-88.5	-88.5	-88.5	-88.5	-88.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

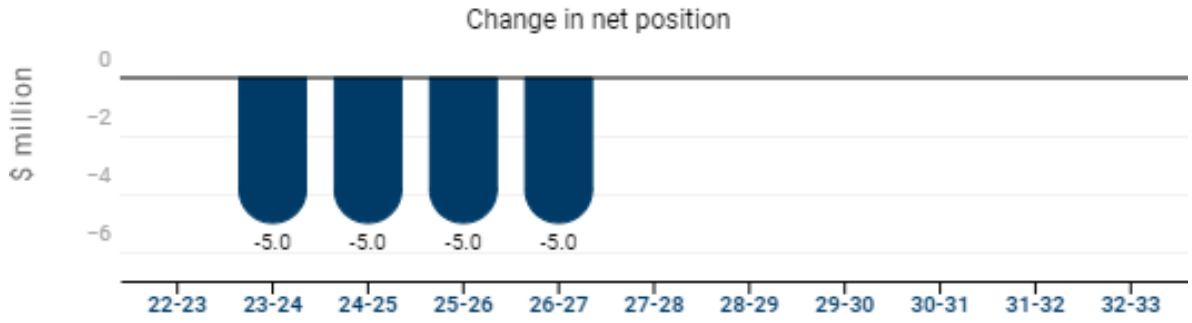
Publicly-announced policy costing

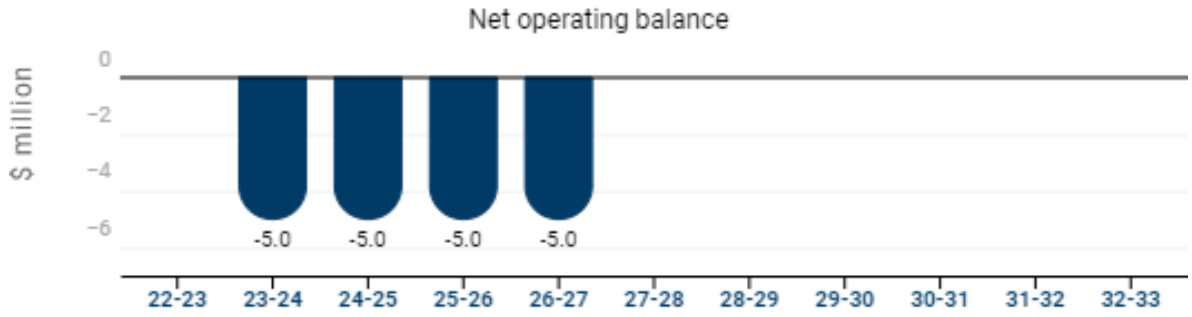
Supporting community-owned hospitals

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $20.0 million to keep Victoria's 5 remaining community-owned hospitals in Euroa, Nagambie, Neerim, Heyfield and Cobden open. It would continue to provide them with the necessary operational funding they need to keep delivering services in their communities. It would also ensure they could access capital funding streams.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

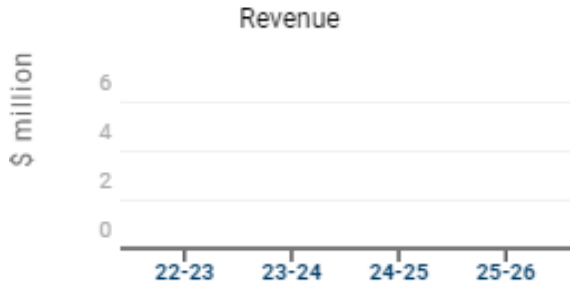
Our response

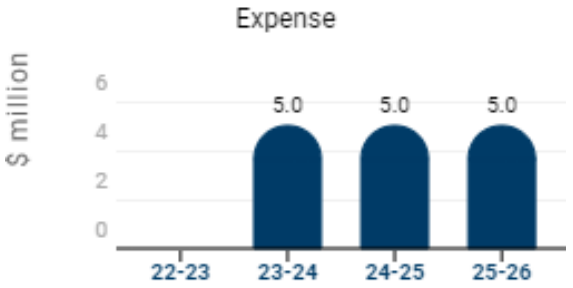
Budget impact

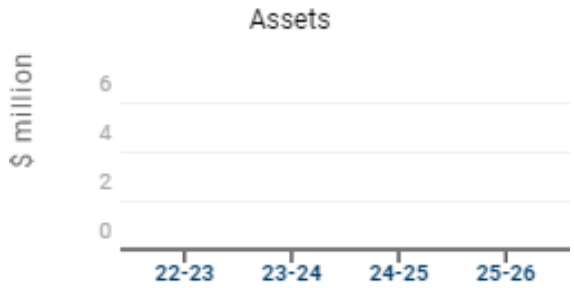


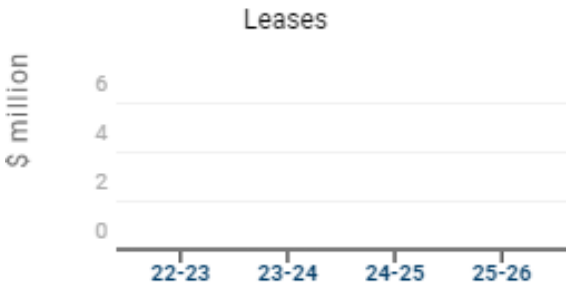


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $15.0 million across 2022–23 to 2025–26
- $20.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to provision of grants.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Funding would be provided as grants.
2. The relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	5.0	5.0	5.0	5.0	-	-	-	-	-	-
Net operating balance	-	-5.0	-5.0	-5.0	-5.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-5.0	-5.0	-5.0	-5.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	5.0	10.0	15.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Net operating balance	-	-5.0	-10.0	-15.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-5.0	-10.0	-15.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

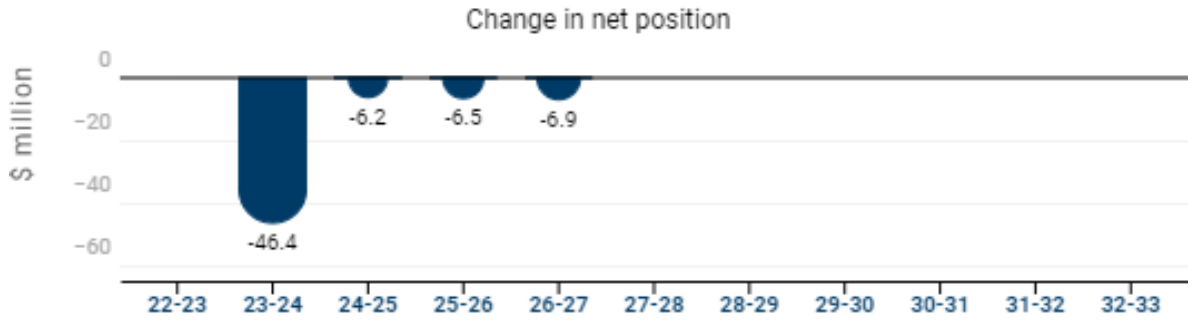
Publicly-announced policy costing

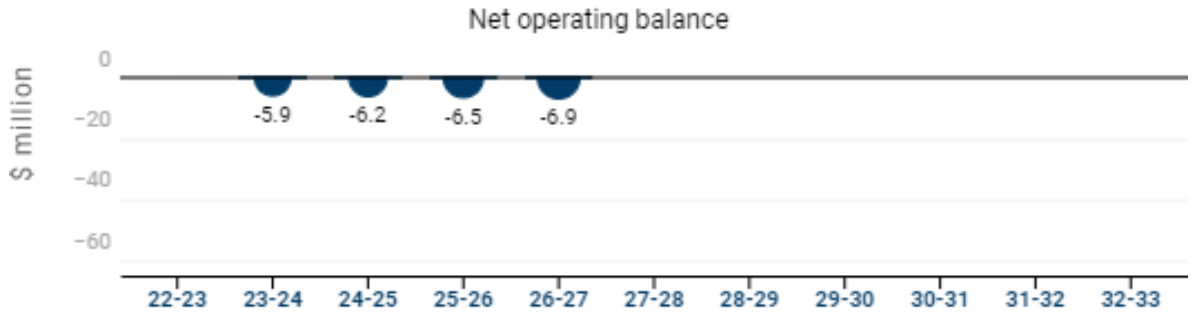
Surgical robots

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $66.0 million to significantly expand the use of surgical robot technology in Victoria's public hospitals.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

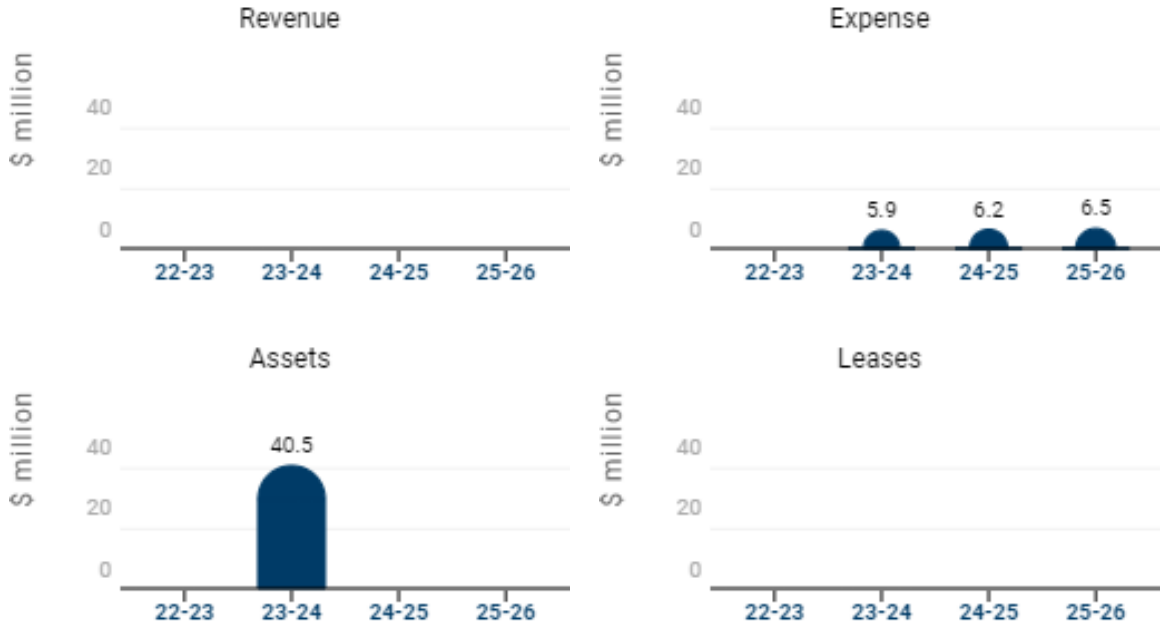
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $59.1 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $40.5 million due to equipment purchases
  - an increase in operating expenses of $18.6 million due to surgical robot expenses and grants
- $66.0 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $40.5 million due to equipment purchases
  - an increase in operating expenses of $25.5 million due to surgical robot expenses and grants.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $40.5 million from the completion of asset works in 2023–24.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed that the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding, phasing and split between asset and operating expenses specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	5.9	6.2	6.5	6.9	-	-	-	-	-	-
Net operating balance	-	-5.9	-6.2	-6.5	-6.9	-	-	-	-	-	-
Assets	-	40.5	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-46.4	-6.2	-6.5	-6.9	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	5.9	12.1	18.6	25.5	25.5	25.5	25.5	25.5	25.5	25.5
Net operating balance	-	-5.9	-12.1	-18.6	-25.5	-25.5	-25.5	-25.5	-25.5	-25.5	-25.5
Assets	-	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-46.4	-52.6	-59.1	-66.0	-66.0	-66.0	-66.0	-66.0	-66.0	-66.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

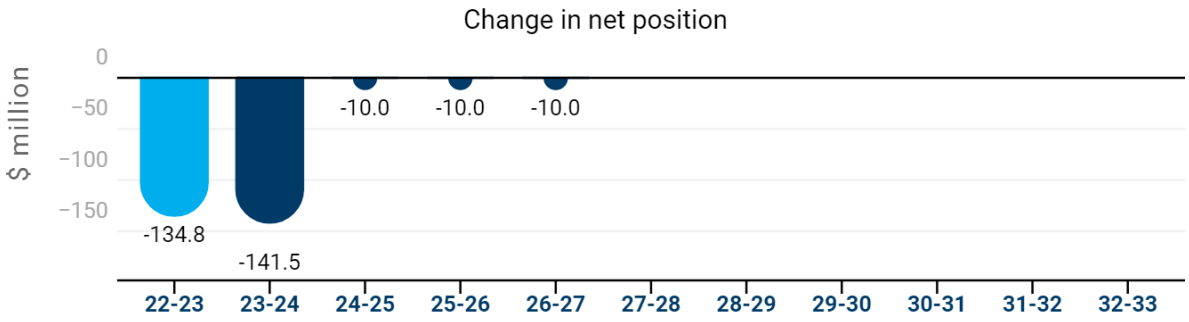
Publicly-announced policy costing

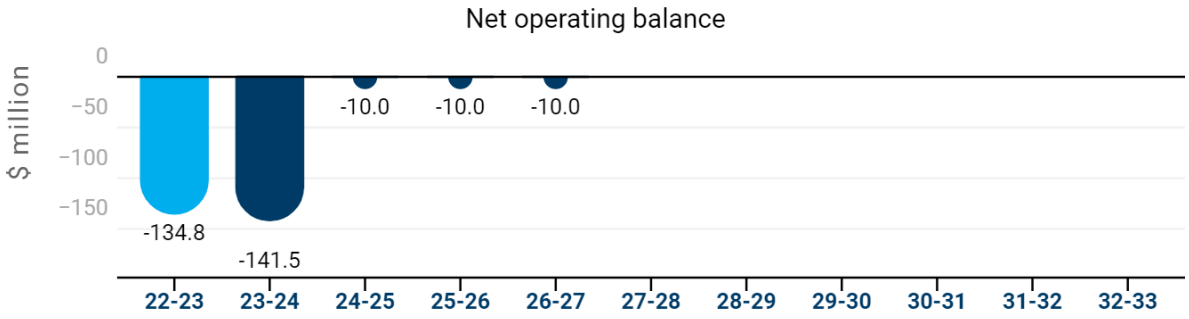
First home owner stamp duty relief and 150,000 new housing lots

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $45.5 million to improve housing affordability by: ▪ facilitating the release of 150,000 new housing lots ▪ introducing planning and building reforms to make approvals faster ▪ introducing new apprentice travel funds ▪ introducing a new local development infrastructure fund. For 2023 only, The Hon. Matthew Guy MP also committed to increasing the eligibility thresholds for land transfer duty reductions for first home buyers, so that properties with a dutiable value of $1,000,000 or less would be exempt from land transfer duty.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

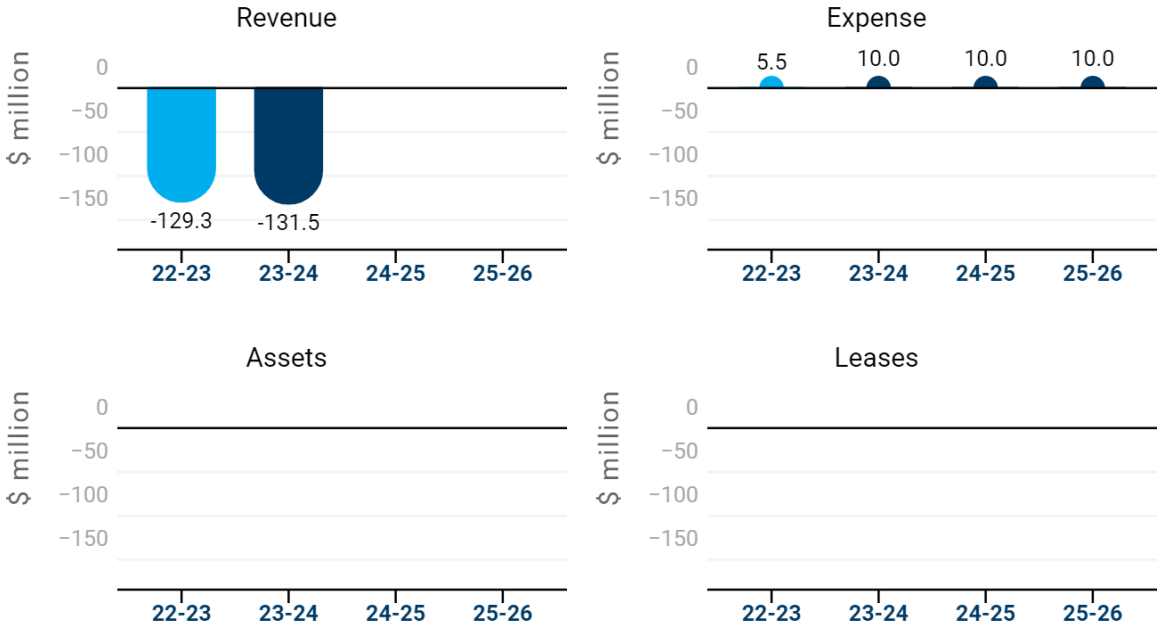
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

Land transfer duty, Victoria's largest source of state tax revenue, is levied on property transactions. The amount of duty paid by purchasers primarily depends on the dutiable value of the property and how the property will be used.

Several exemptions and concessions apply, with the largest being for first home buyers. Eligible first home buyers of properties with a dutiable value of $600,000 or less are currently exempt from land transfer duty. Eligible first home buyers of properties with a dutiable value between $600,000 and $750,000 currently receive a concession from land transfer duty. Other exemptions and concessions to land transfer duty include:

- off-the-plan concession
- pensioner duty exemption or concession
- principal place of residence concession
- young farmer exemption or concession.

Purchasers may qualify for more than one of these exemptions and concessions. Some purchasers can claim multiple exemptions and concessions. Other purchasers must choose which exemptions and concessions they would like to apply

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $296.3 million across 2022–23 to 2025–26, this reflects:
  - a decrease in revenue of $260.8 million due to foregone land transfer duty
  - an increase in operating expenses of $35.5 million due to funding for the other housing affordability components of this policy
- $306.3 million across 2022–23 to 2032–33, this reflects:
  - a decrease in revenue of $260.8 million due to foregone land transfer duty
  - an increase in operating expenses of $45.5 million due to funding for the other housing affordability components of this policy.

This cost estimate is sensitive to changes in the function and behaviour of the property market, including:

- dwelling demand, supply constraints, interest rates and prices which impact transaction volumes
- other government policies.

Apart from the land transfer duty component of this policy, the financial implications of this policy are certain, as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve these desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. For 2023 only, eligible first home buyers of properties with a dutiable value between $1,000,000 and $1,150,000 would receive a concession from land transfer duty.
2. Victorian Government revenue foregone due to other land transfer duty exemptions and concessions would not be affected.
3. The first home owner grant would not be affected.
4. The property market would not be affected, including:
    a. demand from first home buyers
    b. supply of qualifying properties
    c. price of dwellings
    d. transaction volumes.
5. The proportion of first home buyers to all buyers of principal places of residence is not price sensitive and would remain consistent over time.
6. Land transfer duty revenue would continue to grow at the budgeted rate beyond the period of the forward estimates. In the absence of this policy, the total value of land transfer duty exemptions and concessions for first home buyers would also grow at this rate.
7. State Revenue Office administration and compliance costs would not be affected.
8. The specified funding amount would encompass administrative costs for the following policy components:
    a. facilitating the release of 150,000 new housing lots
    b. introducing planning and building reforms to make approvals faster
    c. introducing new apprentice travel funds
    d. introducing a new local development infrastructure fund.

Method

When costing the land transfer duty component of this policy, we:

- estimated the value of land transfer duty exemptions and concessions received by eligible first home buyers
- estimated the value of land transfer duty potentially applicable to principal places of residence if there were no duty exemptions and concessions

- estimated the proportion of potential land transfer duty revenue that is reduced by the first home buyer duty exemption and concession
- estimated the cost of the first home buyer duty exemption and concession at different property value thresholds
- calculated the reduction in land transfer duty revenue caused by an increase in the first home buyer duty exemption and concession thresholds

For the other components of this policy, we used the capped amount of funding and phasing specified in the election commitment.

Data sources

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Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-129.3	-131.5	-	-	-	-	-	-	-	-	-
Expense	5.5	10.0	10.0	10.0	10.0	-	-	-	-	-	-
Net operating balance	-134.8	-141.5	-10.0	-10.0	-10.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-134.8	-141.5	-10.0	-10.0	-10.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-129.3	-260.8	-260.8	-260.8	-260.8	-260.8	-260.8	-260.8	-260.8	-260.8	-260.8
Expense	5.5	15.5	25.5	35.5	45.5	45.5	45.5	45.5	45.5	45.5	45.5
Net operating balance	-134.8	-276.3	-286.3	-296.3	-306.3	-306.3	-306.3	-306.3	-306.3	-306.3	-306.3
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-134.8	-276.3	-286.3	-296.3	-306.3	-306.3	-306.3	-306.3	-306.3	-306.3	-306.3

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

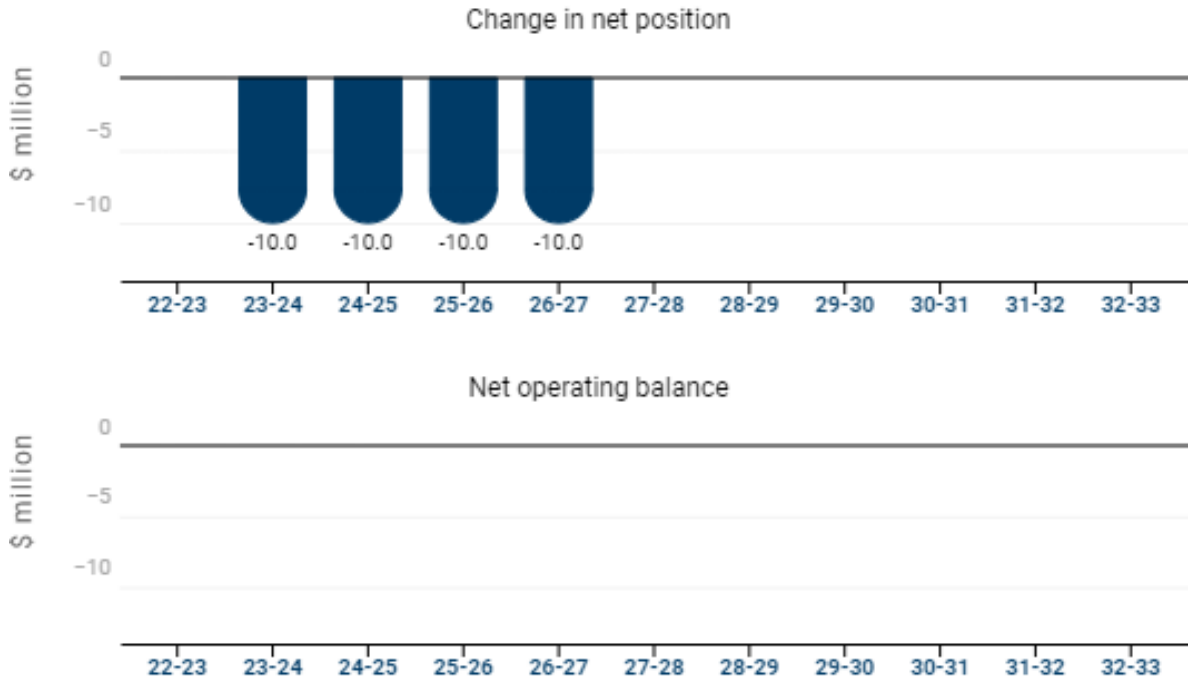
Publicly-announced policy costing

Small towns water and sewerage fund

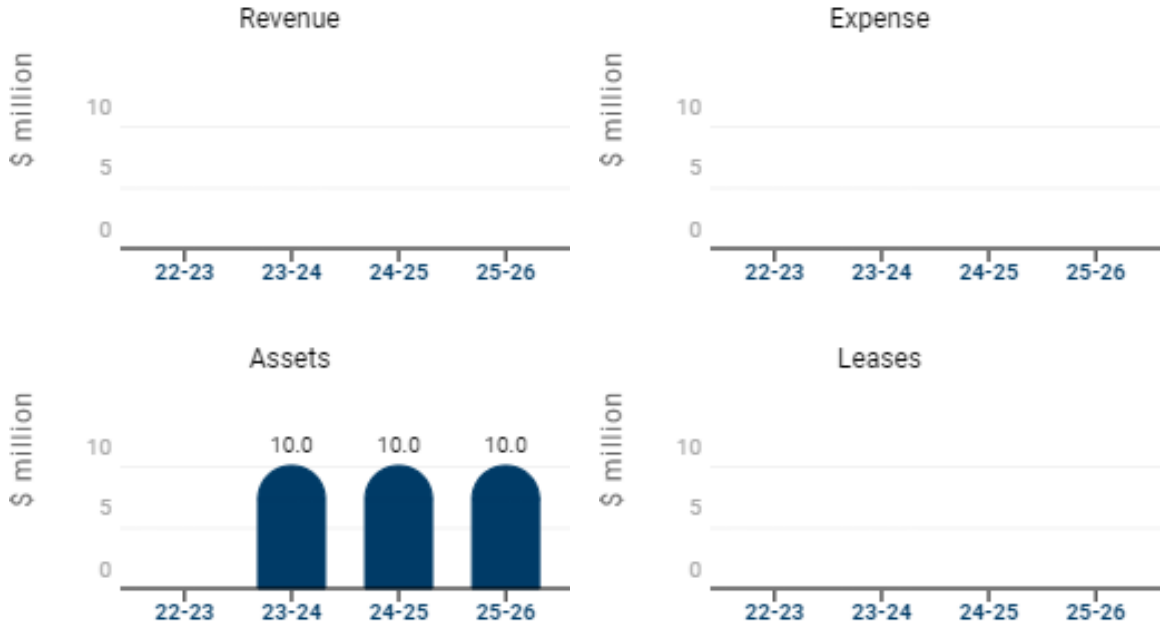
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $40.0 million over 4 years to: ▪ establish a new small towns water and sewerage fund ▪ work with councils and water authorities to ensure that more people in country towns will be connected to town sewerage and water supply.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $30.0 million across 2022–23 to 2025–26
- $40.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in assets.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding, and the phasing and nature of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	-	-	-	-	-	-	-	-	-	-
Assets	-	10.0	10.0	10.0	10.0	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-10.0	-10.0	-10.0	-10.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	-	-	-	-	-	-	-	-	-	-
Assets	-	10.0	20.0	30.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-10.0	-20.0	-30.0	-40.0	-40.0	-40.0	-40.0	-40.0	-40.0	-40.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Social and affordable housing

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ seek to increase the supply of social and affordable housing in Victoria in partnership with private sector, institutional and community stakeholders ▪ maximise the potential of underutilised land by identifying opportunities to develop social and affordable housing on land owned by the State and local governments and charitable groups ▪ create a Housing Taskforce, including and engaging with all key stakeholders, and utilise its recommendations to develop a comprehensive Social and Affordable Housing Strategy using the existing resources of the department. This policy would be funded from within existing departmental appropriations.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as it is specified to be funded from existing departmental appropriations. We made no judgement on the impact to other functions delivered by the relevant department because of this policy.

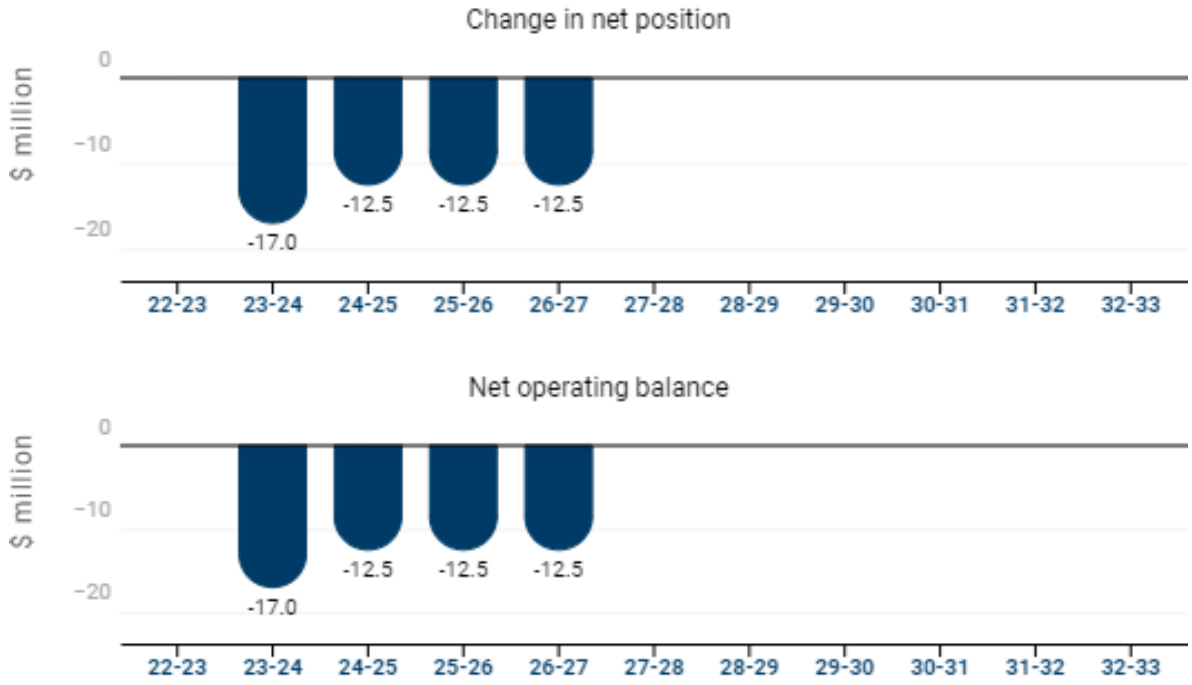
Publicly-announced policy costing

Emergency services training reform

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to $54.5 million over 4 years to reform the training of emergency services personnel in Victoria.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

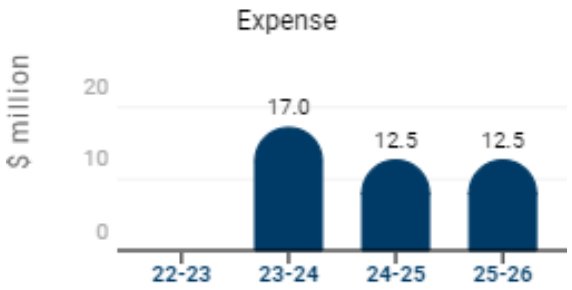
Our response

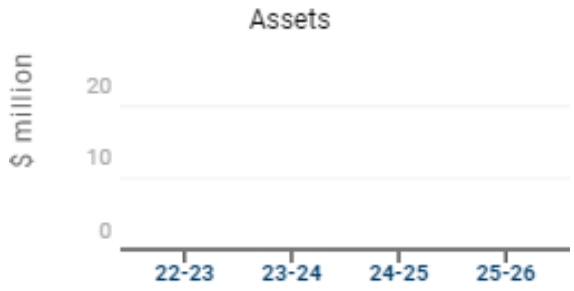
Budget impact

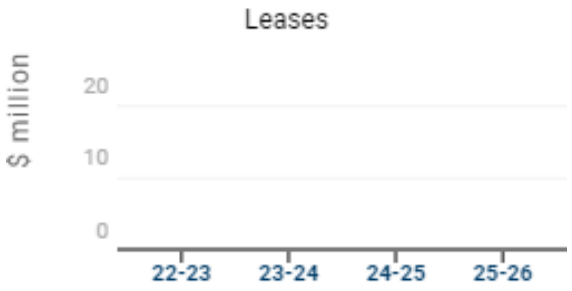


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $42.0 million across 2022–23 to 2025–26
- $54.5 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from funding for the emergency services personnel training reform.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	17.0	12.5	12.5	12.5	-	-	-	-	-	-
Net operating balance	-	-17.0	-12.5	-12.5	-12.5	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-17.0	-12.5	-12.5	-12.5	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	17.0	29.5	42.0	54.5	54.5	54.5	54.5	54.5	54.5	54.5
Net operating balance	-	-17.0	-29.5	-42.0	-54.5	-54.5	-54.5	-54.5	-54.5	-54.5	-54.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-17.0	-29.5	-42.0	-54.5	-54.5	-54.5	-54.5	-54.5	-54.5	-54.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

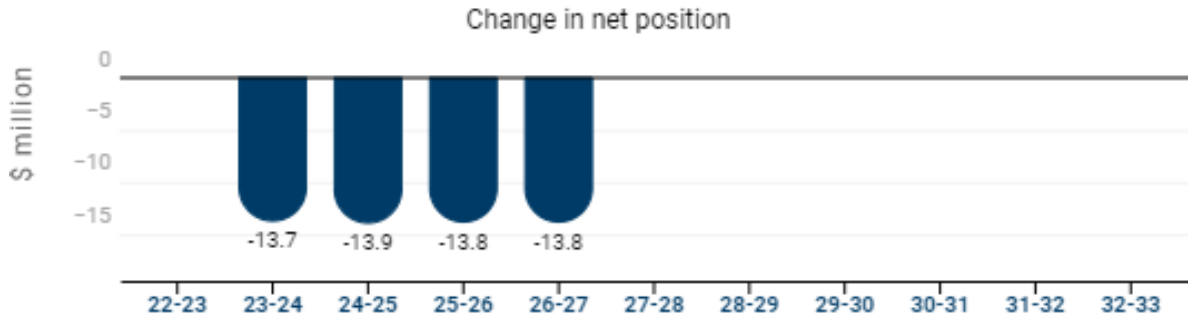
Publicly-announced policy costing

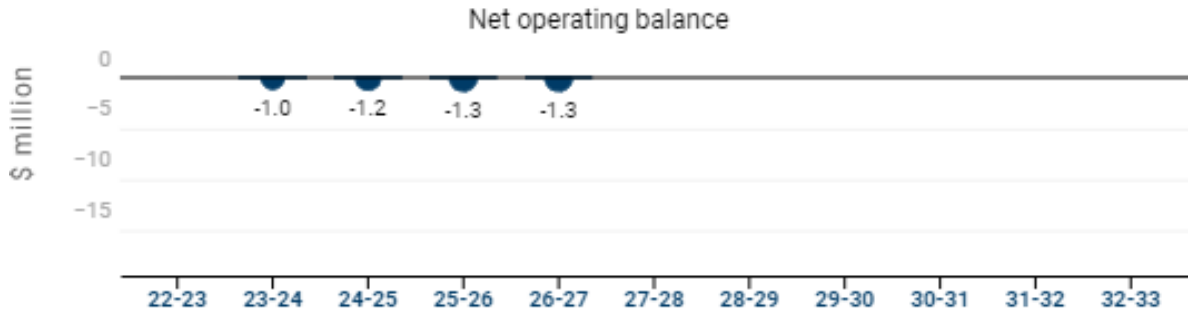
Giving proper, long-term support for Victoria's State Emergency Service

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $55.05 million to: ▪ undertake a program of capital works ▪ deliver 6 new paid SES volunteer support officers over 4 years ▪ deliver 7 district mechanical officers to deliver in-house servicing of SES vehicles.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

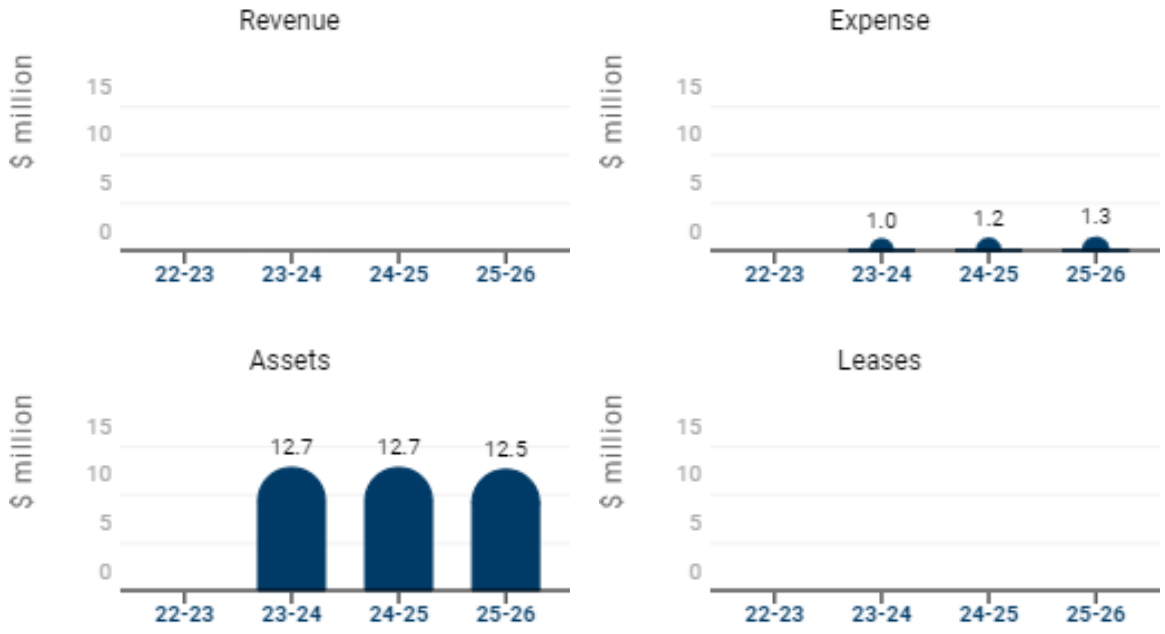
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $41.3 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $37.9 million due to capital works
  - an increase in operating expenses of $3.4 million due to funding of SES support officers
- $55.1 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $50.4 million due to capital works
  - an increase in operating expenses of $4.7 million due to funding of SES support officers.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.0	1.2	1.3	1.3	-	-	-	-	-	-
Net operating balance	-	-1.0	-1.2	-1.3	-1.3	-	-	-	-	-	-
Assets	-	12.7	12.7	12.5	12.5	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-13.7	-13.9	-13.8	-13.8	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.0	2.2	3.4	4.7	4.7	4.7	4.7	4.7	4.7	4.7
Net operating balance	-	-1.0	-2.2	-3.4	-4.7	-4.7	-4.7	-4.7	-4.7	-4.7	-4.7
Assets	-	12.7	25.4	37.9	50.4	50.4	50.4	50.4	50.4	50.4	50.4
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-13.7	-27.5	-41.3	-55.1	-55.1	-55.1	-55.1	-55.1	-55.1	-55.1

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

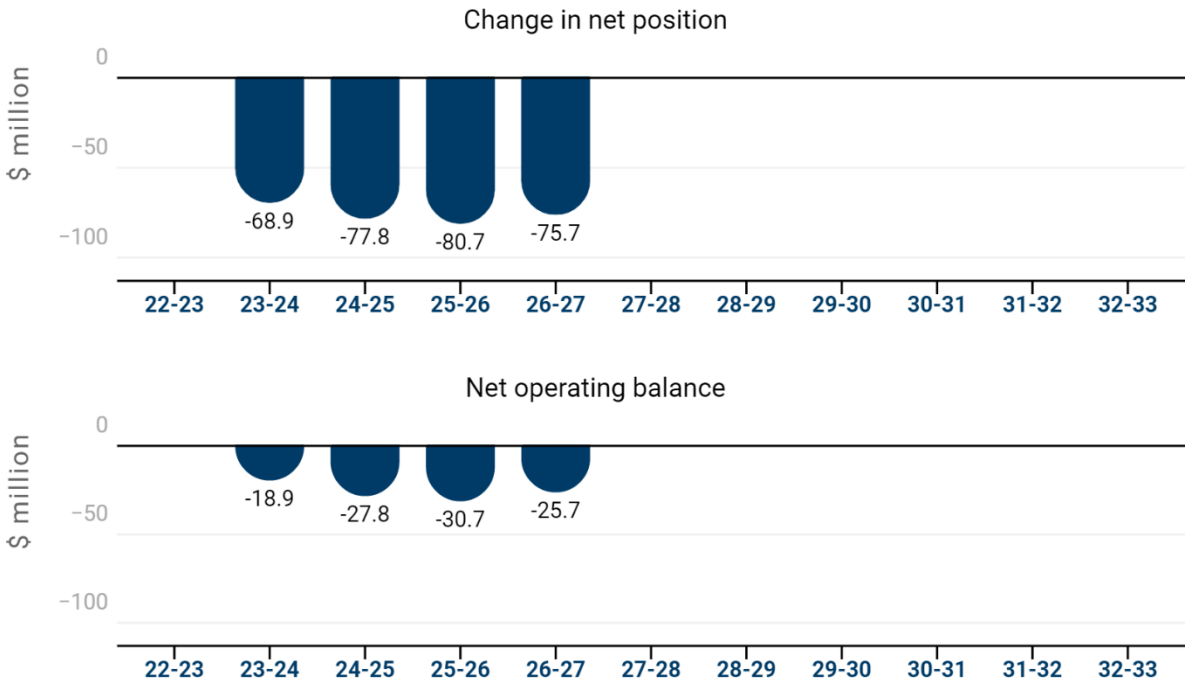
Publicly-announced policy costing

More police stations, 500 More PSOs and introduce police response times

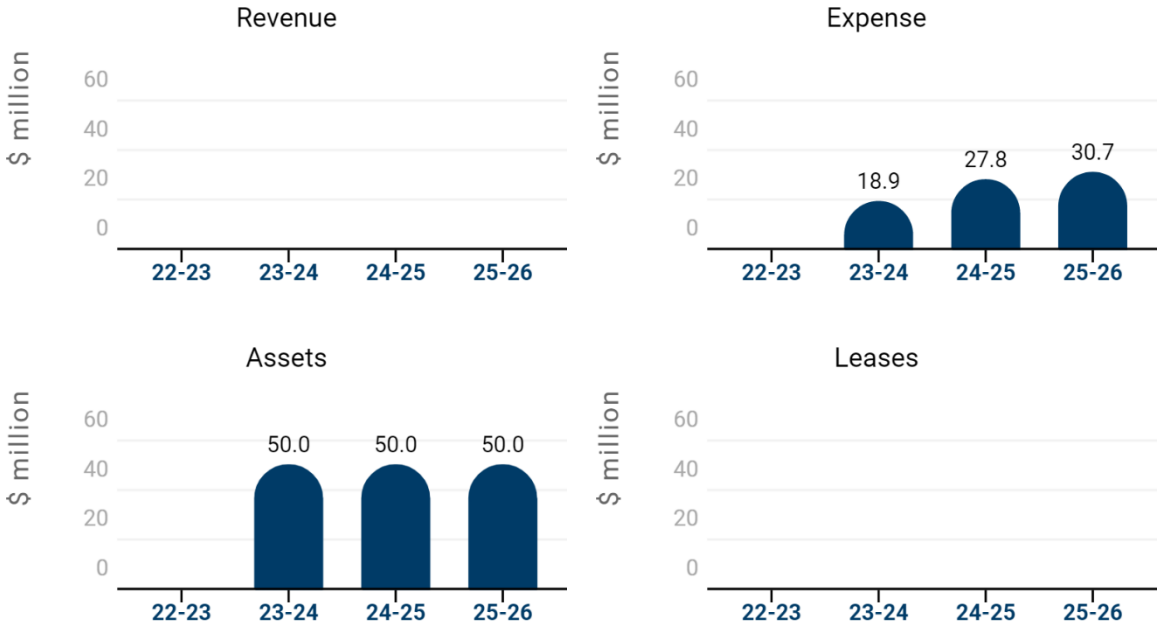
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $303.05 million over 4 years consisting of: ▪ $200 million for a Victoria Police Facilities and Infrastructure Fund to deliver new, replacement and upgraded police stations, and other infrastructure ▪ $103.1 million for: – 500 more Protective Services Officers (PSO) including 100 additional PSO and the conversion of 400 Police Custody Officers (PCO) to PSO to assume prisoner custodial management duties at police stations and other administrative duties – support of the introduction of response times for Victoria Police in line with other emergency services.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $227.4 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $150.0 million due to establishing the Victoria Police Facilities and Infrastructure Fund
  - an increase in operating expense of $77.4 million for more PSO and the introduction of police response times
- $303.1 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $200.0 million due to establishing the Victoria Police Facilities and Infrastructure Fund
  - an increase in operating expense of $103.1 million for more PSO and the introduction of police response times.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	18.9	27.8	30.7	25.7	-	-	-	-	-	-
Net operating balance	-	-18.9	-27.8	-30.7	-25.7	-	-	-	-	-	-
Assets	-	50.0	50.0	50.0	50.0	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-68.9	-77.8	-80.7	-75.7	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	18.9	46.7	77.4	103.1	103.1	103.1	103.1	103.1	103.1	103.1
Net operating balance	-	-18.9	-46.7	-77.4	-103.1	-103.1	-103.1	-103.1	-103.1	-103.1	-103.1
Assets	-	50.0	100.0	150.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-68.9	-146.7	-227.4	-303.1	-303.1	-303.1	-303.1	-303.1	-303.1	-303.1

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

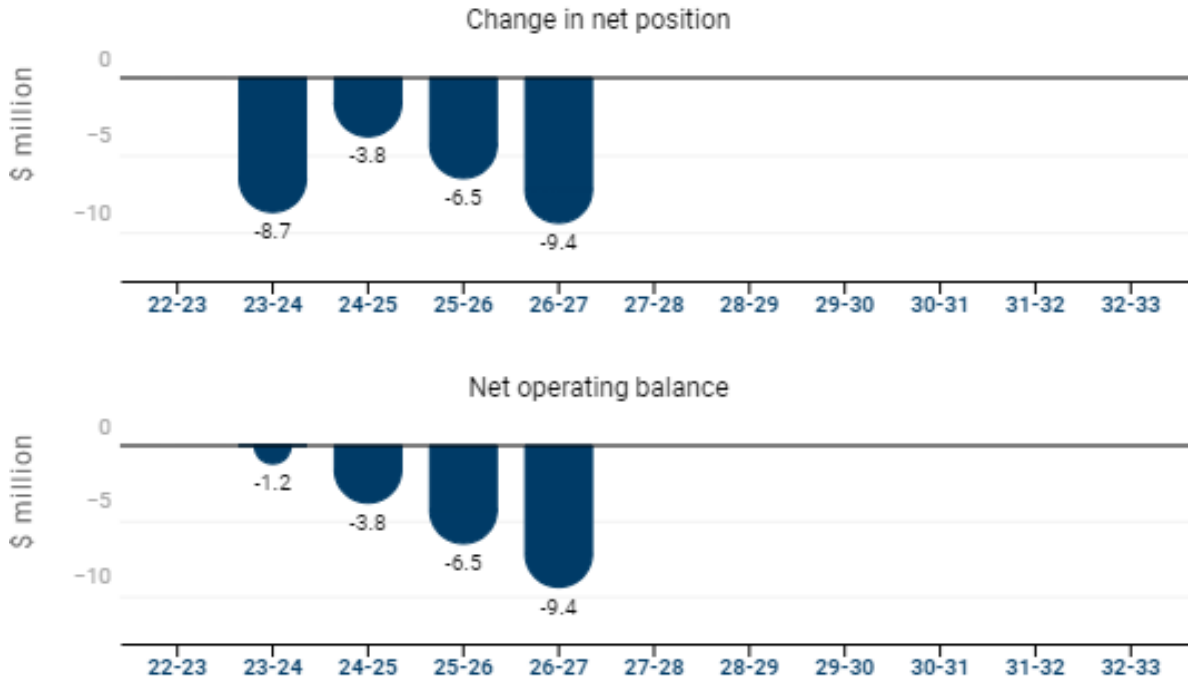
Publicly-announced policy costing

Protective service officers in hospitals

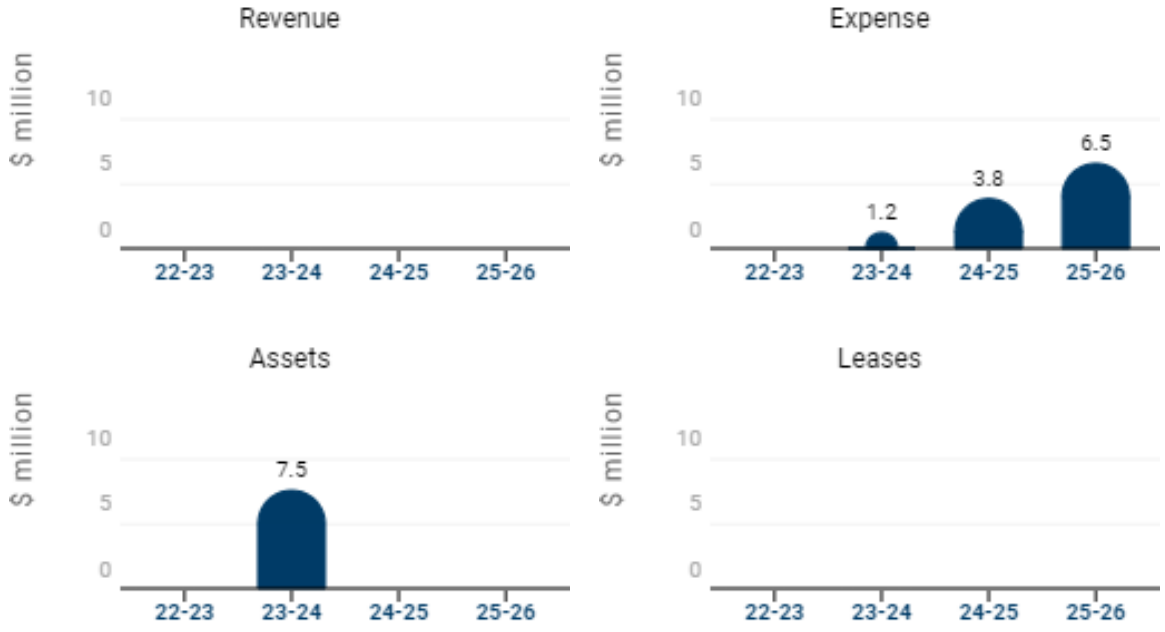
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $28.4 million to undertake a 4-year trial to support the recruitment and deployment of 75 new protective services officers (PSO) to provide around the clock immediate response support from external mobile stations located at, or adjacent to, 5 Victorian hospitals.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $19.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $11.5 million due to recruiting new PSO and maintenance costs associated with the external mobile stations
  - an increase in assets of $7.5 million due to the construction of the external mobile stations
- $28.4 million across 2022–23 to 2032–33, this reflects:
  - an increase in operating expenses of $20.9 million
  - an increase in assets of $7.5 million.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $7.5 million from asset works in 2023–24.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed that the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding, phasing and split between assets and operating expenses specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.2	3.8	6.5	9.4	-	-	-	-	-	-
Net operating balance	-	-1.2	-3.8	-6.5	-9.4	-	-	-	-	-	-
Assets	-	7.5	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-8.7	-3.8	-6.5	-9.4	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.2	5.0	11.5	20.9	20.9	20.9	20.9	20.9	20.9	20.9
Net operating balance	-	-1.2	-5.0	-11.5	-20.9	-20.9	-20.9	-20.9	-20.9	-20.9	-20.9
Assets	-	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-8.7	-12.5	-19.0	-28.4	-28.4	-28.4	-28.4	-28.4	-28.4	-28.4

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

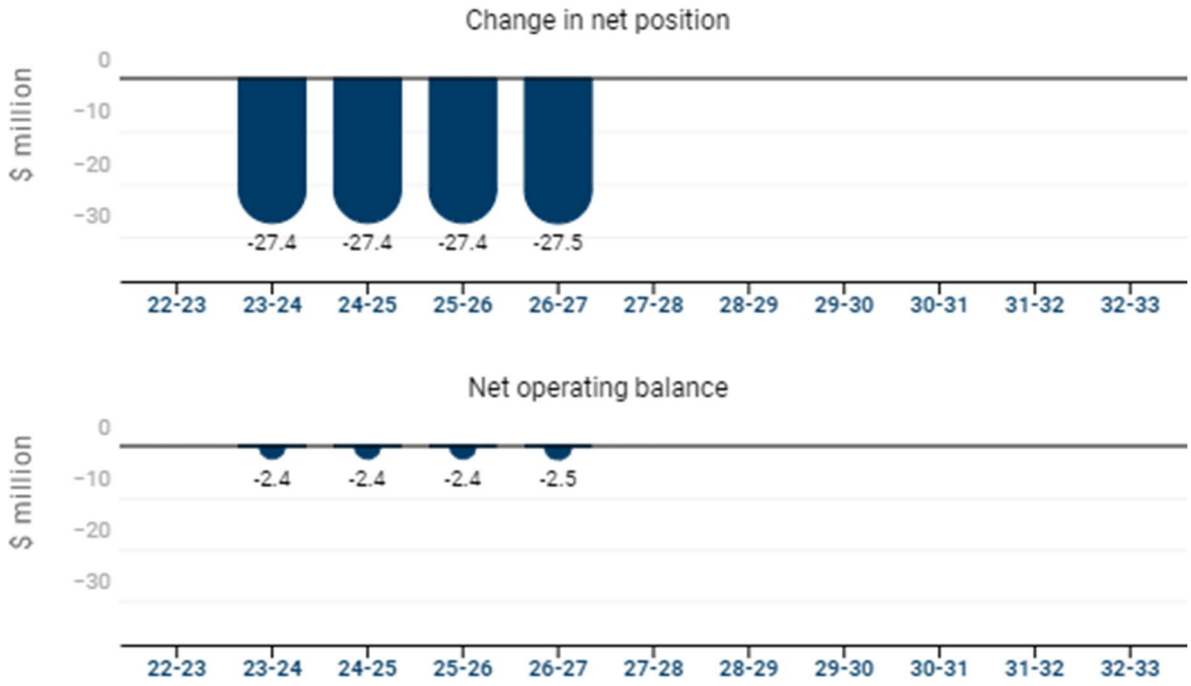
Publicly-announced policy costing

Rebuild the CFA

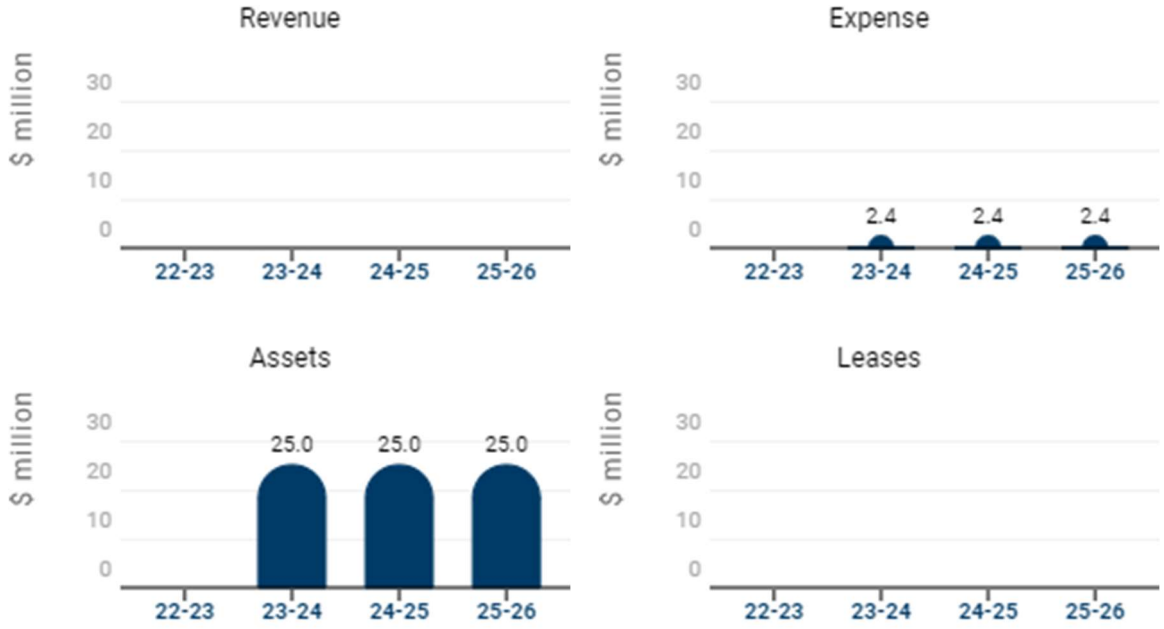
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $109.76 million to rebuild the CFA including: ▪ appointing an independent Commissioner for Emergency Services Volunteers ▪ committing recurrent annual funding to Volunteer Fire Brigades Victoria ▪ upgrading CFA stations with removal of asbestos and upgrades to the CFA fleet.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $82.3 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $75.0 million due to upgrades of CFA stations and fleet
  - an increase in operating expenses of $7.3 million due to providing funding to Volunteer Fire Brigades Victoria and Emergency Services Volunteers
- $109.8 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $100.0 million due to upgrades of CFA stations and fleet.
  - an increase in operating expenses in of $9.8 million due to providing funding to Volunteer Fire Brigades Victoria and Emergency Services Volunteers

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $100.0 million from the commencement of asset works in 2023–24 to completion in 2026–27.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When preparing this costing, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	2.4	2.4	2.4	2.5	-	-	-	-	-	-
Net operating balance	-	-2.4	-2.4	-2.4	-2.5	-	-	-	-	-	-
Assets	-	25.0	25.0	25.0	25.0	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-27.4	-27.4	-27.4	-27.5	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	2.4	4.9	7.3	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Net operating balance	-	-2.4	-4.9	-7.3	-9.8	-9.8	-9.8	-9.8	-9.8	-9.8	-9.8
Assets	-	25.0	50.0	75.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-27.4	-54.9	-82.3	-109.8	-109.8	-109.8	-109.8	-109.8	-109.8	-109.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

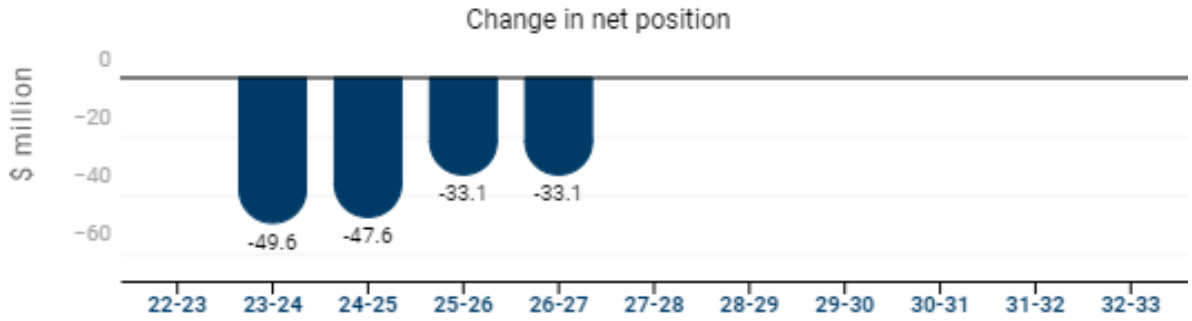
Publicly-announced policy costing

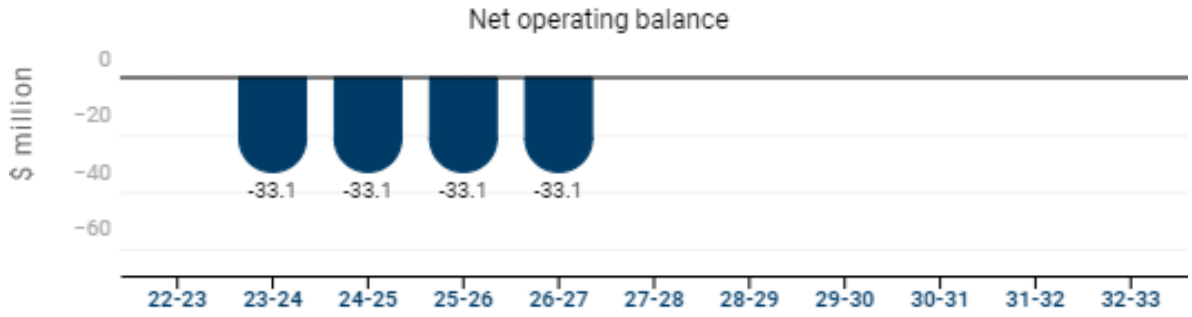
Safer communities

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $100.0 million to appoint additional VCAT members, Magistrates and County Court judges, and expand court and tribunal facilities to accommodate these new appointments ▪ $40.0 million to overhaul the prison system that is failing women including a focus on cutting reoffending through treatment, skills and expanded support programs ▪ $20.0 million to expand drug courts, strengthen anti-bikie gang laws, and strengthen responses to family violence ▪ $3.6 million to fund the establishment of a Victoria Police Mobile CCTV Cameras Surveillance Unit ▪ to introduce a bill to reinstate Victoria's move on laws ▪ to bring forward the Swastika ban ▪ to undertake a review to overhaul Victoria's remand system and reduce the number of prisoners in custody.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

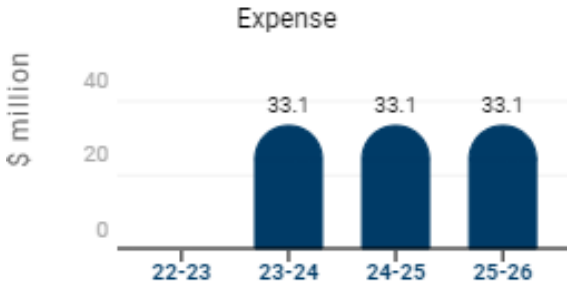
Budget impact

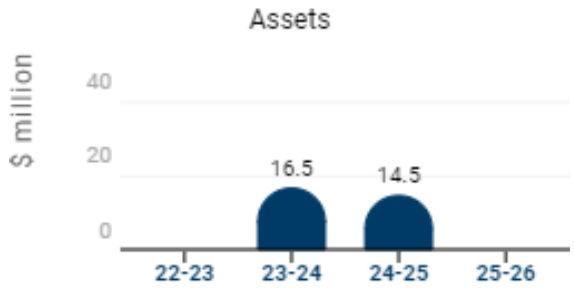


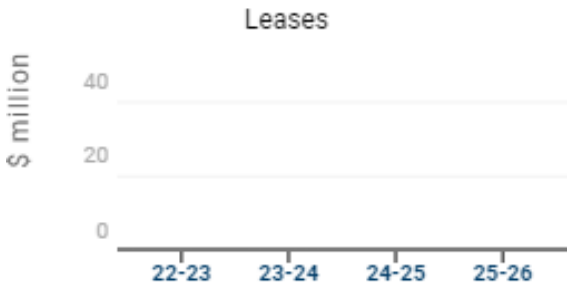


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $130.4 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $99.4 million
  - an increase in assets of $31.0 million
- $163.6 million across 2022–23 to 2032–33, this reflects:
  - an increase in operating expenses of $132.6 million
  - an increase in assets of $31.0 million.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $31.0 million from the commencement of asset works in 2024–25 to completion in 2026–27.

We expect the policies to reinstate Victoria's move on laws, bring forward the Swastika ban, and to undertake a review to overhaul Victoria's remand system and reduce the number of prisoners in custody, would be day-to-day government business and would not result in an impact to the state budget.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	33.1	33.1	33.1	33.1	-	-	-	-	-	-
Net operating balance	-	-33.1	-33.1	-33.1	-33.1	-	-	-	-	-	-
Assets	-	16.5	14.5	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-49.6	-47.6	-33.1	-33.1	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	33.1	66.3	99.4	132.6	132.6	132.6	132.6	132.6	132.6	132.6
Net operating balance	-	-33.1	-66.3	-99.4	-132.6	-132.6	-132.6	-132.6	-132.6	-132.6	-132.6
Assets	-	16.5	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-49.6	-97.3	-130.4	-163.6	-163.6	-163.6	-163.6	-163.6	-163.6	-163.6

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Commonwealth Games in Regional Victoria

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2026
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to holding the 2026 Commonwealth Games in regional Victoria including: ▪ upgrade the Kardinia Park Aquatic Centre into a world-class facility for swimming and diving for the Commonwealth Games, within the existing state budget allocations for the Commonwealth Games ▪ build a multi sports facility for the Commonwealth Games at Armstrong Creek including 8 multi-sport courts, a dance studio, and a gymnastics centre to host the artistic gymnastics and weightlifting events ▪ hold the opening and closing ceremonies of the Victoria 2026 Commonwealth Games at GMHBA Stadium in Geelong ▪ include Shepparton as a hub for the Commonwealth Games. Additionally, this policy would: ▪ introduce legislation to better protect the finances of retirement village residents ▪ establish an agency within the Department of Housing to regulate rooming houses ▪ consolidate all rooming house regulation into the new Rooming Houses Act, strengthen the 'Fit and Proper Person' test for rooming house operators, and mandate minimum standards in houses. This policy would be funded from within existing departmental appropriations
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as the costs to provide the 2026 Commonwealth Games in regional Victoria will be absorbed by the operational budget of the Department of Jobs, Precincts and Regions.

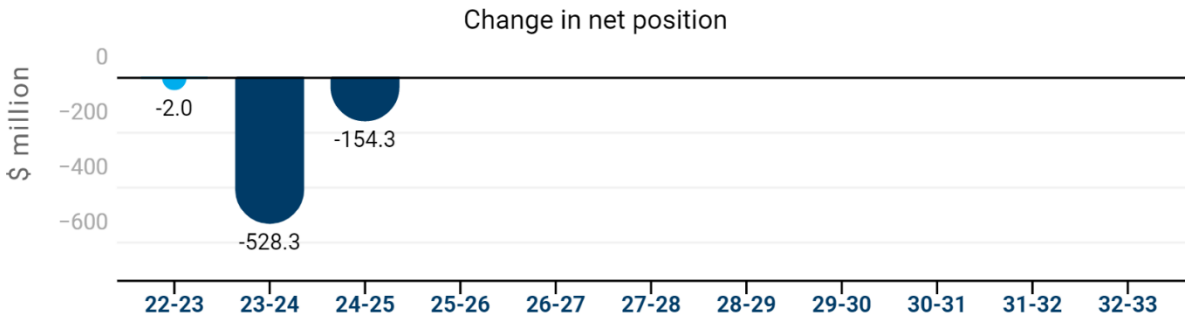
Publicly-announced policy costing

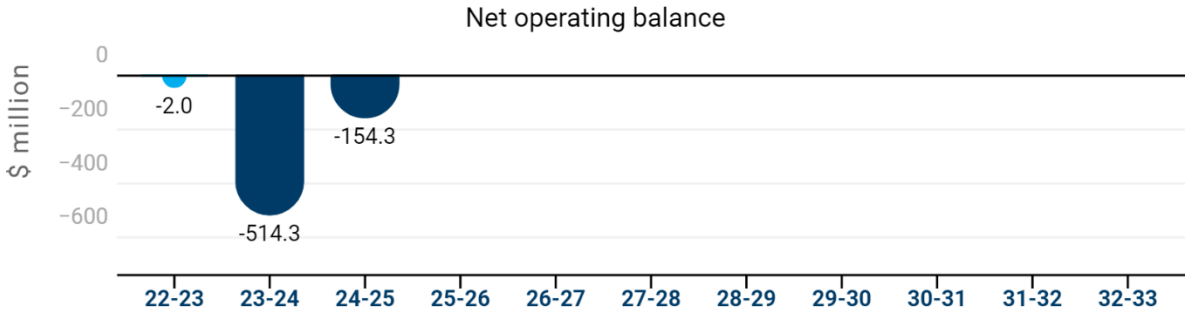
Community sporting infrastructure and programs

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2025
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $584.5 million towards new and upgraded community sporting infrastructure, and to support sport and active recreation programs across Victoria ▪ $100.0 million towards the construction of a new Wyndham Stadium and community recreation precinct ▪ to work with the Australian Football League (AFL) to provide more kick-to-kick opportunities on the Melbourne Cricket Ground (MCG) and other Victorian grounds after football matches.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

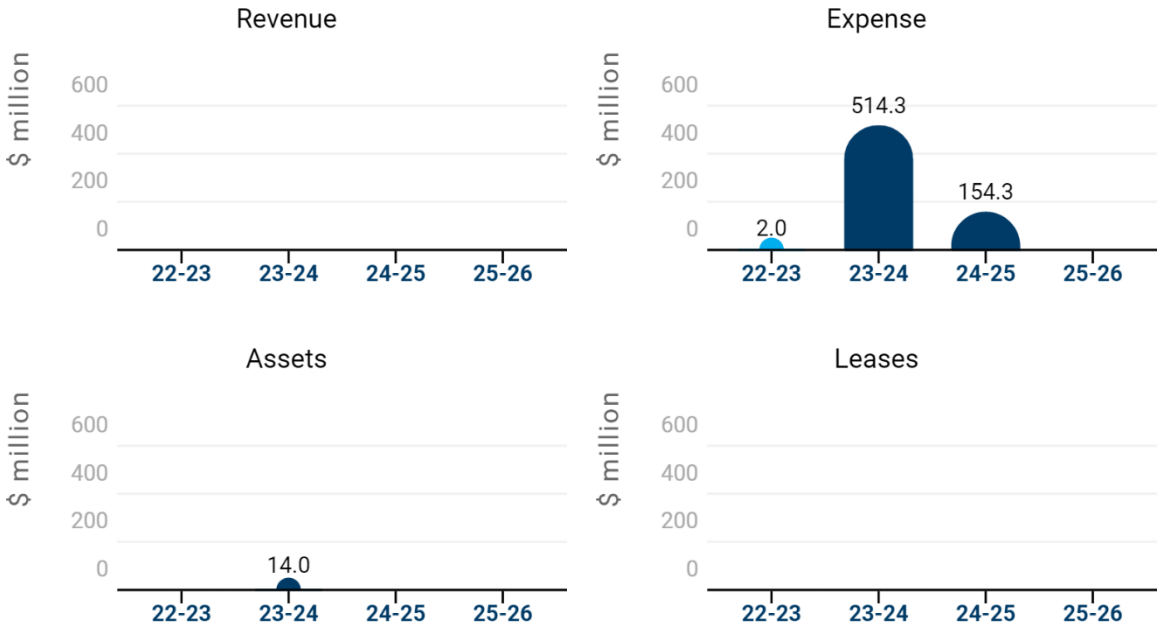
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $684.5 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $670.5 million due to grant funding to support sport and active recreation programs across Victoria.
  - an increase in assets of $14.0 million towards new and upgraded community sporting infrastructure.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $14.0 million from the commencement of asset works in 2023–24 to completion in 2023–24.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

We do not expect the Kick-to-Kick policy to have an impact on the state's budgeted net position as it would be met within existing departmental resources:

Our approach

Assumptions

When preparing this policy costing, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	2.0	514.3	154.3	-	-	-	-	-	-	-	-
Net operating balance	-2.0	-514.3	-154.3	-	-	-	-	-	-	-	-
Assets	-	14.0	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-2.0	-528.3	-154.3	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	2.0	516.3	670.5	670.5	670.5	670.5	670.5	670.5	670.5	670.5	670.5
Net operating balance	-2.0	-516.3	-670.5	-670.5	-670.5	-670.5	-670.5	-670.5	-670.5	-670.5	-670.5
Assets	-	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-2.0	-530.3	-684.5	-684.5	-684.5	-684.5	-684.5	-684.5	-684.5	-684.5	-684.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

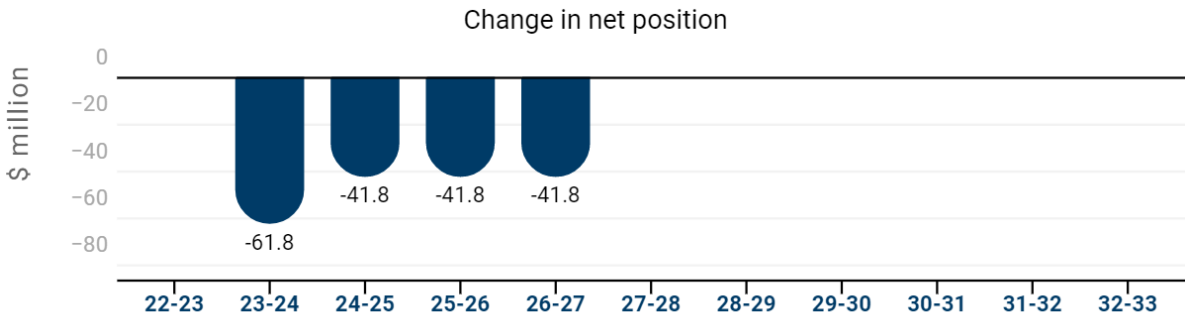
Publicly-announced policy costing

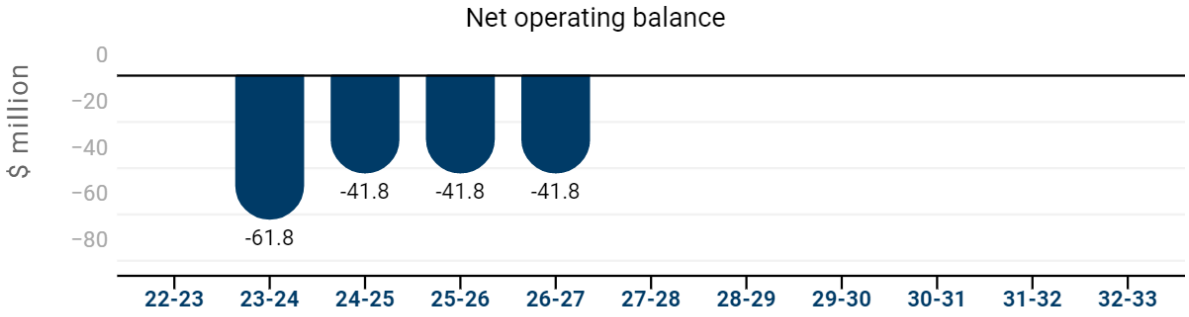
Creative communities (arts and creative industries)

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $187.0 million over 4 years to support the arts and creative industries sector, including funding for programs, grants, infrastructure, and improving how government interacts with the sector.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

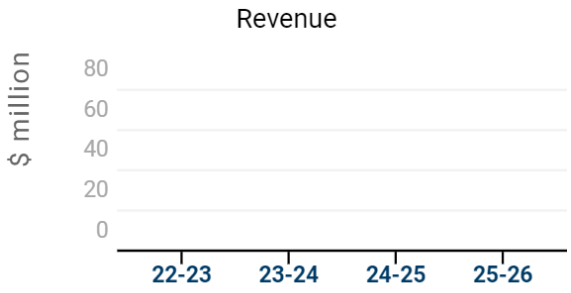
Our response

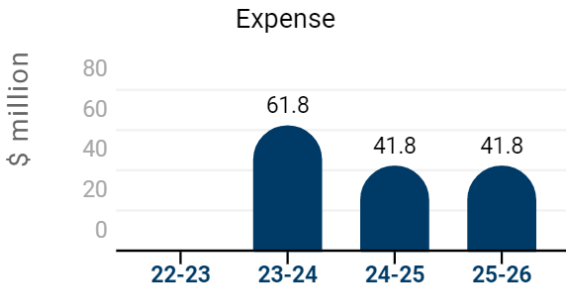
Budget impact

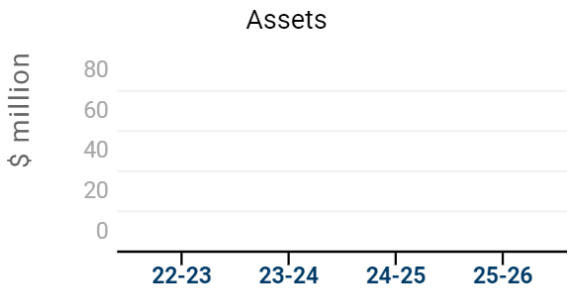


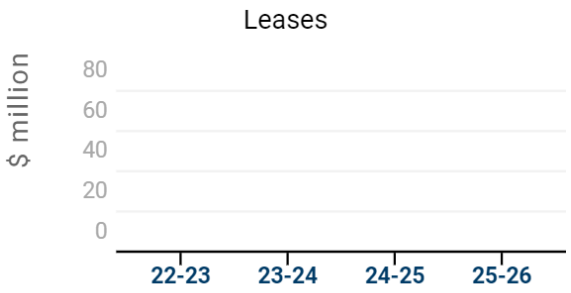


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $145.3 million across 2022–23 to 2025–26
- $187.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	61.8	41.8	41.8	41.8	-	-	-	-	-	-
Net operating balance	-	-61.8	-41.8	-41.8	-41.8	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-61.8	-41.8	-41.8	-41.8	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	61.8	103.5	145.3	187.0	187.0	187.0	187.0	187.0	187.0	187.0
Net operating balance	-	-61.8	-103.5	-145.3	-187.0	-187.0	-187.0	-187.0	-187.0	-187.0	-187.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-61.8	-103.5	-145.3	-187.0	-187.0	-187.0	-187.0	-187.0	-187.0	-187.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

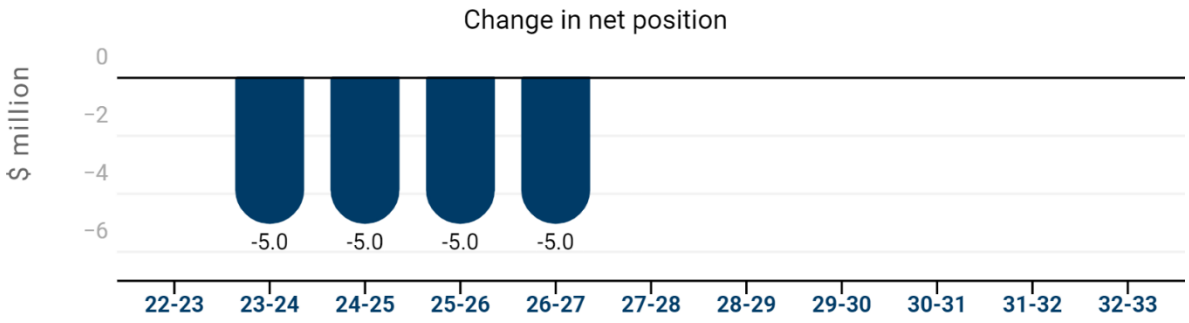
Publicly-announced policy costing

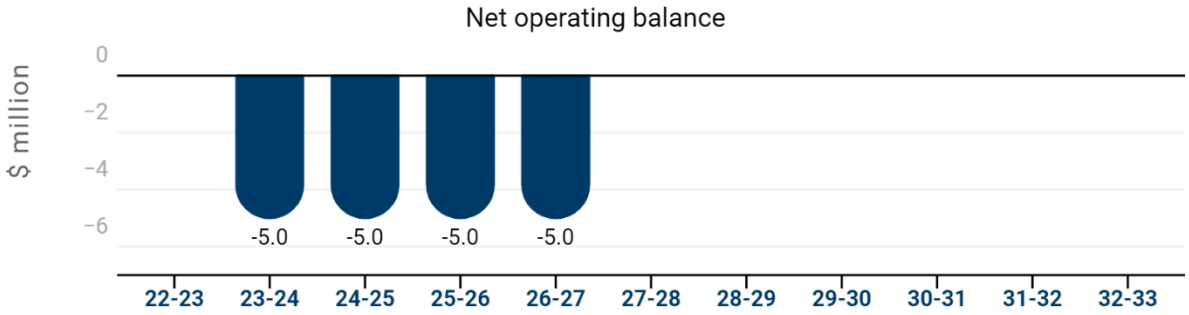
Green light for Victorian tennis

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $20.0 million to support plans by Tennis Victoria to: ▪ install solar panels for at least 400 affiliate sites ▪ convert non-LED lighting to LED for approximately 1,400 tennis courts.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

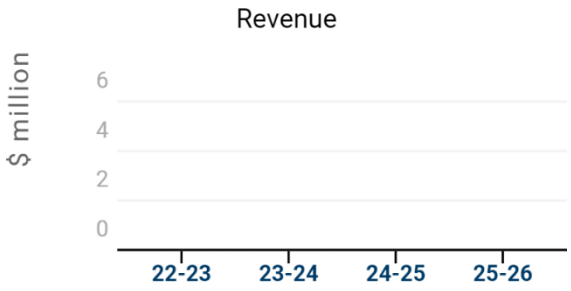
Our response

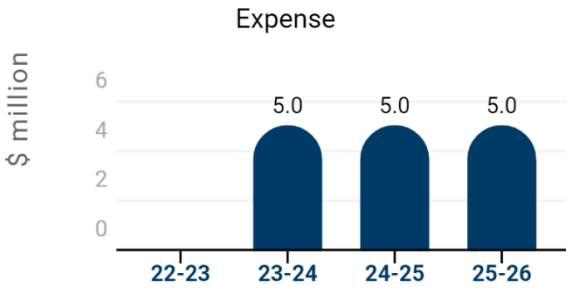
Budget impact

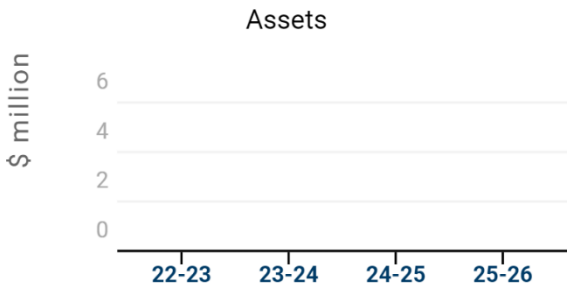


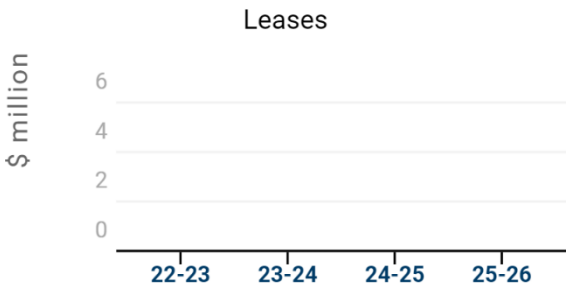


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $15.0 million across 2022–23 to 2025–26
- $20.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to providing grants to Tennis Victoria for solar panels at their affiliate sites and converting to LED lighting at tennis courts.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	5.0	5.0	5.0	5.0	-	-	-	-	-	-
Net operating balance	-	-5.0	-5.0	-5.0	-5.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-5.0	-5.0	-5.0	-5.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	5.0	10.0	15.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Net operating balance	-	-5.0	-10.0	-15.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-5.0	-10.0	-15.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

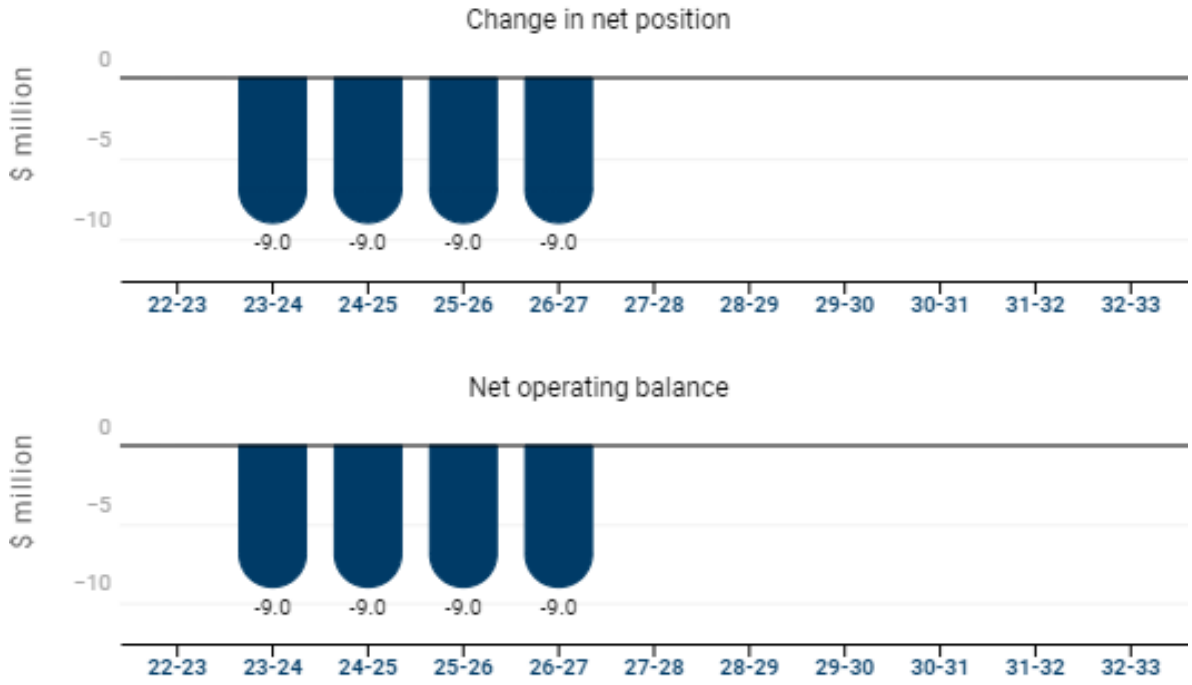
Publicly-announced policy costing

More support for recreational fishers

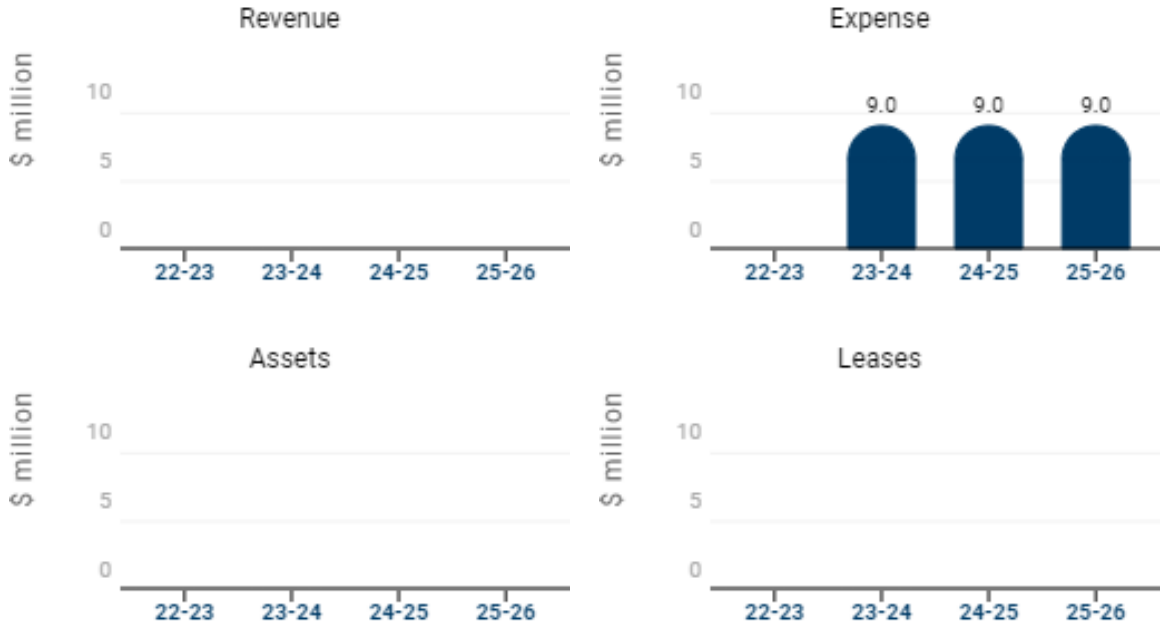
Political party	Liberal Nationals Victoria
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ $30.0 million over 4 years to establish the Fish and Platypus Habitat Restoration Fund to invest in marine, estuarine and freshwater habitat restoration throughout Victoria ▪ introduce a new $5.0 million Regional Councils Boat Ramp Fund to provide matched grants to regional Councils for local boat ramp maintenance ▪ $1.0 million in new research funding to ensure that fish restocking programs are followed up and assessed within 12 months to determine their effectiveness and value for money ▪ transfer the management of Western Port Bay and Port Phillip Bay boat ramps and associated land and parking to Better Boating Victoria ▪ use 100% of marine, fishing and boating license fees on facilities and maintaining fishing stocks.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $27.0 million across 2022–23 to 2025–26
- $36.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from funding research of fish restocking programs, establishing the Fish and Platypus Habitat Restoration Fund and establishing the Regional Councils Boat Ramp Fund.

We expect the transfer of land management of Western Port and Port Philip Bay boat ramps, and the utilisation of fishing and boating license fee revenue to have no impact on the state's budgeted net position.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	9.0	9.0	9.0	9.0	-	-	-	-	-	-
Net operating balance	-	-9.0	-9.0	-9.0	-9.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-9.0	-9.0	-9.0	-9.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	9.0	18.0	27.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0
Net operating balance	-	-9.0	-18.0	-27.0	-36.0	-36.0	-36.0	-36.0	-36.0	-36.0	-36.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-9.0	-18.0	-27.0	-36.0	-36.0	-36.0	-36.0	-36.0	-36.0	-36.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

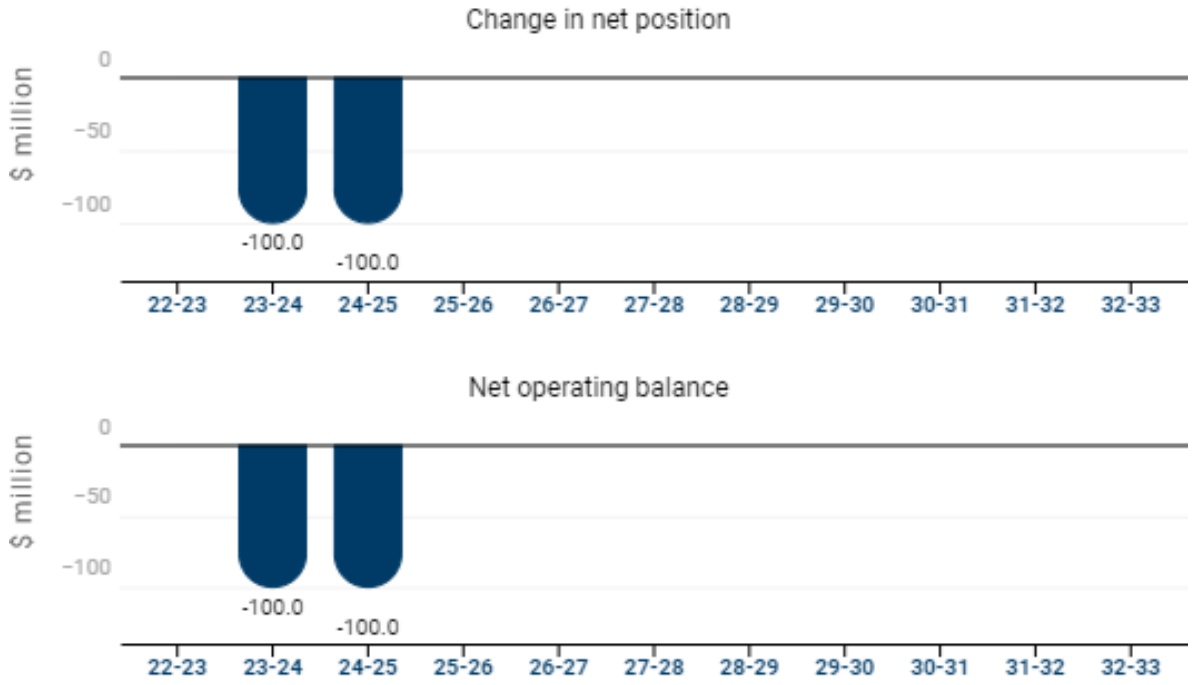
Publicly-announced policy costing

New kids' activity vouchers

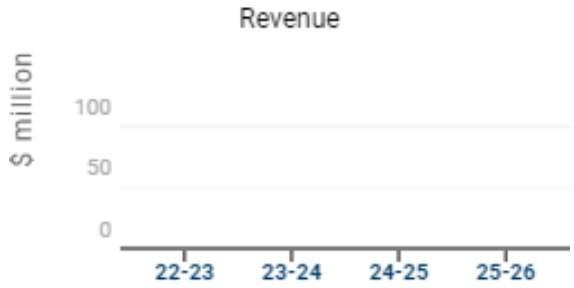
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2025
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $200.0 million to fund the Keeping Kids Moving program. This program would provide school children with a $200 voucher each year for the next 2 years, to be used to join a sporting club, take lessons, for seasonal registration fees, or be part of other active recreation groups by approved providers.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

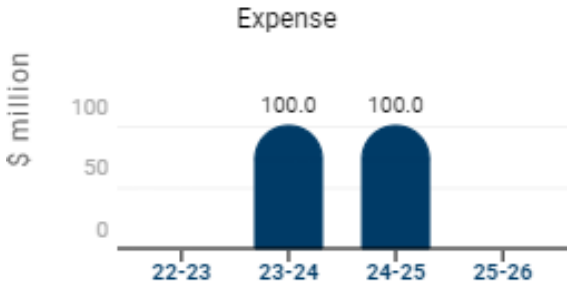
Our response

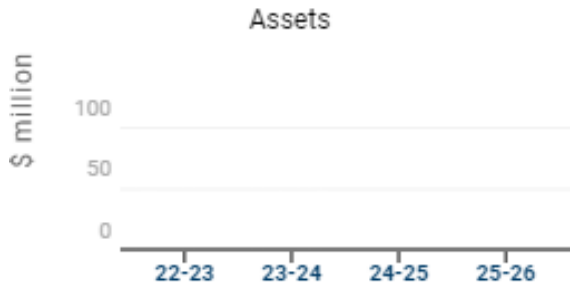
Budget impact

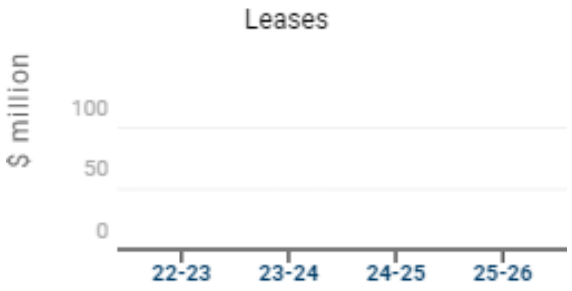


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $200.0 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses from grant funding towards the Keeping Kids Moving program.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The relevant department would absorb administrative costs.
2. Funding would be provided to the partner sporting associations and organisations, which would implement the program.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	100.0	100.0	-	-	-	-	-	-	-	-
Net operating balance	-	-100.0	-100.0	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-100.0	-100.0	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	100.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Net operating balance	-	-100.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-100.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

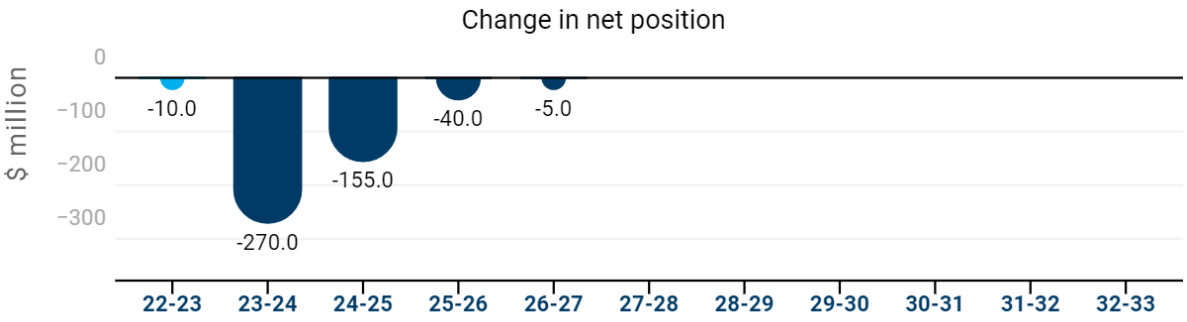
Publicly-announced policy costing

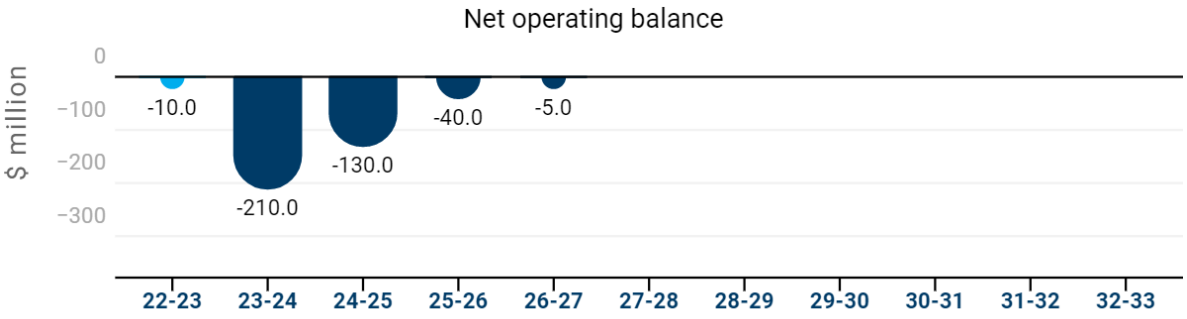
Supporting community and environmental projects

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $480.0 million to support important community and environmental projects and programs across Victoria.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

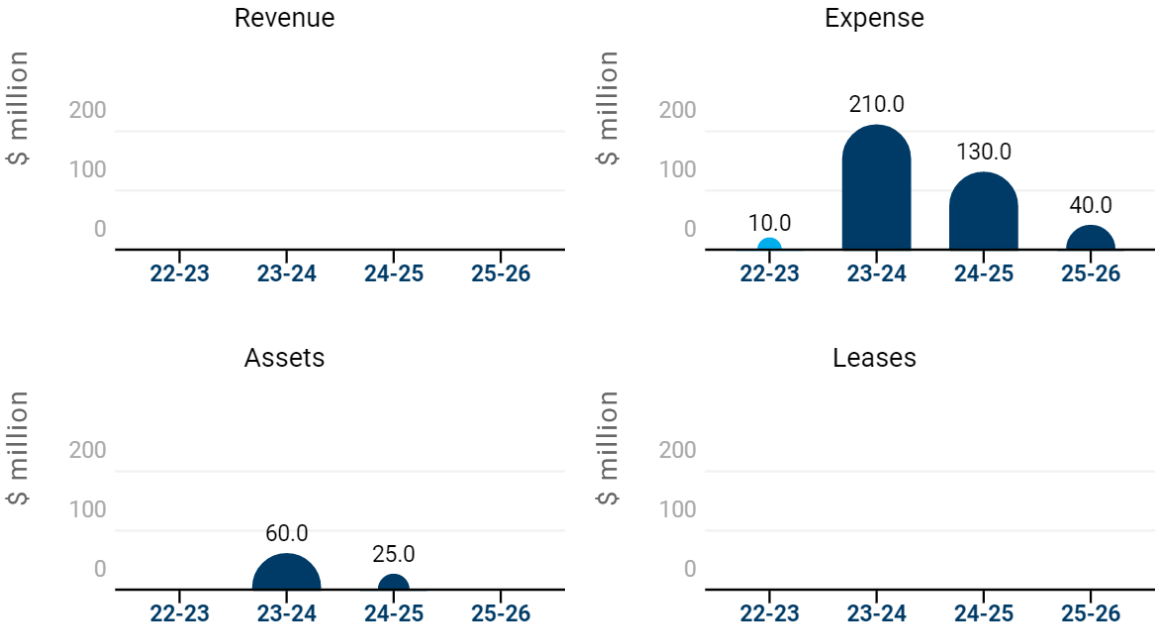
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $475.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $390.0 million
  - an increase in assets of $85.0 million
- $480.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $395.0 million
  - an increase in assets of $85.0 million.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $85.0 million from the commencement of asset works in 2022–23 to completion in 2025–26.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed that the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	10.0	210.0	130.0	40.0	5.0	-	-	-	-	-	-
Net operating balance	-10.0	-210.0	-130.0	-40.0	-5.0	-	-	-	-	-	-
Assets	-	60.0	25.0	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-10.0	-270.0	-155.0	-40.0	-5.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	10.0	220.0	350.0	390.0	395.0	395.0	395.0	395.0	395.0	395.0	395.0
Net operating balance	-10.0	-220.0	-350.0	-390.0	-395.0	-395.0	-395.0	-395.0	-395.0	-395.0	-395.0
Assets	-	60.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-10.0	-280.0	-435.0	-475.0	-480.0	-480.0	-480.0	-480.0	-480.0	-480.0	-480.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

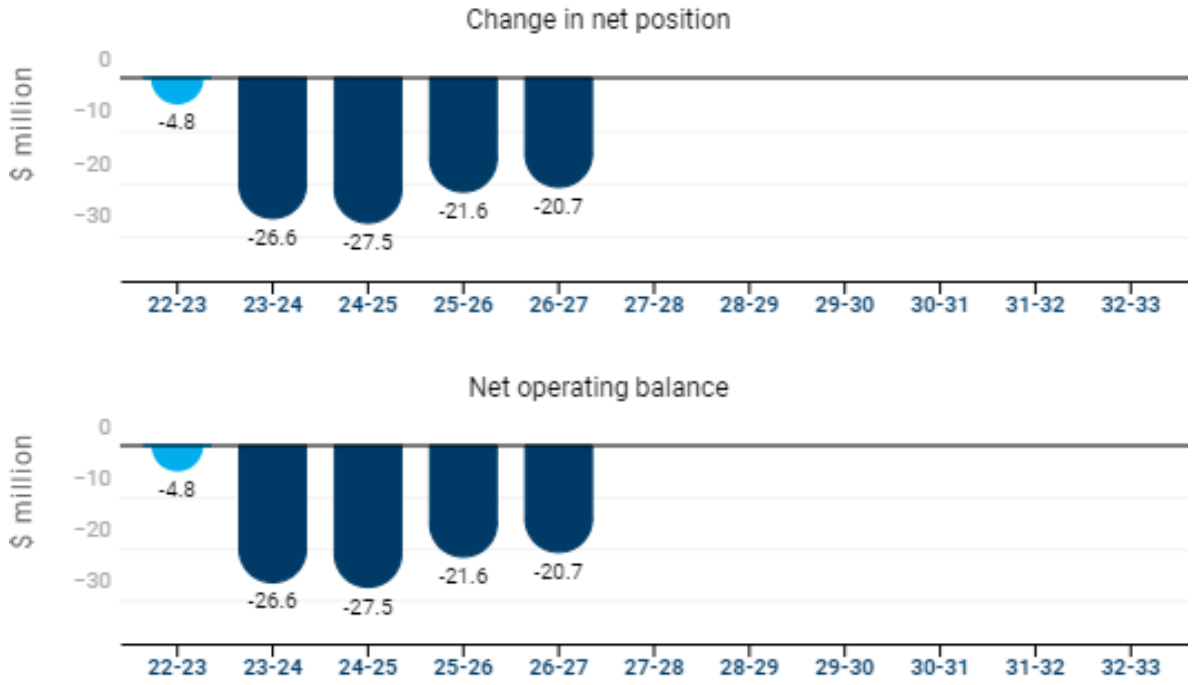
Publicly-announced policy costing

Supporting multicultural communities

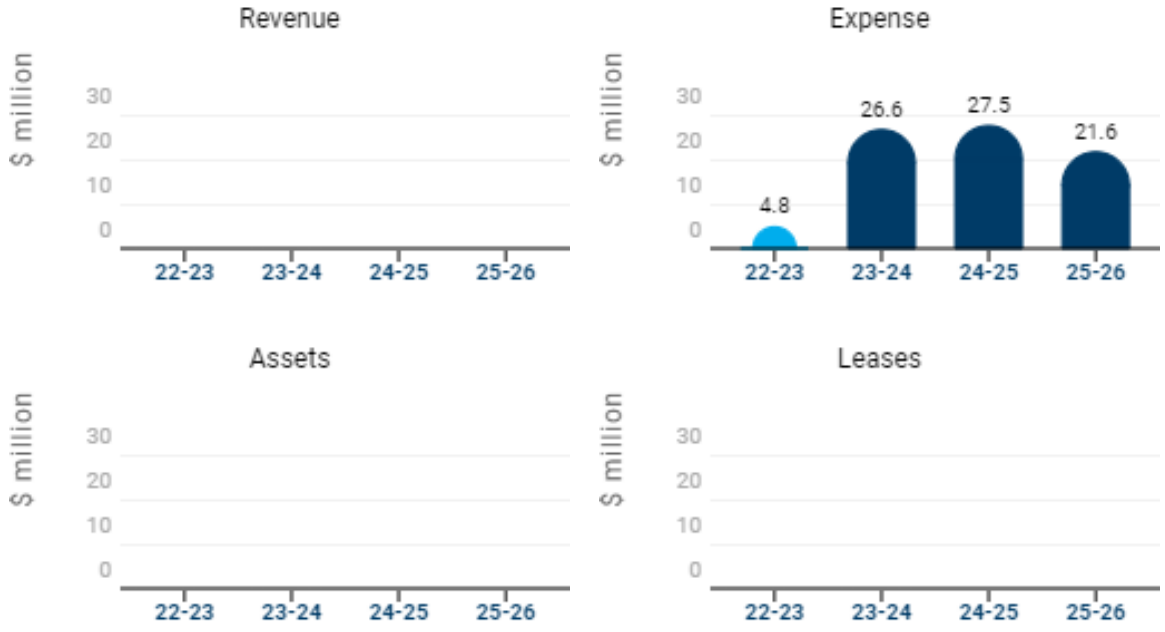
Political party	Liberal Nationals Victoria
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ $97.7 million to support multicultural programs and investment including a new Multicultural and Multi Faith Infrastructure Fund, a new Multicultural Heritage Fund, a culture-specific museum grants program, and other initiatives ▪ $3.4 million for the Ethnic Communities Community (ECCV) to enable it to better serve multicultural communities, which would include a one-off $100,000 should its application for charitable status be successful.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $80.4 million across 2022–23 to 2025–26
- $101.1 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed that the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	4.8	26.6	27.5	21.6	20.7	-	-	-	-	-	-
Net operating balance	-4.8	-26.6	-27.5	-21.6	-20.7	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-4.8	-26.6	-27.5	-21.6	-20.7	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	4.8	31.3	58.8	80.4	101.1	101.1	101.1	101.1	101.1	101.1	101.1
Net operating balance	-4.8	-31.3	-58.8	-80.4	-101.1	-101.1	-101.1	-101.1	-101.1	-101.1	-101.1
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-4.8	-31.3	-58.8	-80.4	-101.1	-101.1	-101.1	-101.1	-101.1	-101.1	-101.1

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

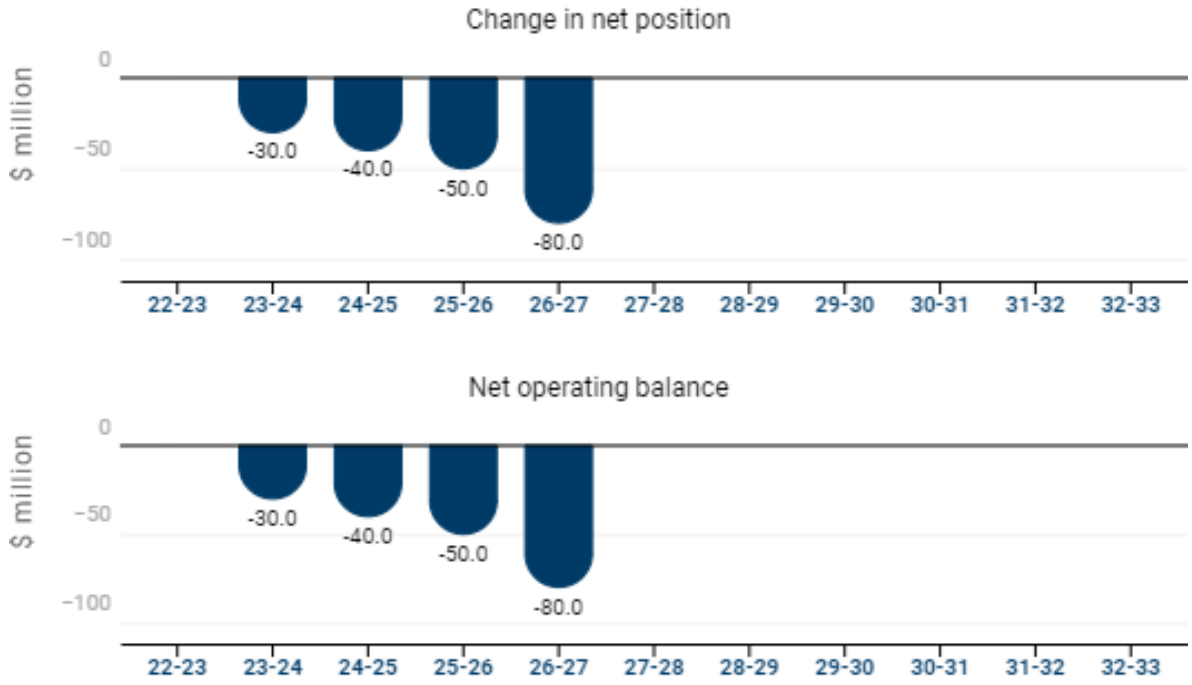
Publicly-announced policy costing

Child protection policy

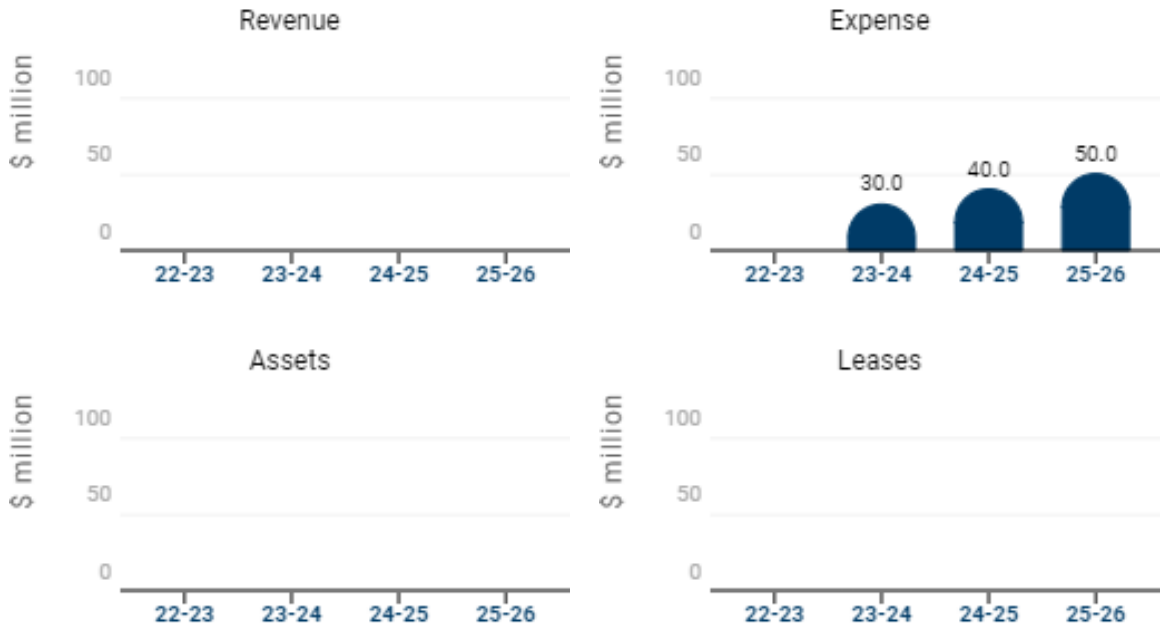
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $200.0 million over 4 years to fix Victoria's child protection system including: ▪ establishment of a new early help and preventative health and wellbeing fund for vulnerable children ▪ reform to residential and kinship care.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $120.0 million across 2022–23 to 2025–26
- $200.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses through the fund for vulnerable children and reform to residential and kinship care.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

We have assumed that the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	30.0	40.0	50.0	80.0	-	-	-	-	-	-
Net operating balance	-	-30.0	-40.0	-50.0	-80.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-30.0	-40.0	-50.0	-80.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	30.0	70.0	120.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Net operating balance	-	-30.0	-70.0	-120.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-30.0	-70.0	-120.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

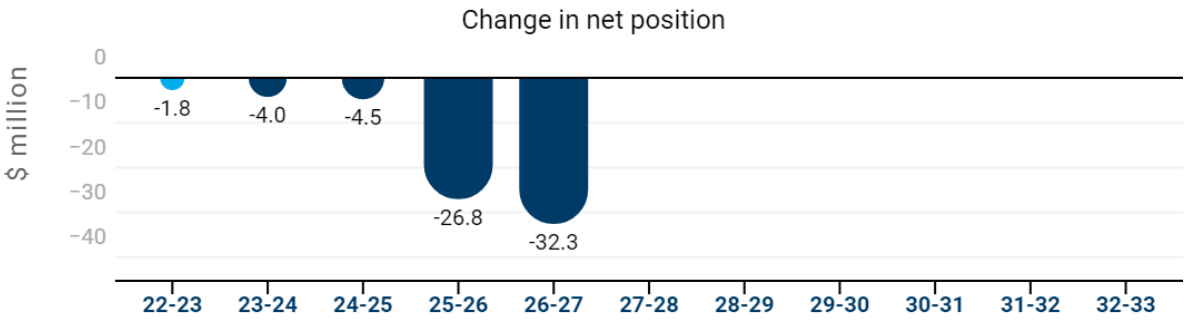
Publicly-announced policy costing

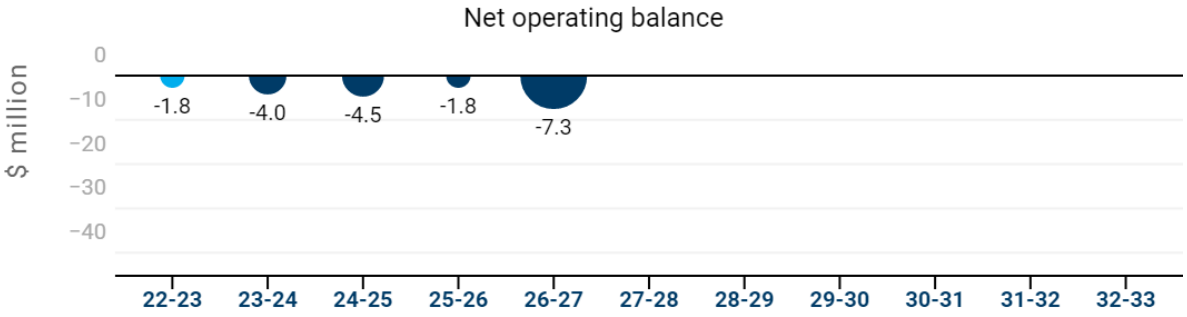
Compassionate communities

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 June 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $55.0 million to rejuvenate Victoria's aged care facilities with a commitment to lead a review of public sector aged care facilities in Victoria's rural and interface council areas and kickstart facility renewals and upgrades ▪ $6.3 million to secure the future of Victoria's Neighbourhood Houses by committing to recurrent funding ▪ $4.0 million for a Social Enterprise Start Up Fund to provide dollar-for-dollar assistance to social enterprise start-ups and jobs for Victorians with disabilities ▪ $2.0 million to expand the services offered by the Dispute Settlement Centre of Victoria to include dispute binding resolution services for Victoria's retirement village residents ▪ $2.0 million for a Carer and Disability Support Group Resources Fund to provide grants of up to $5,000 to disability support groups for a range of purposes. Additionally, this policy would: ▪ introduce legislation to better protect the finances of retirement village residents ▪ establish an agency within the Department of Housing to regulate rooming houses ▪ consolidate all rooming house regulation into the new Rooming Houses Act, strengthen the 'Fit and Proper Person' test for rooming house operators, and mandate minimum standards in houses.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

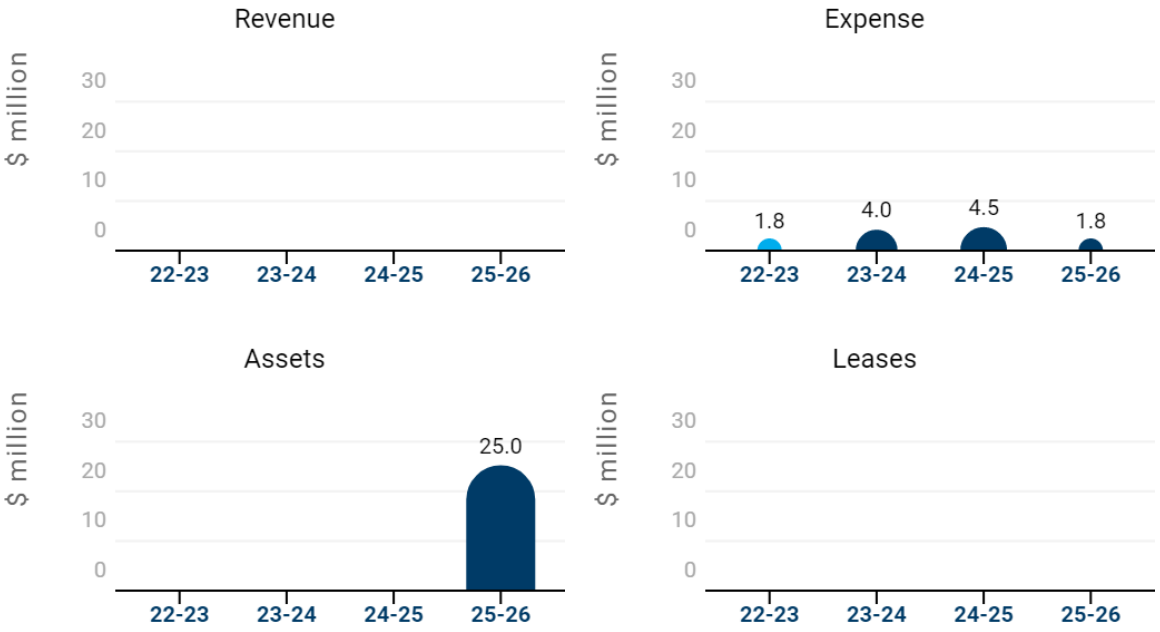
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $37.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $25.0 million due to rejuvenating Victoria's aged care facilities
  - an increase in operating expenses of $12.0 million from dispute resolution services, establishing funds and a program.
- $69.3 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $50.0 million due to rejuvenating Victoria's aged care facilities
  - an increase in operating expenses of $19.3 million from funding for Victoria's Neighbourhood Houses, dispute resolution services, establishing funds and a program.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $50.0 million from the commencement of asset works in 2025–26 to completion in 2026–27.

We expect that the following policies would have no impact on the state's budgeted net position:

- new retirement village legislation
- establish an agency within the Department of Housing to regulate rooming houses
- consolidate all rooming house regulation into the new Rooming Houses Act.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Funding would be provided as grants to Victoria's Neighbourhood Houses, statewide carer support groups, aged care providers and the Dispute Settlement Centre of Victoria.
2. Funding would be provided for the upgrade of Victoria's aged care facilities, rather than ongoing operational or maintenance costs.
3. The specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment, and the proposed profile for the operational expenditure and asset investment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	1.8	4.0	4.5	1.8	7.3	-	-	-	-	-	-
Net operating balance	-1.8	-4.0	-4.5	-1.8	-7.3	-	-	-	-	-	-
Assets	-	-	-	25.0	25.0	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-1.8	-4.0	-4.5	-26.8	-32.3	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	1.8	5.8	10.3	12.0	19.3	19.3	19.3	19.3	19.3	19.3	19.3
Net operating balance	-1.8	-5.8	-10.3	-12.0	-19.3	-19.3	-19.3	-19.3	-19.3	-19.3	-19.3
Assets	-	-	-	25.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-1.8	-5.8	-10.3	-37.0	-69.3	-69.3	-69.3	-69.3	-69.3	-69.3	-69.3

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

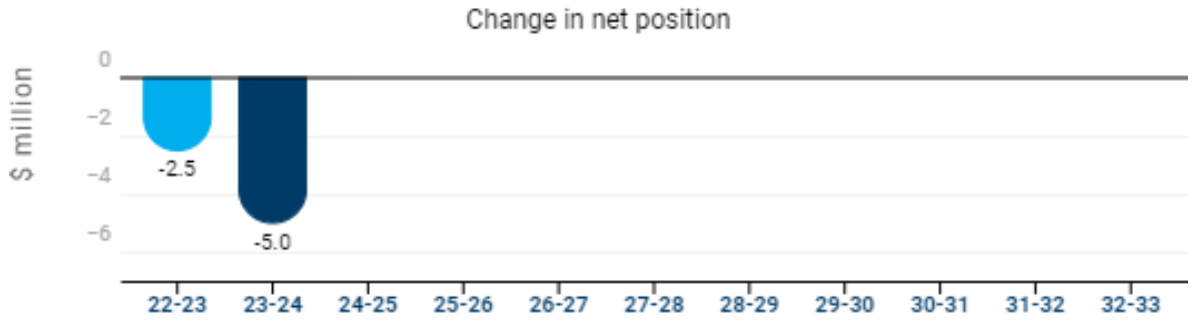
Publicly-announced policy costing

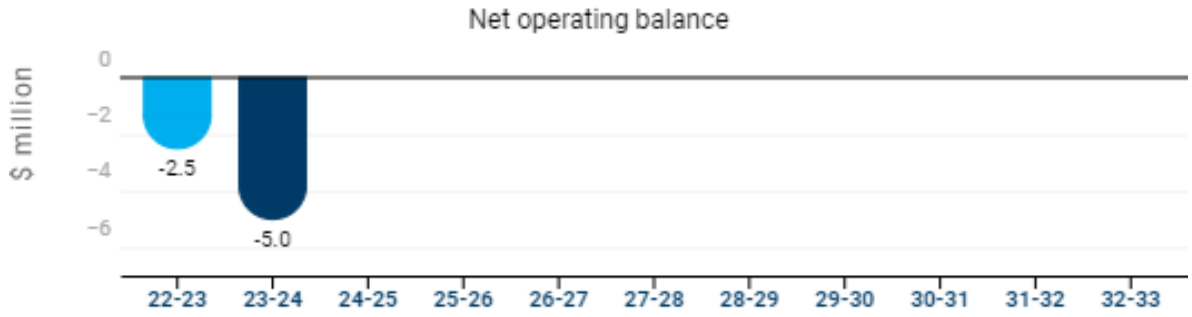
Family violence implementation monitor renewal

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2024
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $7.5 million to extend the Family Violence Reform Implementation Monitor to support the ongoing work of implementing the Royal Commission into Family Violence.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

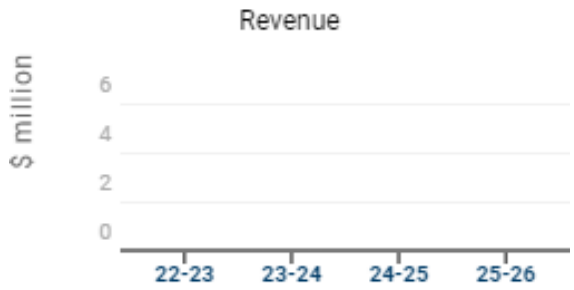
Our response

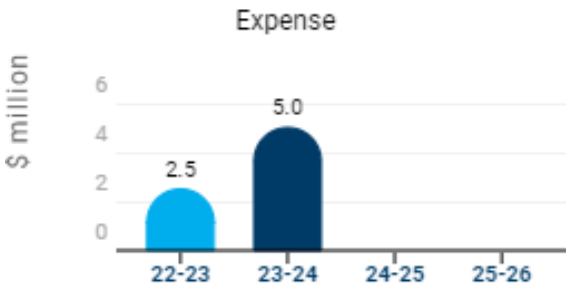
Budget impact

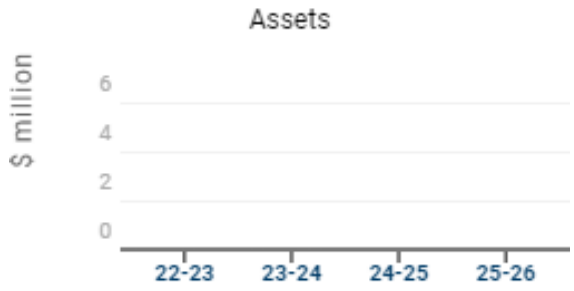


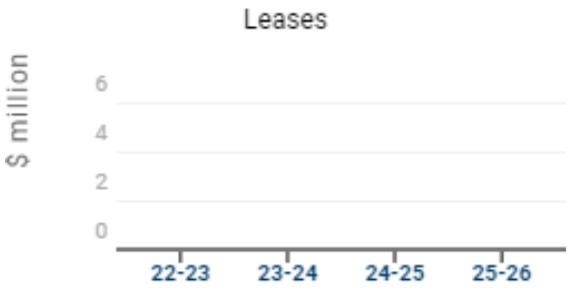


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $7.5 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	2.5	5.0	-	-	-	-	-	-	-	-	-
Net operating balance	-2.5	-5.0	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-2.5	-5.0	-	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	2.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Net operating balance	-2.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-2.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5	-7.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

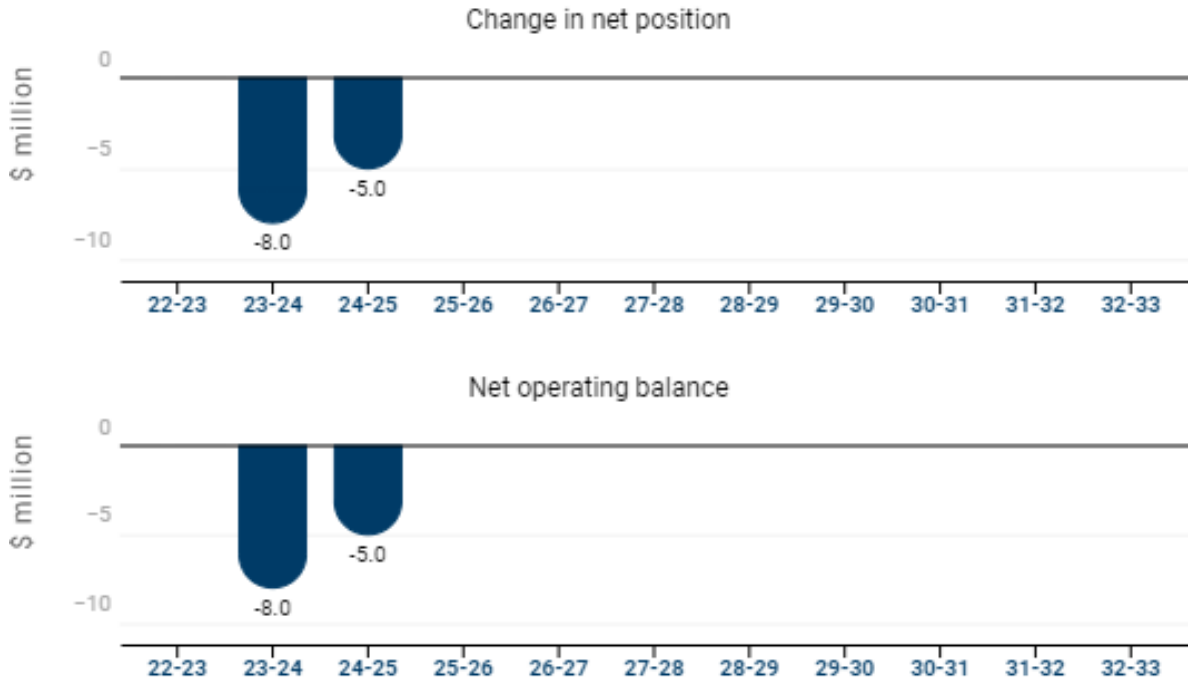
Publicly-announced policy costing

Relieving food insecurity for struggling Victorians

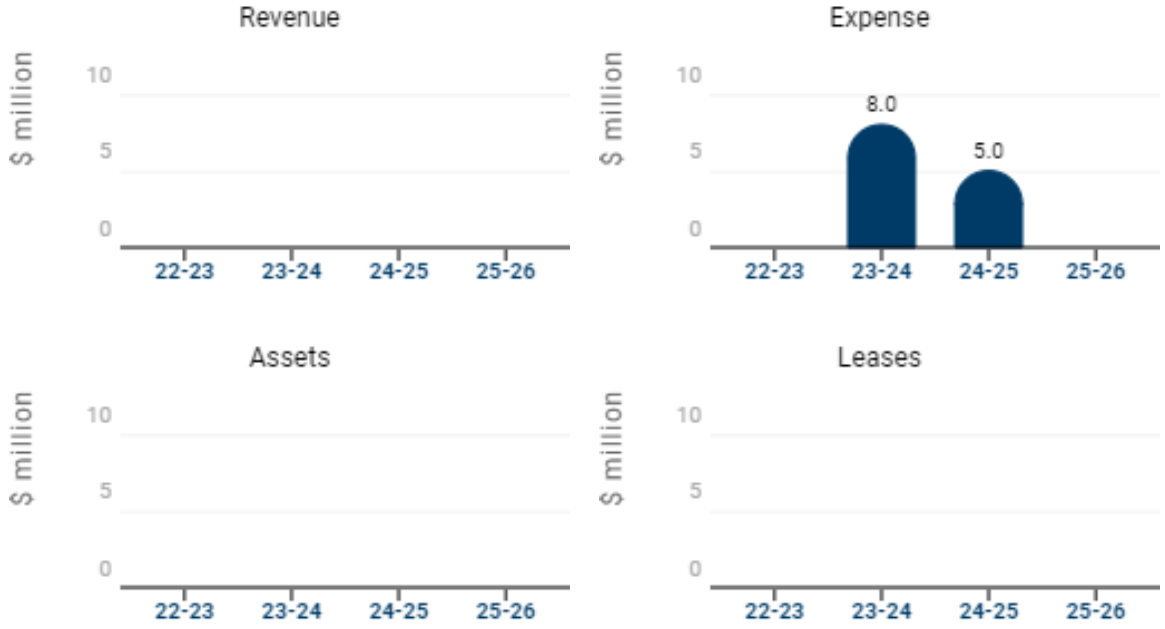
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2025
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $13.0 million to support the food relief sector to help it provide greater assistance to Victorians.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $13.0 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	8.0	5.0	-	-	-	-	-	-	-	-
Net operating balance	-	-8.0	-5.0	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-8.0	-5.0	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	8.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Net operating balance	-	-8.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-8.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Respect for Aboriginal communities

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ establish a standalone Aboriginal Affairs Victoria (AAV) inside a service delivery department such as the Department of Families, Fairness and Housing, as an agency that provides accountability to Aboriginal Victorians and acts as a central body to coordinate cross-government initiatives ▪ work with Aboriginal Victorians to advance the treaty process that supports self-determination and reconciliation, strengthens community and connection to country and contributes positively to Closing the Gap on a range of measures.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We do not expect this policy to have an impact on the state's budgeted net position as these policies are an extension of existing functions or activities in these areas and would be covered under existing departmental funding.

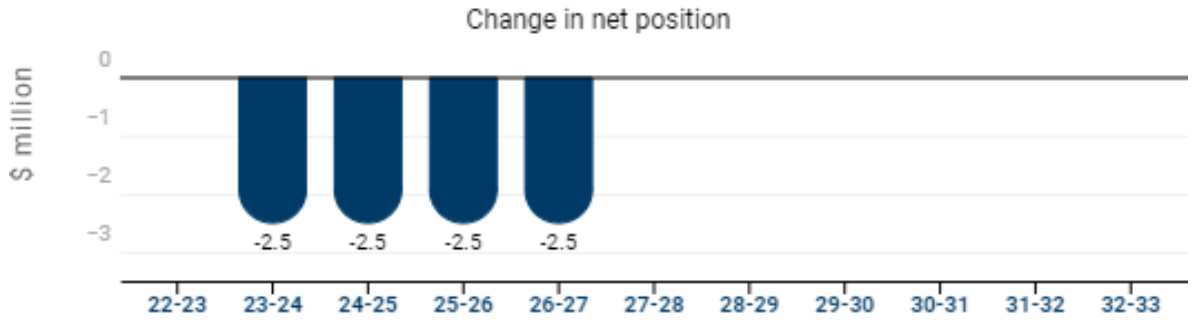
Publicly-announced policy costing

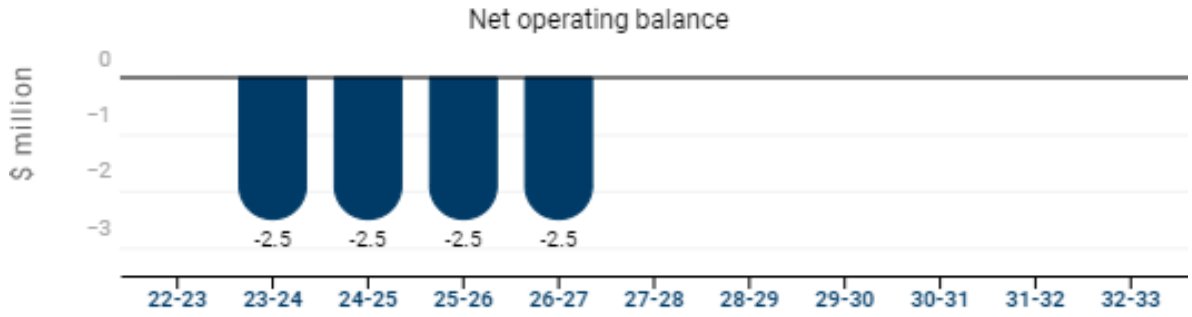
Respect for diverse communities

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to providing funding of $9.8 million over 4 years for programs, legal support, engagement, and strategies. This includes support of $250,000 per year for 4 years to support community radio station JOY FM.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

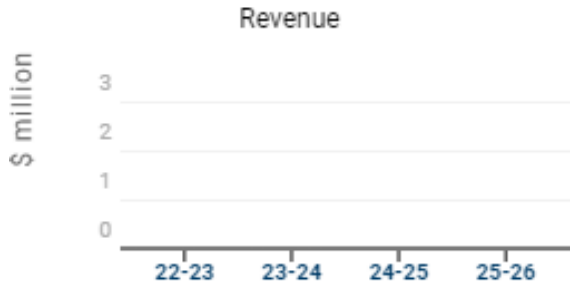
Our response

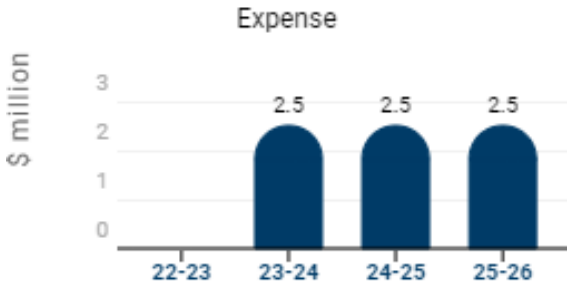
Budget impact

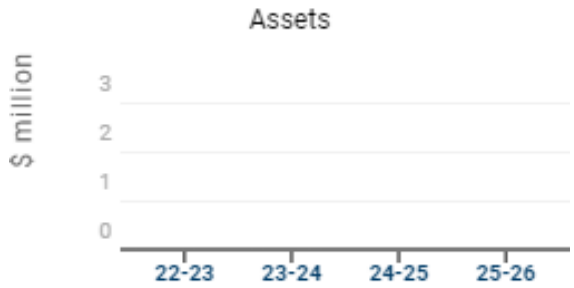


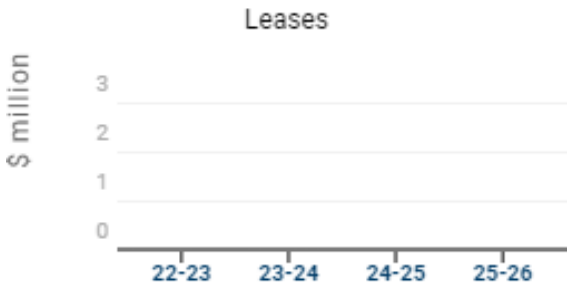


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $7.4 million across 2022–23 to 2025–26
- $9.8 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses due to additional funding provided.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	2.5	2.5	2.5	2.5	-	-	-	-	-	-
Net operating balance	-	-2.5	-2.5	-2.5	-2.5	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-2.5	-2.5	-2.5	-2.5	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	2.5	4.9	7.4	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Net operating balance	-	-2.5	-4.9	-7.4	-9.8	-9.8	-9.8	-9.8	-9.8	-9.8	-9.8
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-2.5	-4.9	-7.4	-9.8	-9.8	-9.8	-9.8	-9.8	-9.8	-9.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

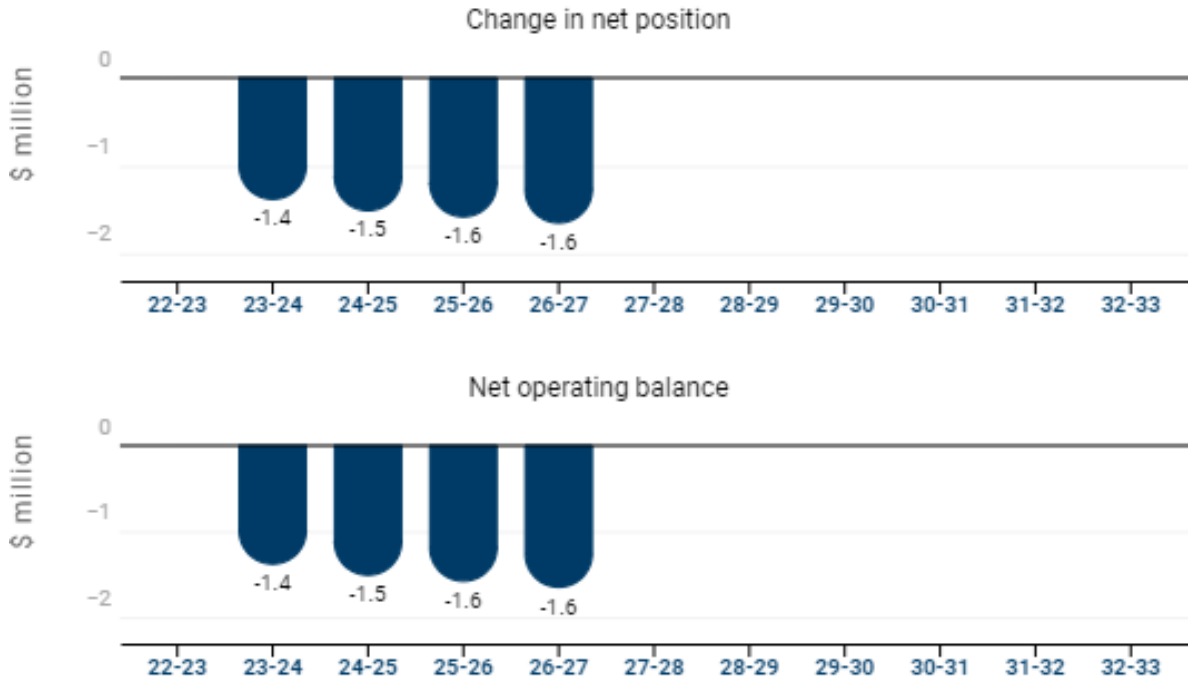
Publicly-announced policy costing

Victim support

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ $5.42 million over 4 years to establish a victims support rapid response service to help victims in the immediate aftermath of crimes, road trauma, emergencies, disasters, and critical incidents involving distressing or traumatic circumstances ▪ $700,000 over 4 years for work related to amending the *Corrections Act 1986* to require the addition of a victim or victim's representative community member to Adult Parole Board meetings considering 'tier-one' general offenders or serious violent or sexual offenders.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

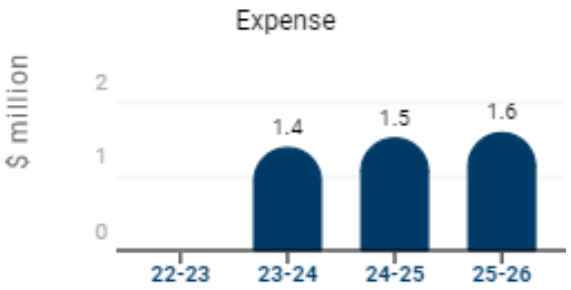
Our response

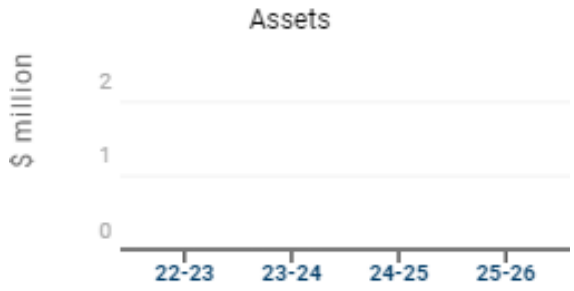
Budget impact

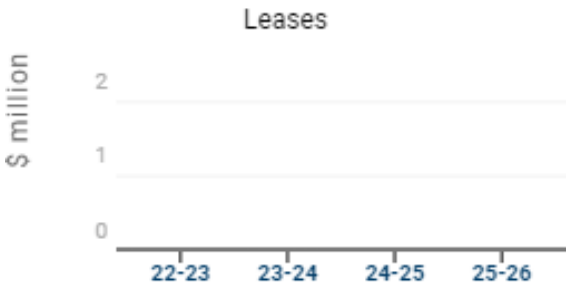


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $4.5 million across 2022–23 to 2025–26
- $6.1 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from grant funding for victim support initiatives.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the relevant department would absorb administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.4	1.5	1.6	1.7	-	-	-	-	-	-
Net operating balance	-	-1.4	-1.5	-1.6	-1.7	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-1.4	-1.5	-1.6	-1.7	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	1.4	2.9	4.5	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Net operating balance	-	-1.4	-2.9	-4.5	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-1.4	-2.9	-4.5	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

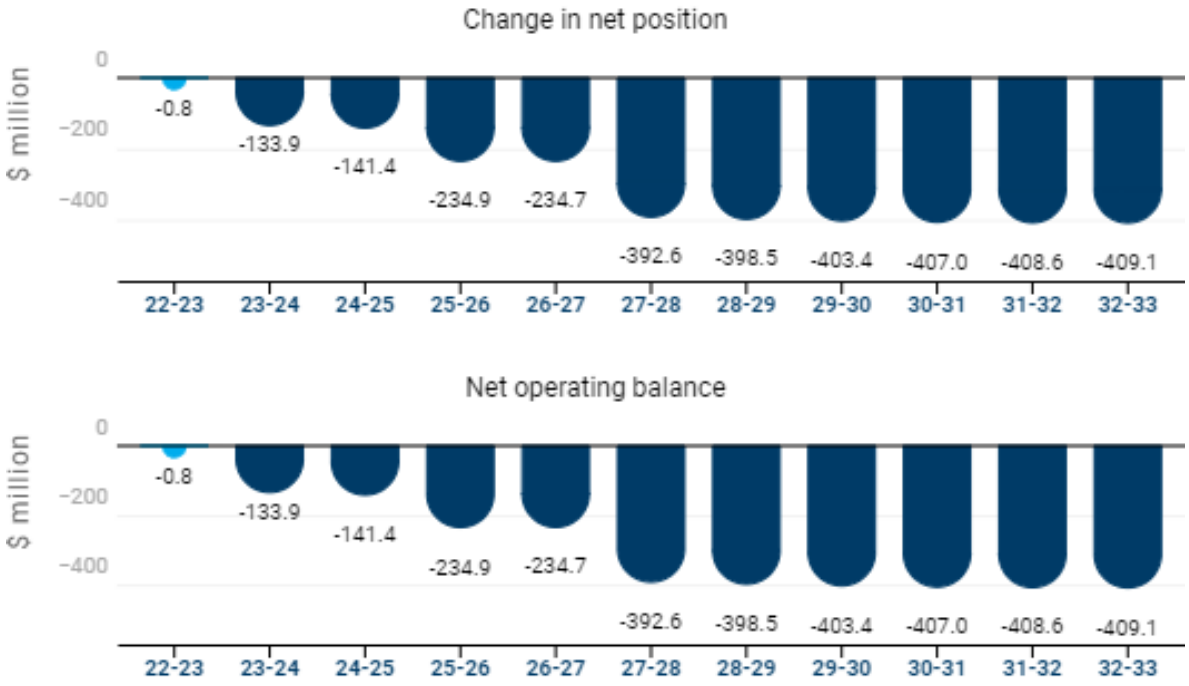
Publicly-announced policy costing

Cut seven Labor taxes

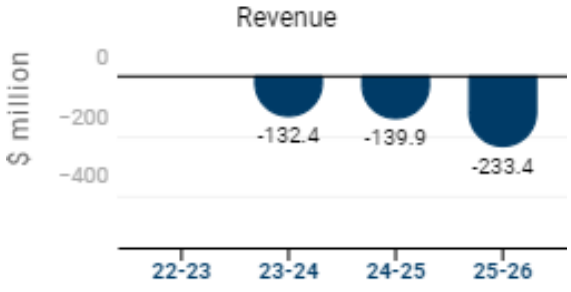
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ from 1 July 2023: – abolishing the commercial passenger vehicle service levy – unwinding the increase in building practitioner fees implemented by the Victorian Building Authority on 2 May 2022 – making all transfers of property between spouses exempt from land transfer duty – reducing legal certificate fees to the level payable prior to March 2022 – raising the annual payroll tax-free threshold to $1.6 million from 2027–28, with a phased increase from 2023–24, applying a linearly increasing payroll tax rate from zero to the existing rates for each dollar between $1.6 million and $2.0 million, and imposing a maximum annual payroll tax liability deduction of $700,000 – pausing the zero and low-emission vehicle distance-based charge until 2027 – changing the land tax exemption for charitable organisations from land used and occupied exclusively for charitable purposes to land used exclusively for charitable purposes ▪ from 1 January 2023, providing $6.75 million over 5 years to protect charities against the impact of the landfill levy. Appendix B lists the payroll tax thresholds from 2023–24 to 2027–28 under this policy.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

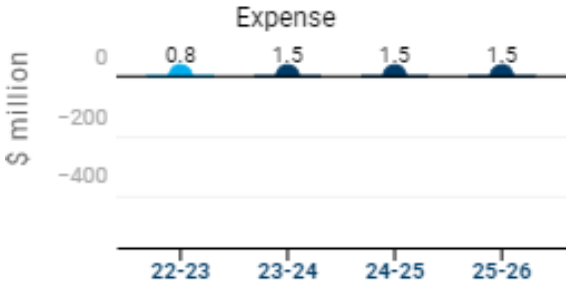
Our response

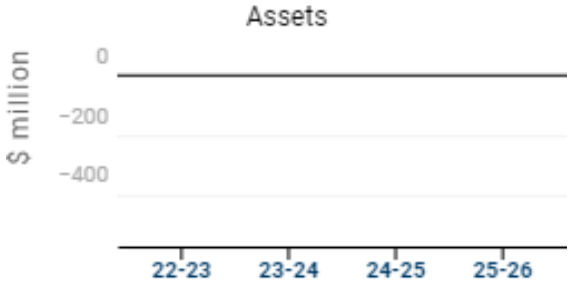
Budget impact

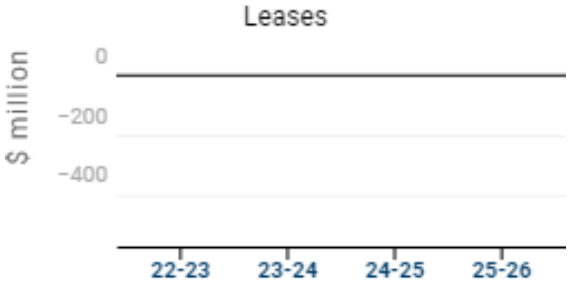


Costing components









Source: Parliamentary Budget Office.

Context

Commercial passenger vehicle service levy

The commercial passenger vehicle service levy (the levy) started on 1 July 2018 and applies to every taxi and hire car trip, including ride share, in Victoria. In the 2016–17 Budget Update, the levy was slated to be $2 but was reduced to $1 when legislated. The levy increased on 1 July 2022 to $1.05.

Building practitioner fees

The Victorian Building Authority (VBA) is the chief regulator of Victoria's building industry. It is largely self-funded through registration and licensing fees from the building sector and state government grants. It also received grant funding from the Department of Environment, Land, Water and Planning and reports to the Minister for Planning. In 2020–21, $49.5 million of it $140.3 million revenue came from state government grants.

The Minister for Planning provides a statement to the VBA every 2 years outlining expectations and performance targets for the authority. In 2021, the Minister for Planning set a target for the VBA to improve its financial sustainability and complete a fee model review by 31 March 2022. As a result, the VBA changed the structure of its building practitioner fees from 2 May 2022 to ensure financial self-sufficiency. This changed individual and corporate registration, annual and renewal fees, and means higher fees for some registration types.

Land transfer duty exemption for property transfers between spouses

All property transfers between spouses or domestic partners were exempt from land transfer duty prior to 1 July 2017. From 2017–18 onwards, only transfers of principal place of residence properties between spouses or domestic partners have been exempt from land transfer duty.

Legal certificate fees

On 1 March 2022, the fee for a legal certificate for births, deaths and marriages registration increased:

- from $34.30 (2.28 fee units)
- to $51.40 (3.42 fee units).

Payroll tax

Employers are liable for payroll tax in Victoria if they:

- pay wages in Victoria
- have an Australian wage bill above the Victorian payroll tax threshold
- are not eligible for a payroll tax exemption.

The payroll tax threshold is the same for all Victorian employers, however there are different rates for employers in metropolitan and regional areas. Regional employers are those that pay at least 85% of their total Australian wages bill to employees based in regional Victoria.

Current payroll tax thresholds and rates

Payroll tax	2021–22 onward
Threshold	$700,000
Metropolitan rate	4.85%
Regional rate	1.2125%

Source: State Revenue Office.

Electric vehicles (EV) tax

From 1 July 2021, the *Zero and Low Emission Vehicle Distance-based Charge Act 2021* (the Act) imposed a charge on zero and low emission vehicles (ZLEV). Vehicles covered by the Act include electric vehicles (EV), hydrogen vehicles (HEV) and plug-in hybrid electrical vehicles (PHEV). Different rates are charged on EV and HEV compared to PHEV, and the Victorian Government increases rates each year based on the Melbourne consumer price index.

Land tax exemption for charities

Currently, the Victorian Government provides a land tax exemption for land used and occupied by charities exclusively for charitable purposes. The definition was changed following a Supreme Court ruling, which under the previous criteria, allowed Melbourne University to be exempt from paying tax on land leased to a private company that was used for a student accommodation facility. The budget forecast cost of this tax exemption did not change following the change in exemption definition, as the intent of the exemption did not change.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $510.9 million across 2022–23 to 2025–26, this reflects:
  - a decrease in revenue of $505.7 million due to a reduction in tax revenue
  - an increase in operating expenses of $5.3 million due to funding to charities for protection against the landfill levy
- $3,164.9 million across 2022–23 to 2032–33, this reflects:
  - a decrease in revenue of $3,158.2 million due to a reduction in tax revenue
  - an increase in operating expenses of $6.8 million due to funding to charities for protection against the landfill levy.

This cost estimate is sensitive to changes in the values of taxes and levies, the quantity of underlying drivers for all taxes, and macroeconomic forecasts. There is insufficient information available to estimate the reduction in land tax collected due to the exemption on land used exclusively for charitable purposes but not owned by a charitable institution, however, we expect this policy component would have no material impact on the budget.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The commercial passenger vehicle service levy would increase in line with the Melbourne consumer price index from 2023–24 onwards under current policy settings.
2. The number of commercial passenger trips would increase in line with population growth.
3. Building practitioner fee revenue would increase in line with the Melbourne consumer price index and the Victorian population.
4. Land transfer duty revenue from the transfer of non-principal place of residence properties between spouses and domestic partners would increase in line with:
    a. aggregate land transfer duty revenue from 2022–23 to 2025–26
    b. Victorian real gross state product and the Melbourne consumer price index from 2026–27 onwards.
5. The number of legal certificates issued in Victoria would increase in line with the Victorian population.
6. Legal certificate fees would increase in line with the Melbourne consumer price index.
7. Under existing payroll tax arrangements, the number of businesses liable for payroll tax would grow steadily between 2022–23 and 2032–33, reflecting the impact of the nominally fixed tax-free threshold.
8. The distribution of businesses between regional and metropolitan Victoria would remain stable between 2022–23 and 2032–33.
9. Taxable wages would increase in line with forecast wage growth and employment growth.
10. The change to Victoria's payroll tax revenues would not have a material impact on the Australian Government's distribution of GST revenues to Victoria.
11. Behavioural response from employers, such as changing hiring practices, would not materially impact payroll tax revenue.
12. The average annual distance travelled by electric and hybrid vehicles would remain the same.
13. The proportion of Australian vehicles registered in Victoria would remain the same.
14. The proportion of PHEV in total ZLEV sales would remain the same.
15. The growth in ZLEV sales in Victoria would be constant between years projected in the Australian Department of Industry, Science, Energy and Resources *Australia's Emissions Projections 2021* report (2020–21, 2025–26, and 2032–33).

Method

When costing this policy, we:

- estimated tax revenue for all taxes under existing policy settings
- calculated the reduction in revenue from the proposed changes to policy settings
- based the funding to charities for protection against the landfill levy on the capped amount of funding and phasing specified in the election commitment.

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- *Zero and Low Emission Vehicle Distance-based Charge Act 2021* (Vic)

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-132.4	-139.9	-233.4	-233.2	-392.6	-398.5	-403.4	-407.0	-408.6	-409.1
Expense	0.8	1.5	1.5	1.5	1.5	-	-	-	-	-	-
Net operating balance	-0.8	-133.9	-141.4	-234.9	-234.7	-392.6	-398.5	-403.4	-407.0	-408.6	-409.1
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-0.8	-133.9	-141.4	-234.9	-234.7	-392.6	-398.5	-403.4	-407.0	-408.6	-409.1

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-132.4	-272.3	-505.7	-738.9	-1,131.5	-1,530.0	-1,933.4	-2,340.4	-2,749.1	-3,158.2
Expense	0.8	2.3	3.8	5.3	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Net operating balance	-0.8	-134.6	-276.0	-510.9	-745.6	-1,138.2	-1,536.7	-1,940.2	-2,347.2	-2,755.8	-3,164.9
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-0.8	-134.6	-276.0	-510.9	-745.6	-1,138.2	-1,536.7	-1,940.2	-2,347.2	-2,755.8	-3,164.9

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Attachment B– Annual thresholds

Under this policy, the following annual payroll tax threshold amounts would apply.

Payroll tax threshold amounts

Payroll tax	2023–24	2024–25	2025–26	2026–27	2027–28
Tax-free threshold	$925,000	$925,000	$1,150,000	$1,150,000	$1,600,000
Full payroll tax rate applies	$1,025,000	$1,025,000	$1,350,000	$1,350,000	$2,000,000

Source: Parliamentary Budget Office.

Publicly-announced policy costing

Put an end to Labor's spiralling debt and taxes

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ legislating a debt cap ▪ guaranteeing that there would be no new taxes.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our assessment

Our response

We expect this policy to have no impact on the state's budgeted net position as:

- changing legislation incurs no cost to the Victorian budget
- there are no new taxes included in the Victorian budget baseline.

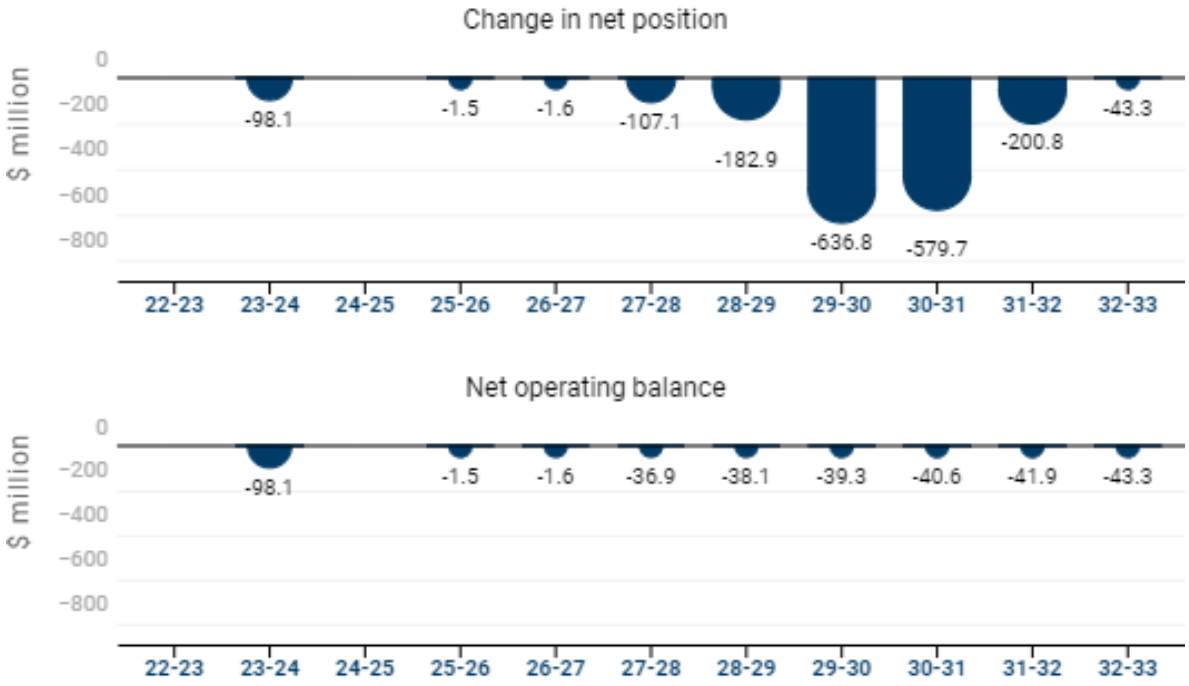
Publicly-announced policy costing

$8 billion for 29 level crossing removals

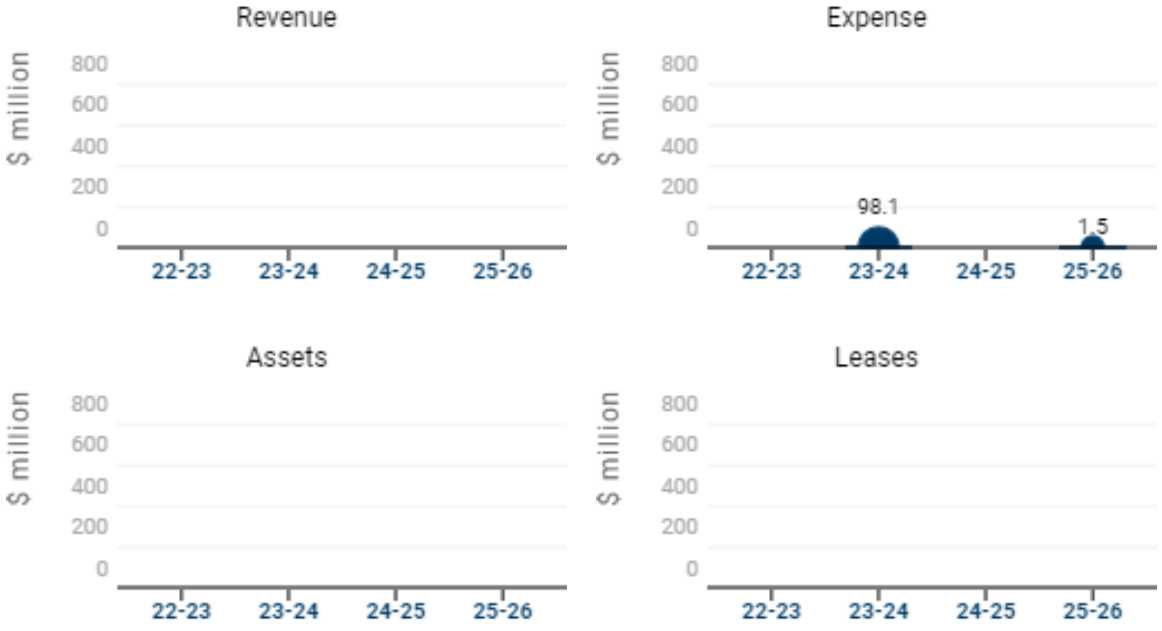
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to adjust the scope and scheduling of the 'Twenty-five more level crossing removals by 2030' budget initiative. Priority would be given to the removal of additional level crossings at: ▪ Glenferrie Road, Kooyong ▪ Tooronga Road, Malvern ▪ High Street, Glen Iris ▪ Main Hurstbridge Road, Diamond Creek. The design solution for each road-rail grade separation would be selected following community consultation and engineering assessments. This policy would also prioritise the upgrade of railway stations at: ▪ Kooyong ▪ Malvern ▪ Glen Iris ▪ Diamond Creek.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Context

The Victorian Government plans to remove 110 road-rail level crossings across Melbourne by 2030. Asset works include building new railway stations, track duplication and train stabling yards.

The Victorian Government has committed funding for level crossing removal projects across multiple budgets. Total estimated investment for existing budget initiatives is:

- $6,343.7 million for the 'Level Crossing Removal Program' initiative, which includes $151.0 million of Australian Government funding
- $8,946.0 million for the '85 by 2025 (Level Crossing Removal)' initiative
- $6,522.1 million for the 'Twenty-five more level crossing removals by 2030' initiative.

This policy would rescope and rephase the existing 'Twenty-five more level crossing removals by 2030' initiative, funding and prioritising the additional asset works proposed in this policy, while delaying other level crossing removal project asset works. All currently funded level crossing removal project asset works would be completed by 2031.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $99.6 million across 2022–23 to 2025–26, reflecting an increase in operating expenses due to ongoing maintenance costs and a one-off contract variation.
- $1,851.8 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $1,510.5 million due to level crossing removal project works
  - an increase in operating expenses of $341.3 due to ongoing maintenance costs and a one-off contract variation.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $1,510.5 million from the commencement of asset works in 2023–24 to completion in 2031–32.

This cost estimate is sensitive to:

- the final design of each level crossing removal and new railway station
- changes in cost escalation rates
- the terms and conditions of level crossing removal project contracts.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Construction costs and profile would be consistent with similar projects.
2. There would be no relocation of utilities.
3. Funds already spent would not be recoverable.
4. Contract variation costs would be a proportion of the project's remaining funding amount.
5. Contract variation costs would be proportionately similar to termination costs associated with relevant components of a comparable project.
6. The Australian Government funded feasibility study into removing the level crossing at Tooronga Road, Malvern would be completed before policy commencement.
7. The Australian Government has rescinded its funding commitment of $260.0 million for removing the level crossing at Glenferrie Road, Kooyong.
8. There would be no change in the amount of rail passenger services.

Method

When costing this policy, we:

- determined which level crossings the policy would remove
- determined the amount of funding committed to level crossing removal initiatives in the budget
- estimated the profile of the level crossing removal initiatives in the budget
- estimated the cost and profile of delivering the prioritised asset works
- estimated the cost of varying existing project contracts
- estimated the ongoing operations and maintenance costs associated with the upgraded road and rail infrastructure
- estimated the cost and profile of delivering the rephased asset works.

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- Victorian Budget Update 2021–22

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	98.1	-	1.5	1.6	36.9	38.1	39.3	40.6	41.9	43.3
Net operating balance	-	-98.1	-	-1.5	-1.6	-36.9	-38.1	-39.3	-40.6	-41.9	-43.3
Assets	-	-	-	-	-	70.2	144.8	597.5	539.1	158.8	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-98.1	-	-1.5	-1.6	-107.1	-182.9	-636.8	-579.7	-200.8	-43.3

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	98.1	98.1	99.6	101.2	138.1	176.2	215.5	256.1	298.0	341.3
Net operating balance	-	-98.1	-98.1	-99.6	-101.2	-138.1	-176.2	-215.5	-256.1	-298.0	-341.3
Assets	-	-	-	-	-	70.2	215.1	812.6	1,351.7	1,510.5	1,510.5
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-98.1	-98.1	-99.6	-101.2	-208.3	-391.3	-1,028.1	-1,607.8	-1,808.5	-1,851.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

Publicly-announced policy costing

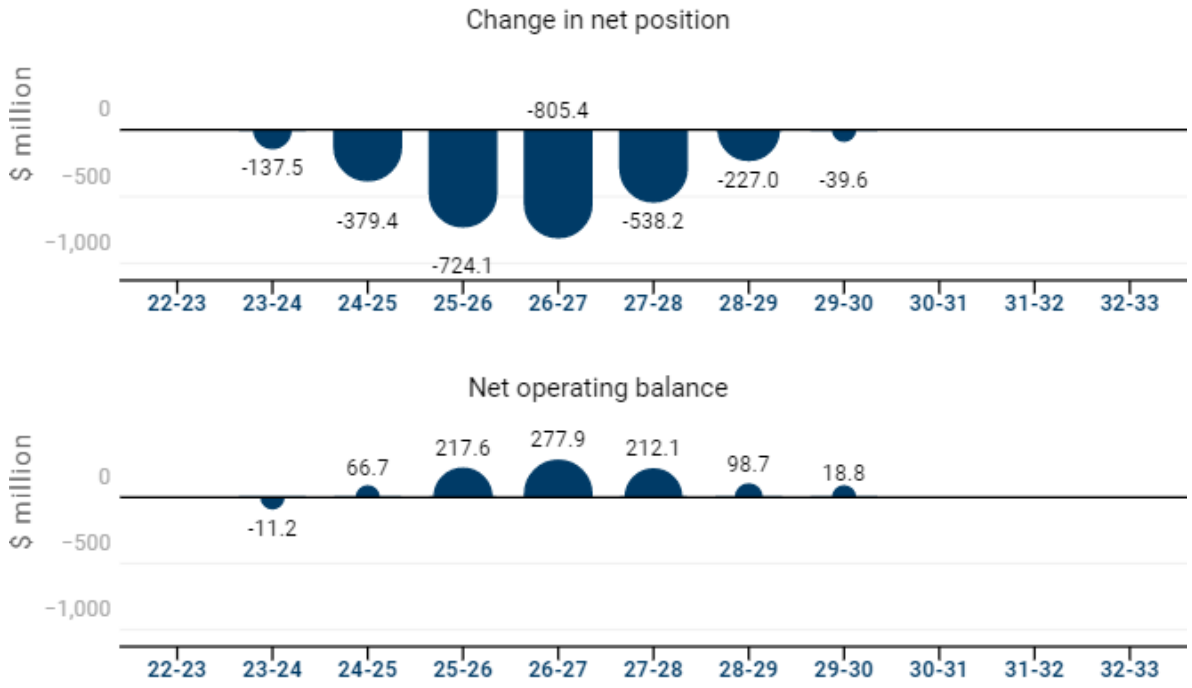
An integrated plan to add to Victoria's road network

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2030
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to duplicate sections of: ▪ Racecourse Road ▪ Barwon Heads Road ▪ the Mornington Peninsula Freeway ▪ Leakes Road ▪ Sayers Road ▪ Taylors Road ▪ the Melton Highway ▪ Berwick-Cranbourne Road ▪ Ballan Road ▪ Point Cook Road ▪ Evans Road. This policy would also provide: ▪ $700.0 million to upgrade the Western Highway ▪ $300.0 million to build the Kilmore Bypass ▪ $260.0 million to build stage 1 of the Shepparton Bypass on the Goulburn Valley Highway ▪ $130.0 million to build the Wallan Diamond and upgrade Watson Street ▪ $60.0 million for the next stage of the Ballarat Link Road project ▪ $22.0 million for road safety upgrades in Warrandyte South, Narre Warren North, Seville East, Berwick, and Buninyong ▪ $6.0 million for feasibility studies for the Integrated Road Plan ▪ $3.4 million for the Queen Street Shared User Bridge. Additionally, this policy would: ▪ replace the Boundary Road/Governor Road roundabout with traffic lights and duplicate Governor Road ▪ build the Bulla Bypass

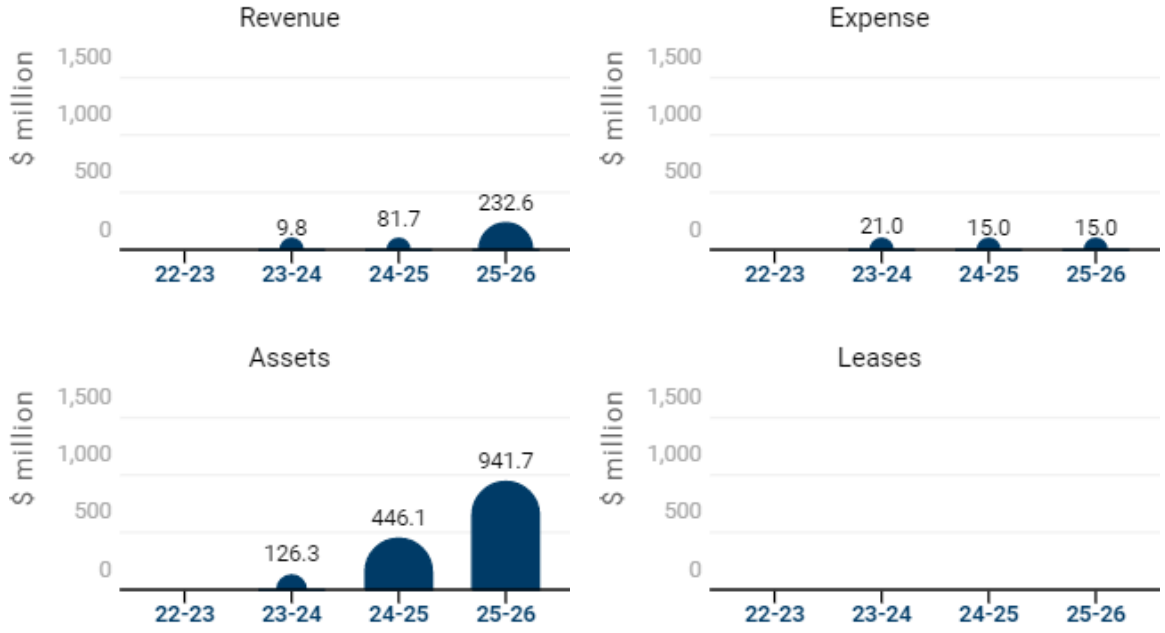
	▪ remove speed humps and raised intersections on Dalton Road and High Street.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Context

This policy would add to Victoria's road network by building, duplicating and upgrading roads, bridges and intersections. In doing so it interacts with the Liberal Party of Australia – Victorian Division election policy costing Ten Billion in Ten Years on Road Maintenance.

The Ten Billion in Ten Years on Road Maintenance costing would increase road maintenance and captures the additional maintenance costs associated with the road infrastructure investment stipulated in this policy.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $1,241.0 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $1,514.1 million due to the construction of road projects
  - an increase in operating expenses of $51.0 million due to feasibility studies and grants for road-related projects
  - partially offset by an increase in revenue of $324.2 million due to Australian Government funding
- $2,851.2 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $3,731.7 million due to the construction of road projects
  - an increase in operating expenses of $66.0 million due to feasibility studies and grants for road-related projects
  - partially offset by an increase in revenue of $946.5 million due to Australian Government funding.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $3,731.7 million from the commencement of asset works in 2023–24 to completion in 2029–30.

For the capped cost components of this policy, the financial implications are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. There would be no additional earthworks required beyond what is stipulated in Victorian Planning Authority benchmark costings.
2. There would be no relocation of utilities.
3. Partial land parcels would be acquired where necessary and plausible, otherwise entire properties would be acquired.
4. Land would be acquired based on the escalated median land value from the most recent property sales statistics published by the Valuer-General Victoria.
5. The Victorian Government would undertake all related works that are currently planned.
6. The characteristics of freeway and highway duplications and overpass construction would be consistent with similar projects.
7. Project start dates would be staggered to ensure works are manageable.
8. Projects with capped costing amounts would incorporate administrative costs.
9. The Western Highway project would undertake works consistent with the City of Melton's recommendations.
10. There would be no contaminated land or material that would require removal.
11. Australian Government funding is provided for the following projects:
    a. $700.0 million to upgrade the Western Highway
    b. $125.0 million to duplicate Barwon Heads Road
    c. $71.5 to duplicate Jetty Road (with $3.5 million of funding already spent on the business case)
    d. $50.0 million to build the Wallan Diamond and upgrade Watson Street.

Method

When costing this policy, we:

- determined the distance of road to be duplicated
- determined the number of new intersections, interchanges, overpasses, bridges and culverts to be built or upgraded
- determined the amount of land to be acquired
- estimated the costs of duplicating the road
- estimated the cost of building or upgrading new intersections, interchanges, overpasses, bridges and culverts

- estimated the value of land to be acquired
- estimated the timing of Australian Government funding.

We based the capped costing components of this policy on the capped amount of funding specified in the election commitment.

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Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	9.8	81.7	232.6	292.9	212.1	98.7	18.8	-	-	-
Expense	-	21.0	15.0	15.0	15.0	-	-	-	-	-	-
Net operating balance	-	-11.2	66.7	217.6	277.9	212.1	98.7	18.8	-	-	-
Assets	-	126.3	446.1	941.7	1,083.2	750.3	325.6	58.3	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-137.5	-379.4	-724.1	-805.4	-538.2	-227.0	-39.6	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	9.8	91.5	324.2	617.0	829.1	927.8	946.5	946.5	946.5	946.5
Expense	-	21.0	36.0	51.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0
Net operating balance	-	-11.2	55.5	273.2	551.0	763.1	861.8	880.5	880.5	880.5	880.5
Assets	-	126.3	572.4	1,514.1	2,597.4	3,347.7	3,673.3	3,731.7	3,731.7	3,731.7	3,731.7
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-137.5	-516.9	-1,241.0	-2,046.3	-2,584.6	-2,811.6	-2,851.2	-2,851.2	-2,851.2	-2,851.2

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

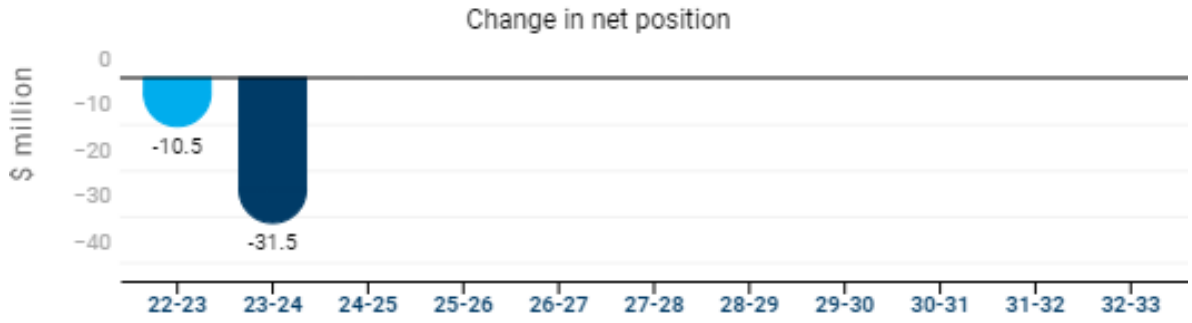
Publicly-announced policy costing

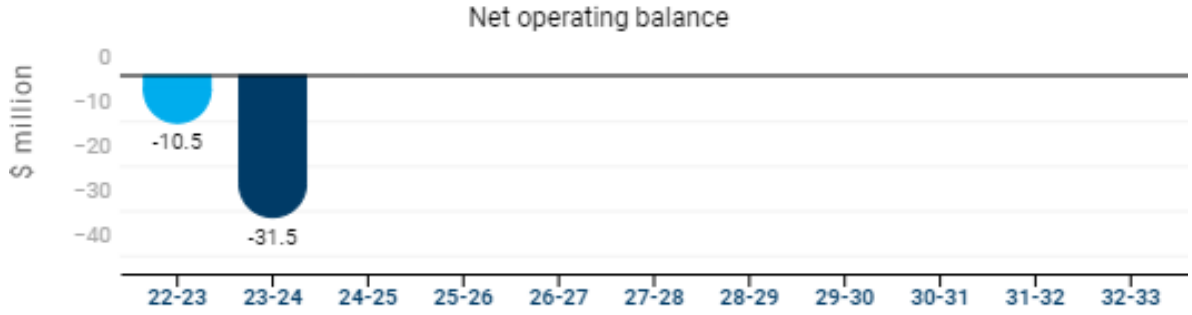
An integrated transport plan for Victoria, including a bicycle infrastructure plan and refreshed East West Link business case

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2024
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $42.0 million to: ▪ deliver a Victorian integrated transport plan ▪ undertake a new business case into a refreshed East West Link, taking account of fundamental network changes as a result of the West Gate Tunnel and North East Link.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

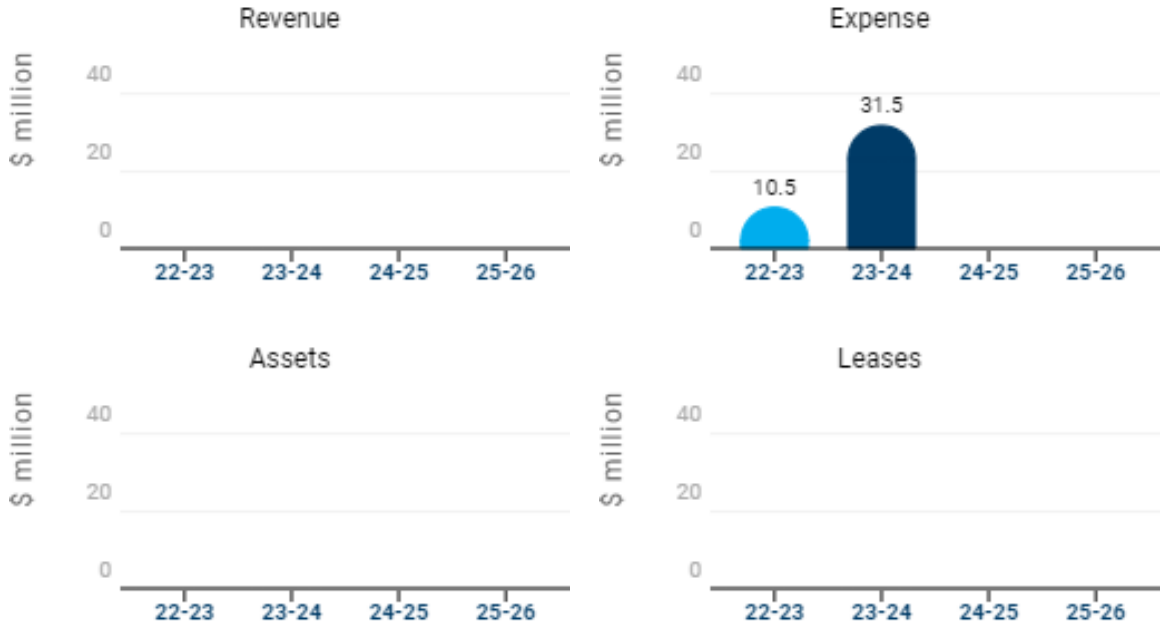
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $42.0 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses from creating an integrated transport plan and undertaking a new business case for the East West Link.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	10.5	31.5	-	-	-	-	-	-	-	-	-
Net operating balance	-10.5	-31.5	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-10.5	-31.5	-	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	10.5	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Net operating balance	-10.5	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-10.5	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0	-42.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

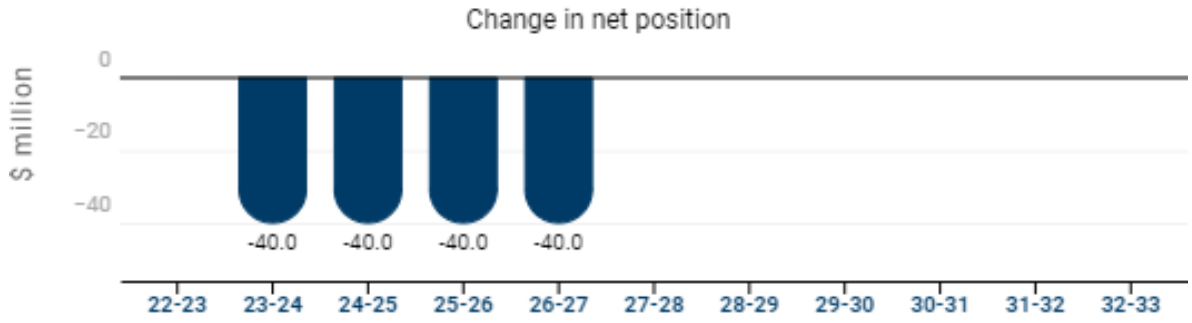
Publicly-announced policy costing

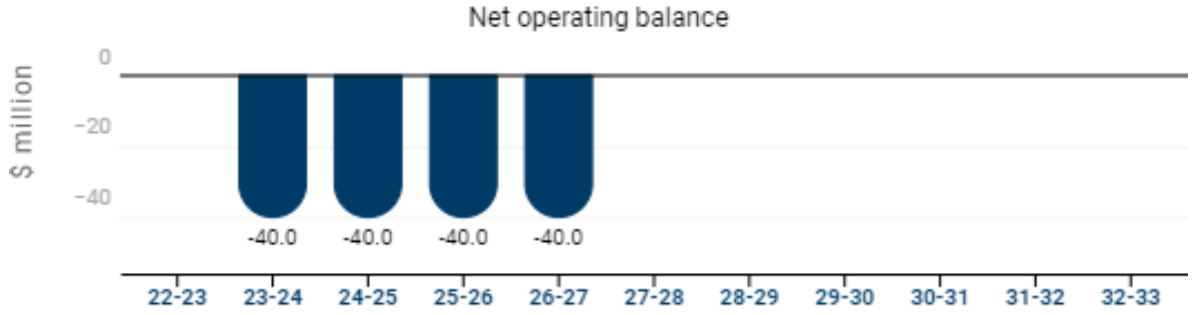
An integrated transport plan to add to Victoria's bus network

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $160.0 million, over 4 years, for: ▪ new bus routes ▪ improved bus routes ▪ bus route reviews.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

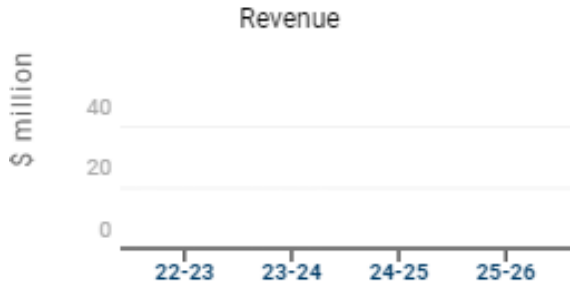
Our response

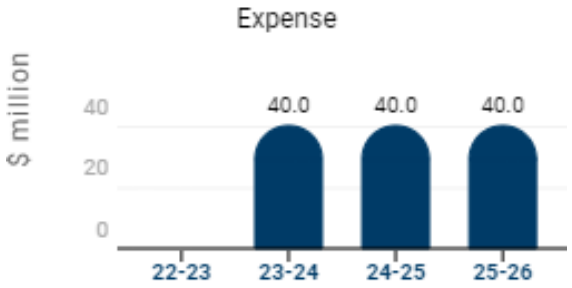
Budget impact

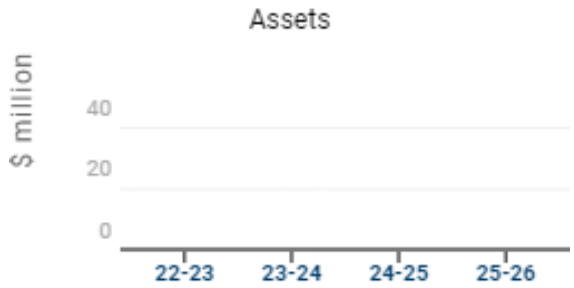


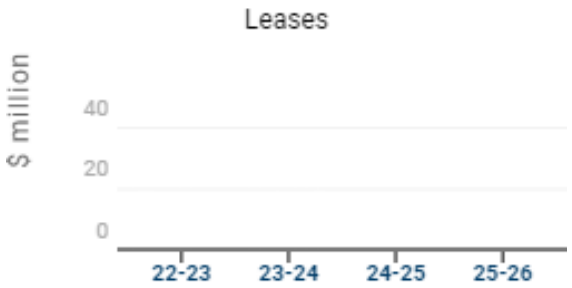


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $120.0 million across 2022–23 to 2025–26
- $160.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from funding new and improved bus routes, and bus route reviews.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	40.0	40.0	40.0	40.0	-	-	-	-	-	-
Net operating balance	-	-40.0	-40.0	-40.0	-40.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-40.0	-40.0	-40.0	-40.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	40.0	80.0	120.0	160.0	160.0	160.0	160.0	160.0	160.0	160.0
Net operating balance	-	-40.0	-80.0	-120.0	-160.0	-160.0	-160.0	-160.0	-160.0	-160.0	-160.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-40.0	-80.0	-120.0	-160.0	-160.0	-160.0	-160.0	-160.0	-160.0	-160.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

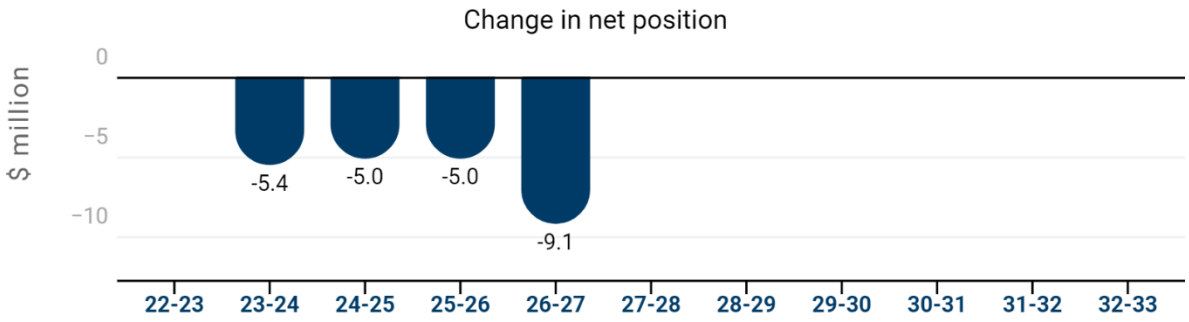
Publicly-announced policy costing

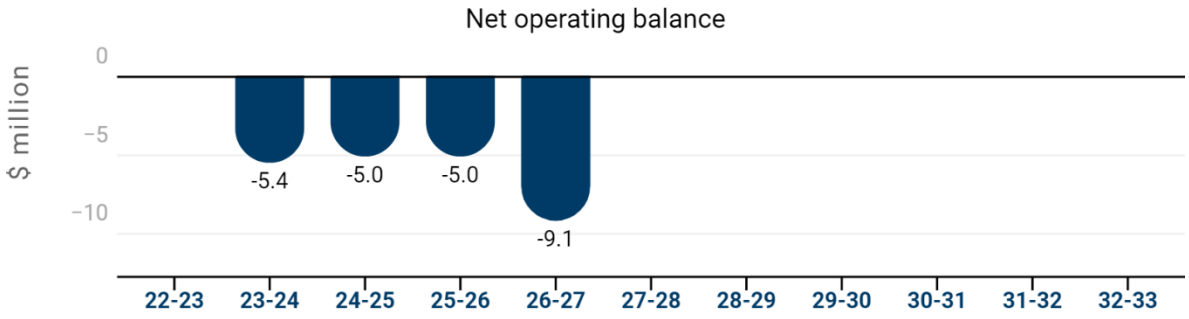
An integrated transport plan to add to Victoria's train network

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $24.1 million to: – start planning to build Metro 2 and the City Loop Reconfiguration/Northern Capacity Upgrade – complete a business case into the Murray Basin Rail project – undertake a scoping study to determine the feasibility of extending the metropolitan network to Wollert and Wallan – undertake a scoping study to determine the feasibility of duplicating the Lilydale line between Mooroolbark and Lilydale – continue undertaking the Caulfield-Rowville Link preliminary business case with the Australian Government ▪ to conducting an audit of V/Line fleet to ensure every piece of new rolling stock meets disability requirements.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

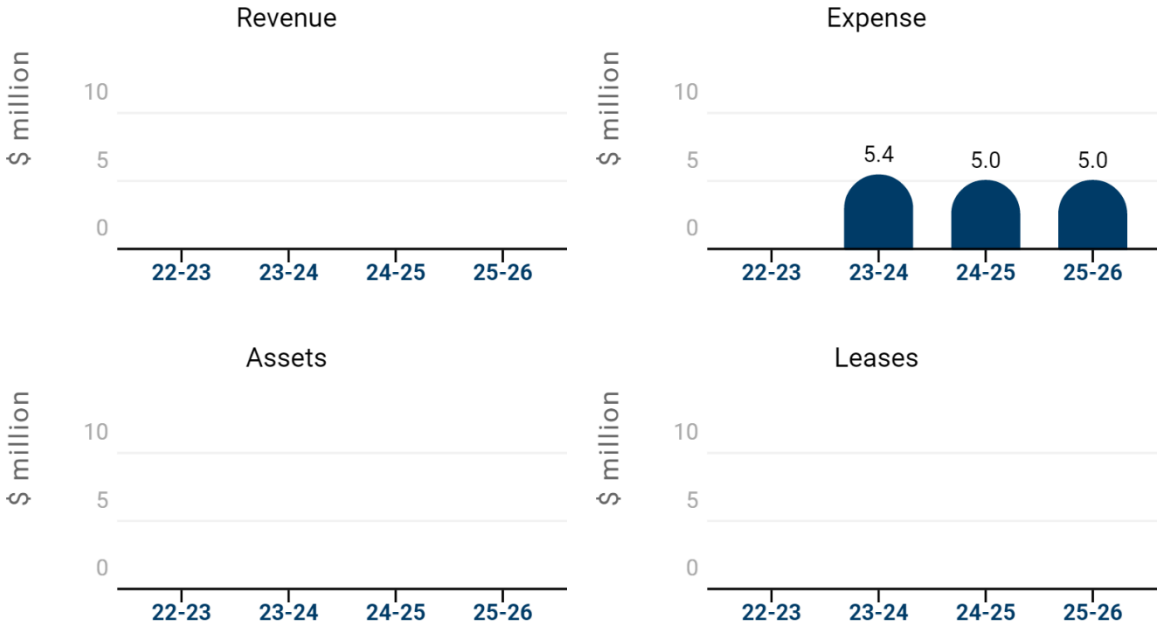
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $15.4 million across 2022–23 to 2025–26
- $24.5 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from planning, and undertaking an audit of the V/Line fleet.

The financial implications of this policy for planning costs are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

This cost estimate of undertaking an audit of the V/Line fleet is sensitive to:

- the quantity of rolling stock
- the scope and complexity of the audit.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The audit would cover in service, storage or under repair passenger rolling stock assets.
2. Locomotives and historic rolling stock assets would be excluded from the audit.
3. Auditors can perform around or during train scheduling without service disruptions.
4. The quantity of rolling stock will remain at the current level.
5. The cost of the audit will be consistent with similar audits the Victorian Auditor General's Office (VAGO) has undertaken, adjusted for complexity and number of assets in scope.
6. The cost of the audit would increase in line with Melbourne wage price index.
7. VAGO would agree to undertake the audit and receive additional funding.
8. This would be a one-off audit and VAGO would commence and complete the audit in 2023–24.
9. The specified funding amount for planning would encompass administrative costs.

Method

When costing this policy, we:

- determined the current quantity of passenger rolling stock assets operated by V/Line
- estimated the unit cost to audit a single piece of rolling stock against disability requirements based on similar audits
- adjusted the unit cost to account for different levels of audit complexity across asset types
- estimated the fixed costs incurred to undertake the audit
- escalated the cost using the relevant indexation
- calculated the total cost to audit the entire V/Line fleet against disability requirements
- based planning costs on the capped amount of funding and phasing specified in the election commitment.

Data sources

- Department of Transport. 2022. Victorian Rolling Stock Strategy. [ONLINE] Available at: https://transport.vic.gov.au/-/media/tfv-documents/rss.pdf. [Accessed 20 December 2022]
- Matthew Guy. 2022. Another day, another problem that's shut down the entire regional train network. [ONLINE] Available at: https://www.matthewguy.com.au/media-releases/2022-05-31-another-day-another-problem-thats-shut-down-t. [Accessed 20 December 2022]
- Victorian Auditor-General's Office. 2020. Accessibility of Tram Services. [ONLINE] Available at: https://www.audit.vic.gov.au/report/accessibility-tram-services. [Accessed 20 December 2022]

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	5.4	5.0	5.0	9.1	-	-	-	-	-	-
Net operating balance	-	-5.4	-5.0	-5.0	-9.1	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-5.4	-5.0	-5.0	-9.1	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	5.4	10.4	15.4	24.5	24.5	24.5	24.5	24.5	24.5	24.5
Net operating balance	-	-5.4	-10.4	-15.4	-24.5	-24.5	-24.5	-24.5	-24.5	-24.5	-24.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-5.4	-10.4	-15.4	-24.5	-24.5	-24.5	-24.5	-24.5	-24.5	-24.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

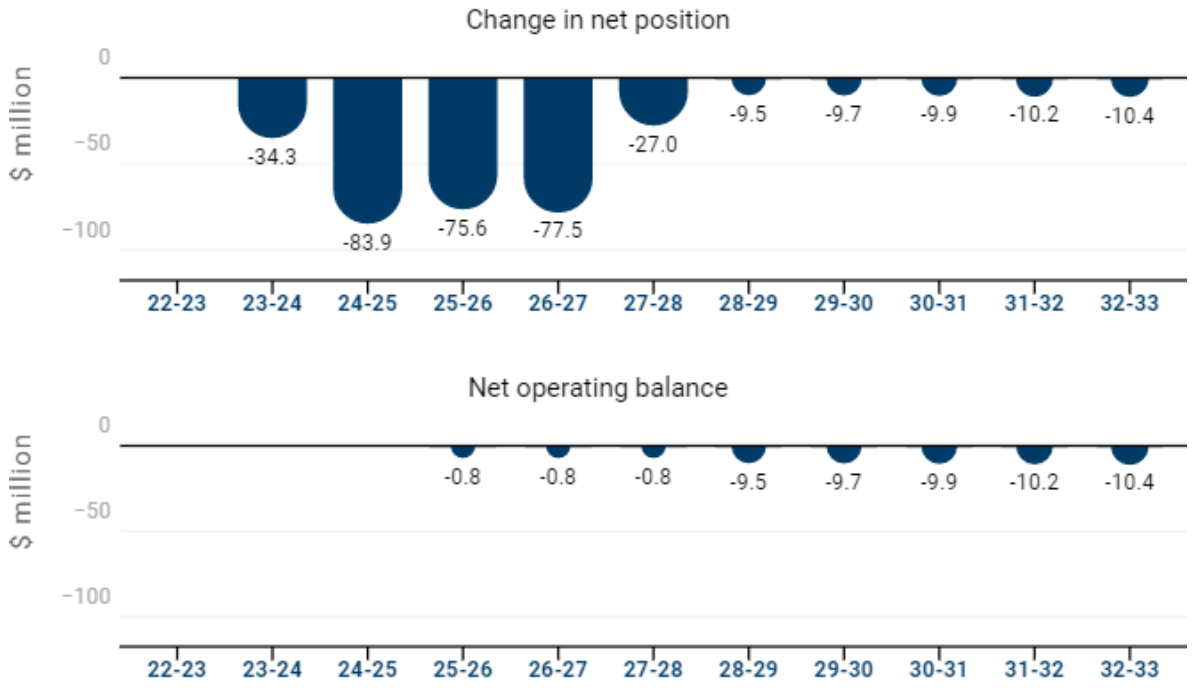
Publicly-announced policy costing

An integrated transport plan to add to Victoria's tram network, including extending routes 3, 48 and 75

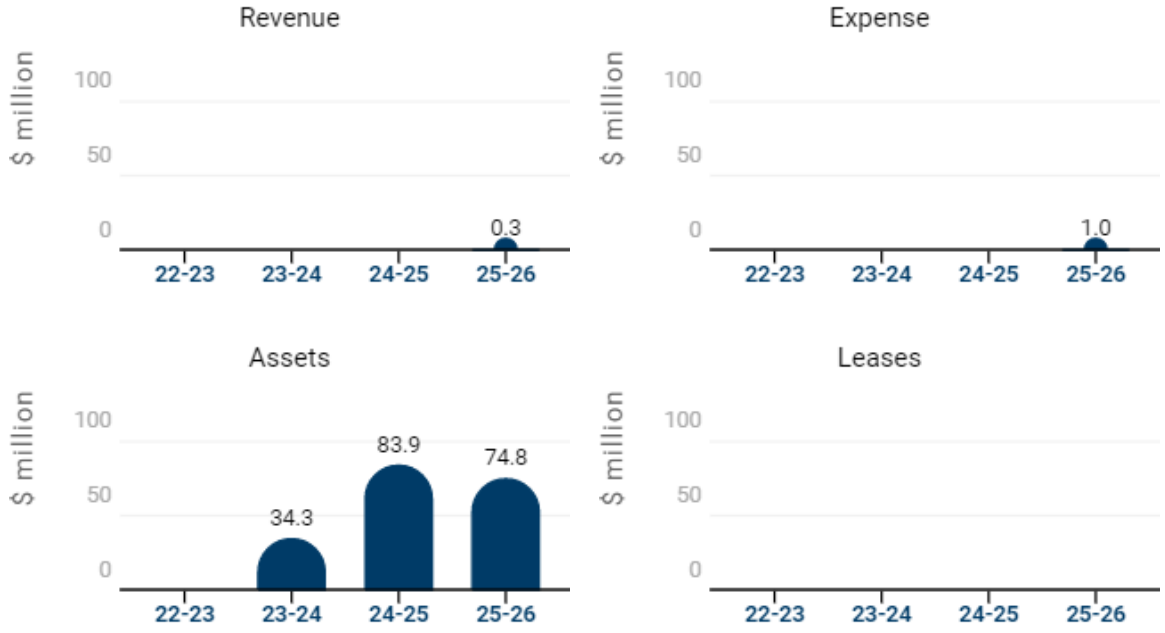
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to delivering a Victorian integrated transport plan and extending the following tram lines: ▪ Route 3 by 0.75 km from Darling Road to East Malvern Station ▪ Route 48 by 3.75 km from Balwyn Road to Westfield Doncaster ▪ Route 75 by 5.10 km from Hanover Road to Westfield Knox.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $193.7 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $193.0 million due to building of tram infrastructure
  - an increase in operating expenses of $1.0 million due to maintenance costs and operating additional tram services
  - partially offset by an increase in revenue of $0.3 million due to increased farebox revenue from additional services
- $347.9 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $295.8 million due to building of tram infrastructure
  - an increase in operating expenses of $71.9 million due to maintenance costs and operating additional tram services
  - partially offset by an increase in revenue of $19.8 million due to increased farebox revenue from additional services

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $295.8 million from the commencement of asset works in 2023–24 to completion in 2027–28.

This cost estimate is sensitive to changes in:

- final scope and design of tram infrastructure
- Melbourne consumer price index
- uptake of services.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Public Transport Victoria would absorb any costs incurred from routing and timetable changes.
2. No land acquisition would be required.
3. The Victorian Government would incur no cost for any loss of on-street parking revenue.
4. The construction profile would be in line with similar infrastructure projects.
5. Construction, maintenance, and operating costs would increase with the relevant indexation.
6. The number of services that currently operate on each route would remain the same.

7. Public Transport Victoria would absorb any costs incurred from routing and timetable changes.
8. Existing bus lines on Doncaster Road would not be impacted during and after construction.
9. Existing bus lines on Burwood Highway would not be impacted during and after construction.
10. Due to the length of each extension, asset works would take:
    a. 2 years on the Route 3 extension
    b. 5 years on the Route 48 extension
    c. 5 years on the Route 75 extension.
11. Delivering a Victorian integrated transport plan would incur no additional costs.

Method

When costing this policy, we:

- determined the length of tram track to be extended
- determined the intersections that would be upgraded
- determined the tram stops that would be constructed
- estimated the unit costs of tram track extension and tram stops, based on similar projects
- applied the unit costs to the length of extension and number of new tram stops
- estimated the maintenance operating costs based on similar infrastructure projects
- estimated the farebox revenue that would be generated from new tram services.

Data sources

- AECOM/PwC. 2016. IV options assessment – Supplement B: Cost and contribution assessment. [ONLINE] Available at: https://www.infrastructurevictoria.com.au/wp-content/uploads/2019/04/AECOM-PwC-Supplement-B-v2-1.pdf [Accessed 19 December 2022]
- Google. 2022. Google Maps. [ONLINE] Available at: https://www.google.com/maps [Accessed 19 December 2022]
- Information provided by the Department of Transport
- Yarra Trams. 2022. Timetables & routes. [ONLINE] Available at: https://yarratrams.com.au/route-guides [Accessed 19 December 2022]

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	0.3	0.3	0.3	3.6	3.7	3.8	3.9	4.0
Expense	-	-	-	1.0	1.1	1.1	13.1	13.4	13.7	14.0	14.4
Net operating balance	-	-	-	-0.8	-0.8	-0.8	-9.5	-9.7	-9.9	-10.2	-10.4
Assets	-	34.3	83.9	74.8	76.7	26.2	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-34.3	-83.9	-75.6	-77.5	-27.0	-9.5	-9.7	-9.9	-10.2	-10.4

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	0.3	0.6	0.9	4.5	8.2	12.0	15.9	19.8
Expense	-	-	-	1.0	2.1	3.2	16.4	29.8	43.5	57.6	71.9
Net operating balance	-	-	-	-0.8	-1.5	-2.3	-11.9	-21.6	-31.5	-41.7	-52.1
Assets	-	34.3	118.1	193.0	269.6	295.8	295.8	295.8	295.8	295.8	295.8
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-34.3	-118.1	-193.7	-271.2	-298.2	-307.7	-317.4	-327.4	-337.5	-347.9

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

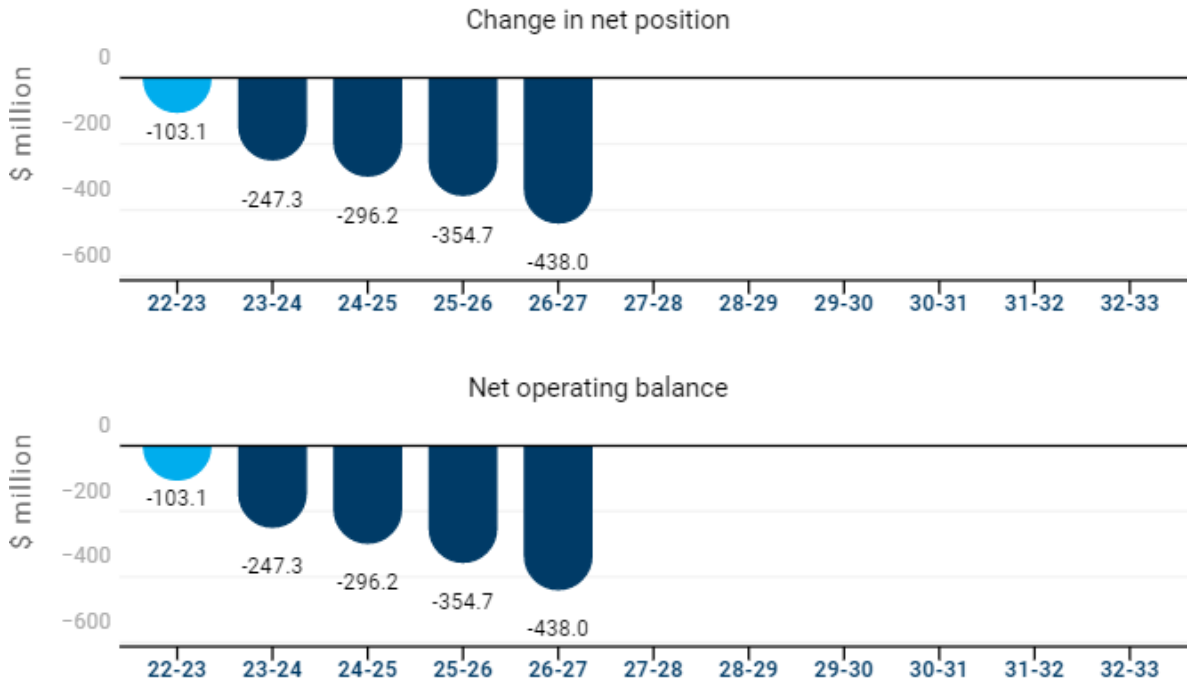
Publicly-announced policy costing

Cap local public transport fares to $2 full-fare $1 concession fare

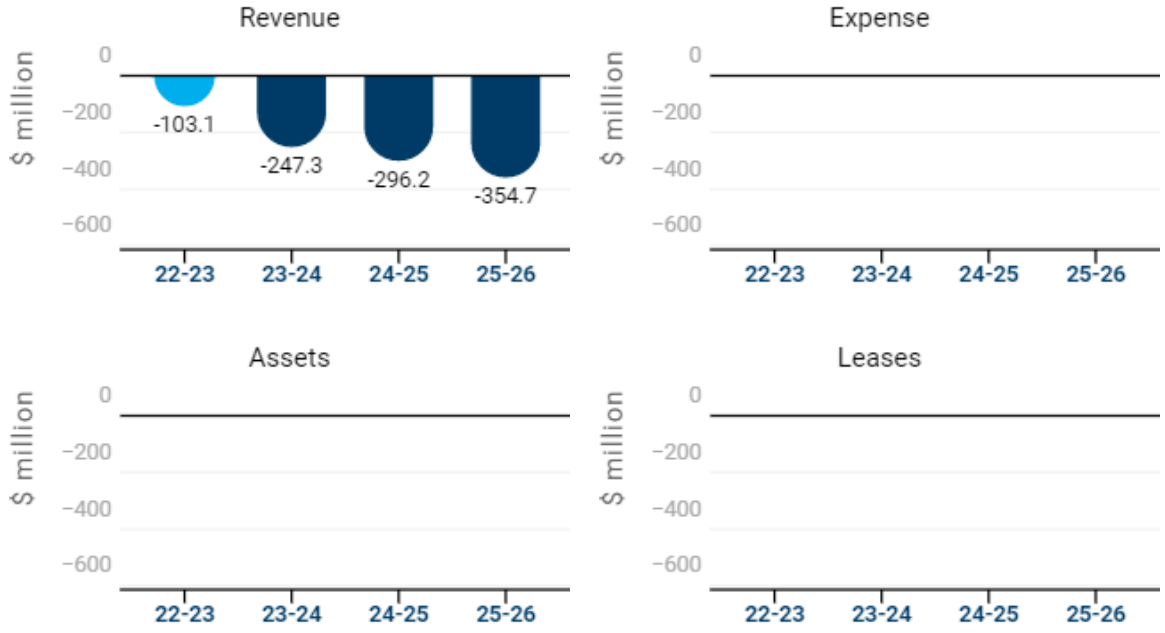
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to, enacting a 4-and-a-half-year policy to cap daily maximum public transport fares at: ▪ $2 for full fare paying passengers ▪ $1 for concession fare paying passengers. This policy would not include V/Line services.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Context

Victoria's public transport system operates on a zone-based fare system:

- Zones 1 and 2 cover metropolitan Melbourne – roughly a 50 km radius from the central business district.
  - The daily cap for travel for a full fare-paying patron is $9.20 and the concession fare is $4.60.
  - This applies to train, tram and bus travel.
- Zones 3 to 15 cover parts of regional and rural Victoria.
  - The bus full fare cap is $7.20 and the concession fare is $3.60.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $1,001.3 million across 2022–23 to 2025–26
- $1,439.4 million across 2022–23 to 2032–33.

This is due to a decrease in revenue from the reduction in public transport prices, partially offset by an increase in revenue from increased demand for public transport travel.

This cost estimate is sensitive to fare price changes and patronage demand.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Post COVID-19, public transport revenue would reach around 80% of pre-COVID-19 levels by 2026–27 and thereafter increase in line with the Victorian budget's population and consumer price index projections (trend).
2. This policy would not be affected by increases in capital and operating costs for the public transport system resulting from trend increases in patronage.
3. Peak patronage in 2018–19 represents the capacity of the network.
4. Increased patronage resulting from the change in fare price is capped at 2018–19 peak-period levels and therefore there is no increase in capital or operating costs of the public transport system.
5. Increased patronage resulting from the change in fare price affects full fare patronage first and then concession fare patronage.
6. Additional patrons take 2 trips per day on average.
7. Concession and full-fare patronage proportions would remain constant.

8. Metropolitan public transport patronage responds as price elasticity estimations suggest.
9. There is no metropolitan modal substitution effect as the price of all public transport modes are changing by the same amount.

Method

When costing this policy, we:

- estimated the impact of COVID-19 on public transport usage and the rate of patronage return in following years
- estimated the revenue foregone from existing patrons from a reduction in public transport
- estimated the additional patronage resulting from a reduction in fare prices
- estimated the revenue increase from new patrons using public transport due to reduced fare prices
- escalated the revenue foregone by relevant indexation.

We applied a part-year impact to the first year of this policy to reflect a proposed 1 January 2023 commencement date.

Data sources

- Australian Bureau of Statistics. 2022. Fewer Australians using public transport after COVID-19. [ONLINE] Available at: https://www.abs.gov.au/media-centre/media-releases/fewer-australians-using-public-transport-after-covid-19. [Accessed 19 December 2022]
- Elsevier. Evidence of a post-COVID change in travel behaviour – Self-reported expectations of commuting in Melbourne. 2021. [ONLINE] Available at: https://www.sciencedirect.com/science/article/pii/S0965856421002391?via%3Dihub. [Accessed 19 December 2022]
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- Transport Victoria. 2022. Fares - Public Transport Victoria. [ONLINE] Available at: https://www.ptv.vic.gov.au/tickets/fares/. [Accessed 19 December 2022]
- The CIE. 2020. Estimating the social marginal cost of public transport in Victoria. [ONLINE] Available at: https://www.thecie.com.au/publications-archive/estimating-the-social-marginal-cost-of-public-transport-in-victoria. [Accessed 19 December 2022]

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-103.1	-247.3	-296.2	-354.7	-438.0	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-103.1	-247.3	-296.2	-354.7	-438.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-103.1	-247.3	-296.2	-354.7	-438.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-103.1	-350.4	-646.6	-1,001.3	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-103.1	-350.4	-646.6	-1,001.3	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-103.1	-350.4	-646.6	-1,001.3	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4	-1,439.4

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

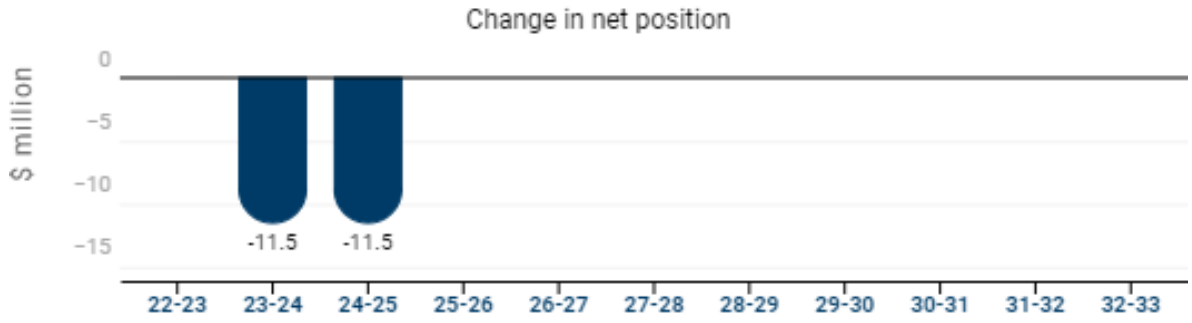
Publicly-announced policy costing

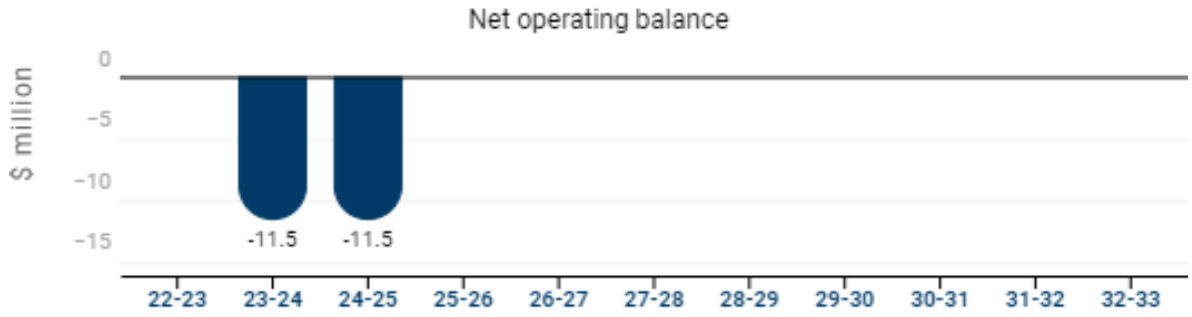
Capped airfares from Mildura to Melbourne

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2025
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $23.0 million to launch a trial to cap return airfares to Melbourne from Mildura at $100. Under the trial, Victorian's living within 150 km of Mildura would be eligible for 1 return airfare in 2022-23 and 1 in 2024-25.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

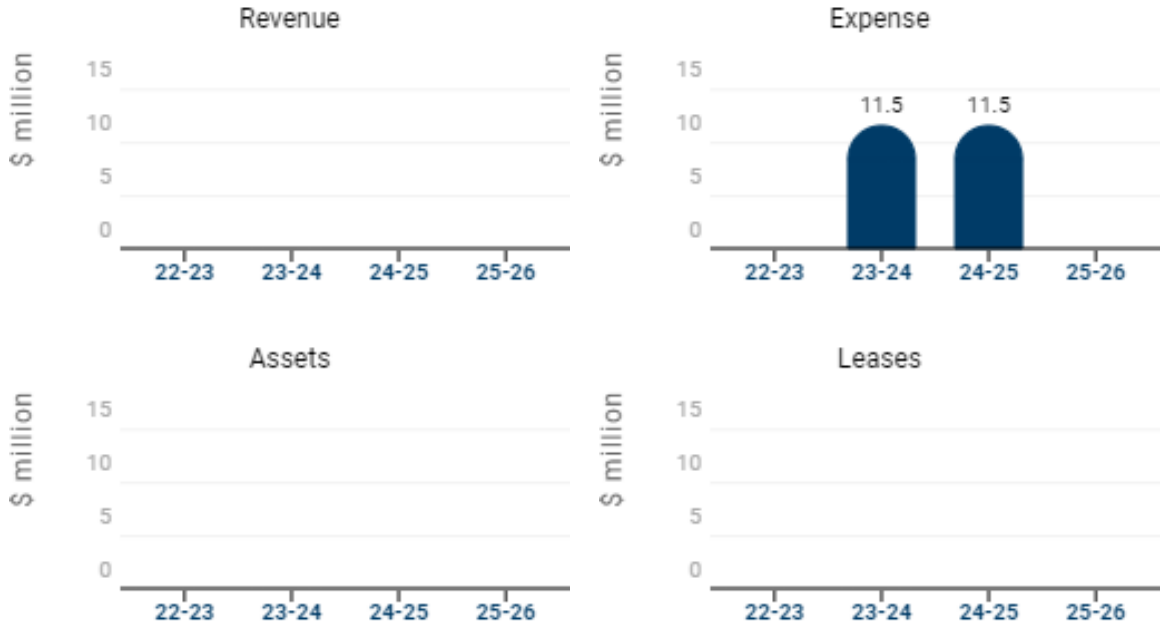
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $23.0 million across 2022–23 to 2025–26. This is entirely due to an increase in operating expenses from grant funding for the trial to cap return airfares to Melbourne from Mildura at $100.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The relevant department would absorb administrative costs.
2. Funding would be equally spread over 2 years and granted to the local council to implement the program.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	11.5	11.5	-	-	-	-	-	-	-	-
Net operating balance	-	-11.5	-11.5	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-11.5	-11.5	-	-	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	11.5	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Net operating balance	-	-11.5	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-11.5	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

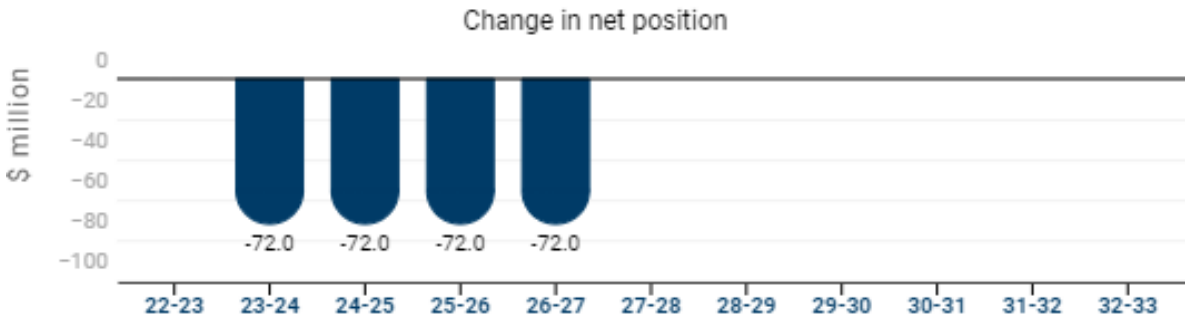
Publicly-announced policy costing

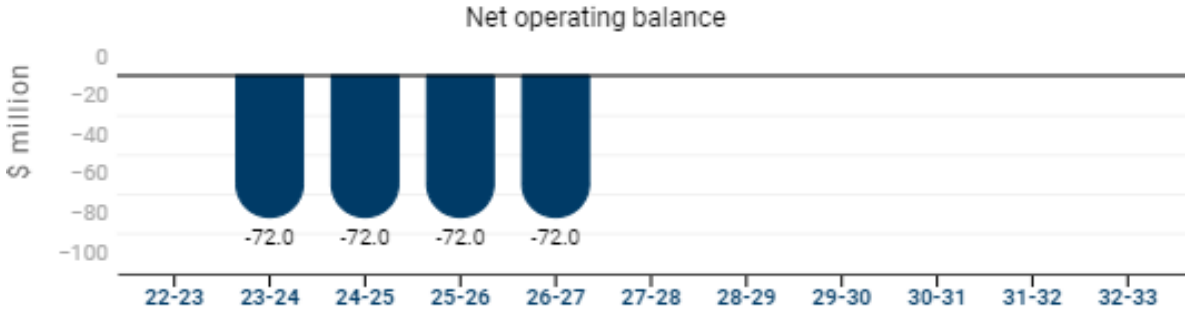
Country roads and bridges

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $288.0 million over 4 years to re-establish the Country Roads and Bridges Program. This would include $1.5 million in annual grants to Victoria's 48 regional councils to enhance the safety and quality of Victoria's regional road and bridge infrastructure.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

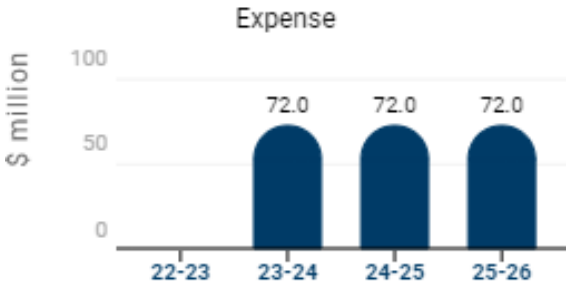
Budget impact

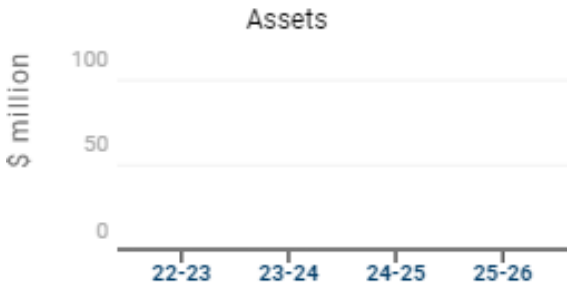


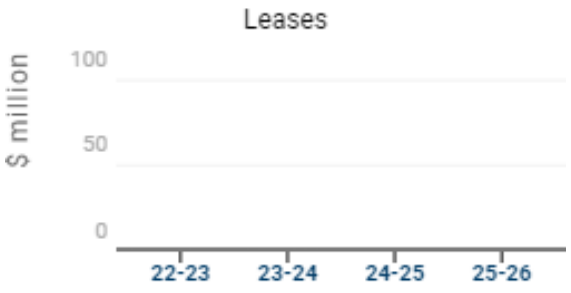


Costing components









Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $216.0 million across 2022–23 to 2025–26
- $288.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from grants provided to regional councils.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding and phasing specified in the election commitment.

Attachment A – Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	72.0	72.0	72.0	72.0	-	-	-	-	-	-
Net operating balance	-	-72.0	-72.0	-72.0	-72.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-72.0	-72.0	-72.0	-72.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	72.0	144.0	216.0	288.0	288.0	288.0	288.0	288.0	288.0	288.0
Net operating balance	-	-72.0	-144.0	-216.0	-288.0	-288.0	-288.0	-288.0	-288.0	-288.0	-288.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-72.0	-144.0	-216.0	-288.0	-288.0	-288.0	-288.0	-288.0	-288.0	-288.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

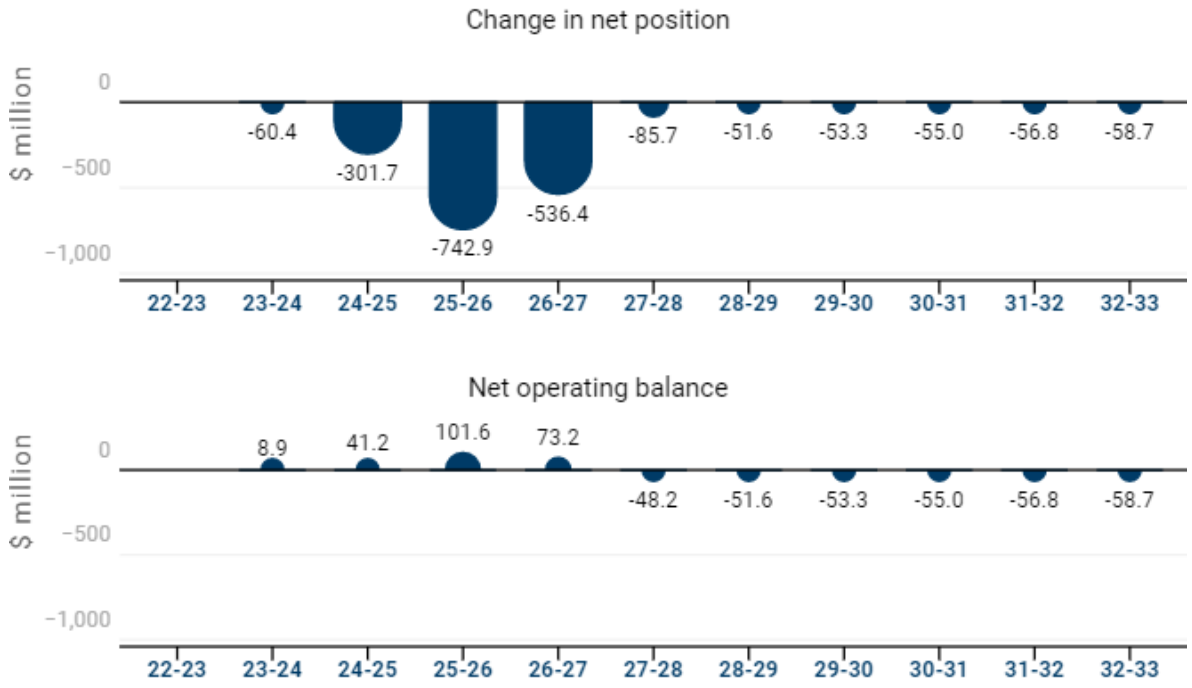
Publicly-announced policy costing

Frankston and Cranbourne rail extensions

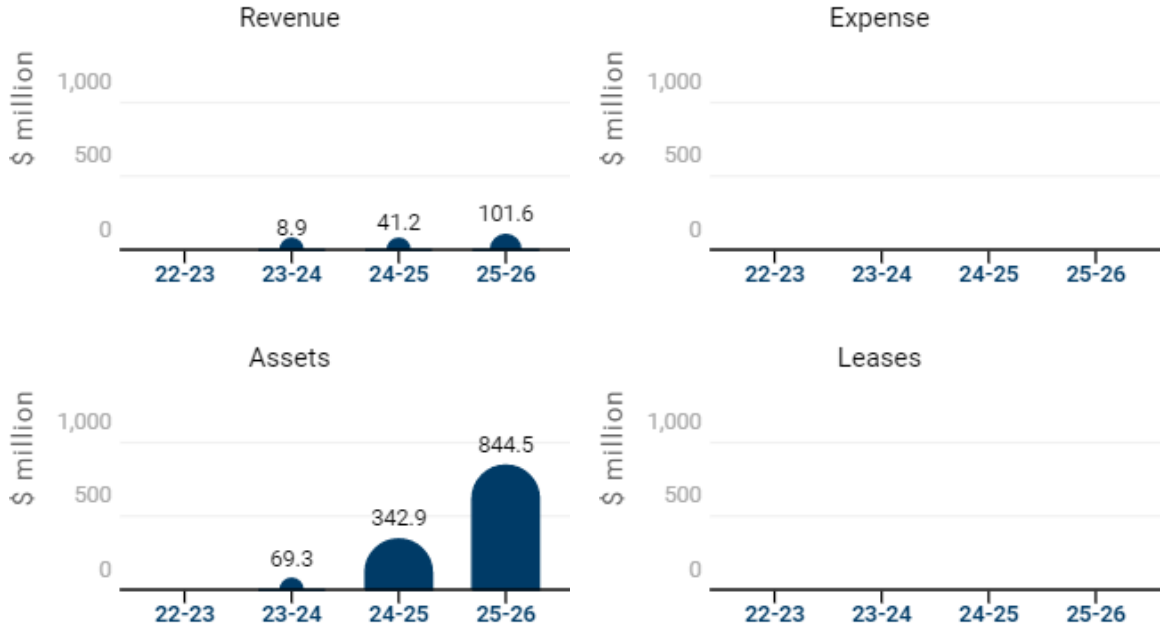
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to: ▪ extend the Frankston line to Baxter ▪ extend the Cranbourne line to Clyde.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Context

Frankston line extension to Baxter

The Stony Point line currently operates V/Line services and is single track between Frankston and Stony Point. There is 8 km of track between Frankston and Baxter on this line.

The Australian Government committed $225 million to the electrification of the track between Frankston and Baxter in the lead up to the 2018 Victorian general election. It continues to commit this amount and will release funding after a full business case is completed.

Cranbourne line extension to Clyde

The Cranbourne line runs from the Melbourne central business district to Cranbourne. Trains used to run to Clyde on the South Gippsland line until the government closed that section of track in 1993. The track still exists in parts but would need to be replaced to allow for metropolitan trains.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $1,104.9 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets $1,256.7 million due to rail and road infrastructure construction
  - an increase in revenue of $151.8 million due to funding from the Australian Government
- $2,002.5 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets $1,903.8 million due to rail and road infrastructure construction
  - an increase in operating expenses of $445.0 million due to maintenance of rail and road infrastructure and operation of new passenger services, partially offset by
  - an increase in revenue of $346.3 million due to funding from the Australian Government and farebox revenue from new train services.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $1,903.8 million from the commencement of asset works in 2023–24 to completion in 2027–28.

This cost estimate is sensitive to:

- the final design and profile of the project
- changes in forecast escalation of rail and road project costs
- changes in funding commitments from the Australian Government
- changes in uptake of new services.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

Baxter electrification

1. The project would be of similar scope (excluding bus infrastructure) to the Baxter electrification option in the Baxter Electrification preliminary business case, prepared by the Level Crossing Removal Authority, on behalf of the Department of Transport, for the Australian Government.
2. There would be 6 level crossing removals as part of the extension.
3. Leawarra Station would be removed and replaced with a station at Frankston South closer to Frankston Hospital.
4. Australian Government funding allocation would use the same profile of the electrification works.
5. The volume of new metropolitan services between Frankston and Baxter would be consistent with the current volume of services on the Frankston line.
6. The existing V/Line train services between Frankston and Baxter would cease, with V/Line train services continuing between Baxter and Stony Point.

Clyde extension

7. No land acquisition would be required.
8. Consistent with similar track extension projects and rail construction work:
    a. Additional stations would be required along the length of the extension. In this project, there would be new stations at Cranbourne East and Clyde.
    b. Grade separations would be required on 6 roads between Cranbourne Station and a new station at Clyde. Road over rail separations were selected where possible to minimise cost.
    c. The existing Cranbourne Station would be upgraded.
    d. A stabling yard would be constructed at the end of the line, in Clyde.
9. The volume of services between Cranbourne and Clyde would be consistent with the current volume of services on the Cranbourne line.

Method

When costing this policy, we:

- determined the distance of track to be extended and the location of new stations to be constructed
- determined the appropriate grade separation required for each of the roads that would intersect with the new rail extensions
- estimated the unit costs of constructing a rail extension, based on similar projects
- applied the unit cost to the extensions from Frankston to Baxter, and from Cranbourne to Clyde

- allocated the Australian Government funding as revenue and determined the profile of when the funding would be received
- estimated the costs of line-specific upgrades that would be required
- estimated the maintenance operating costs based on similar infrastructure operating costs
- estimated the costs of operating new metropolitan train services to Baxter and to Clyde
- estimating cost savings from removing V/Line services between Frankston and Baxter
- estimated the additional fare revenue from operating new metropolitan train services to Baxter and Clyde.

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Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	8.9	41.2	101.6	73.2	18.1	19.4	20.0	20.6	21.3	22.0
Expense	-	-	-	-	-	66.3	71.0	73.3	75.7	78.1	80.7
Net operating balance	-	8.9	41.2	101.6	73.2	-48.2	-51.6	-53.3	-55.0	-56.8	-58.7
Assets	-	69.3	342.9	844.5	609.7	37.5	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-60.4	-301.7	-742.9	-536.4	-85.7	-51.6	-53.3	-55.0	-56.8	-58.7

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	8.9	50.1	151.8	225.0	243.1	262.4	282.4	303.0	324.3	346.3
Expense	-	-	-	-	-	66.3	137.3	210.6	286.2	364.4	445.0
Net operating balance	-	8.9	50.1	151.8	225.0	176.8	125.1	71.8	16.8	-40.0	-98.7
Assets	-	69.3	412.2	1,256.7	1,866.4	1,903.8	1,903.8	1,903.8	1,903.8	1,903.8	1,903.8
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-60.4	-362.0	-1,104.9	-1,641.4	-1,727.1	-1,778.7	-1,832.0	-1,887.0	-1,943.9	-2,002.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

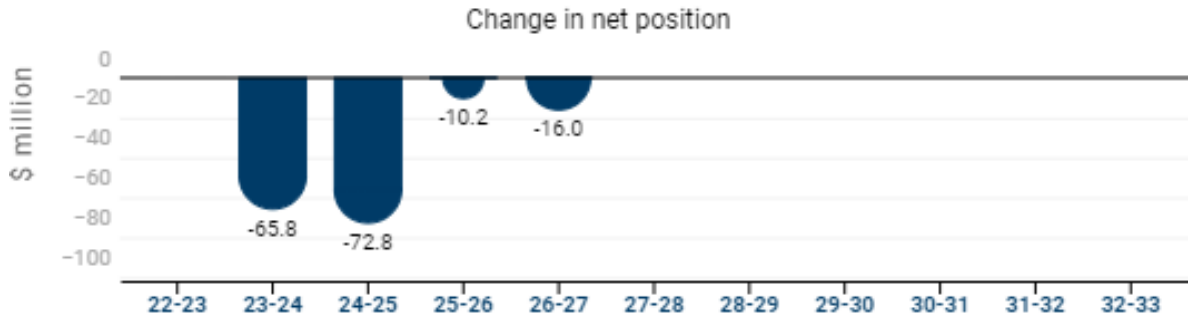
Publicly-announced policy costing

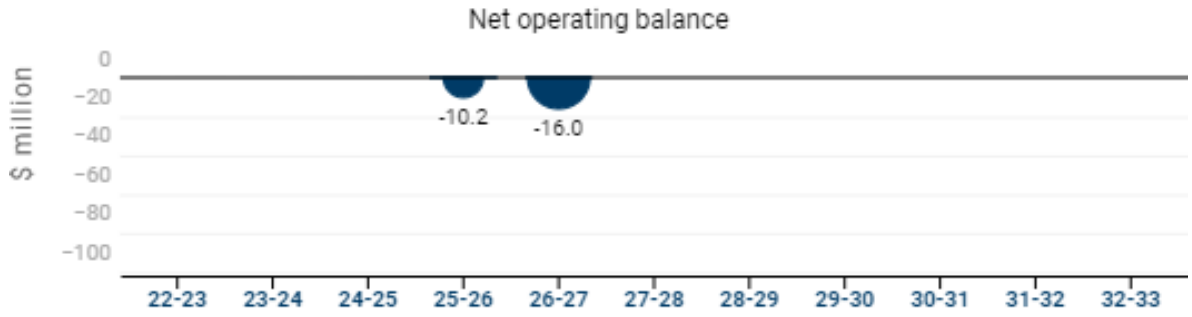
Geelong metro

Political party	Liberal Nationals Victoria
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed $164.8 million to: ▪ introduce new commuter services from Geelong to Colac, Bannockburn, and Werribee ▪ build new train stations at Bell Post Hill and Bannockburn ▪ reopen the rail platform at Moriac ▪ build a new siding and turnout track at Bannockburn ▪ plan with local bus operators to align rail and bus timetable schedules ▪ relocate all Sprinter railcars to the Geelong area ▪ order additional V/Locity trains to offset the loss of Sprinters on other lines. Asset works totalling $138.6 million would be completed by the end of 2024–25 while operational funding of $26.2 million would be provided from the following year.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

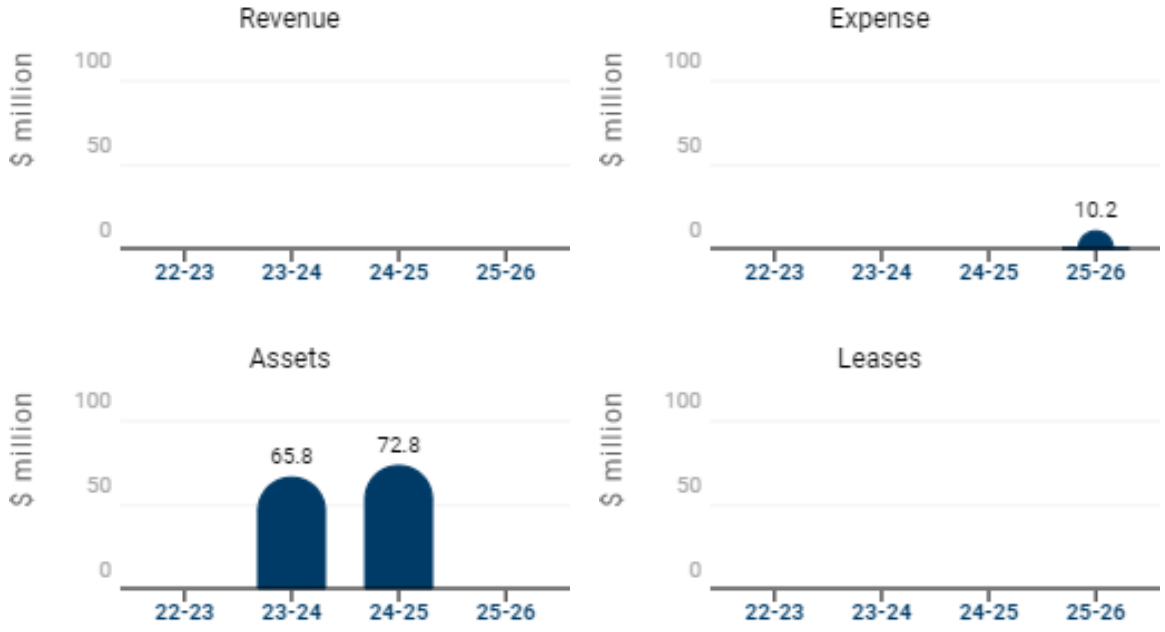
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

Currently, Sprinter railcars are used for shorter shuttle services in and between the following areas across Victoria:

- Between Marshall, South Geelong and Geelong
- Ballarat and Bacchus Marsh
- Kyneton and Sunbury
- Seymour
- Traralgon
- Frankston and Stony Point.

This policy would relocate each of these services to the Geelong area.

The Yelta line is a freight line between Geelong and Mildura. Currently, the track is broad gauge between Geelong and Maryborough. Therefore, no trains would need to be regauged to operate services to Bannockburn.

Since 2016, services from Melbourne to Geelong have used the Regional Rail Link (RRL). The RRL bypasses the Werribee line, and residents in Werribee must travel to a station on the RRL in order to get to Geelong.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $148.8 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of $138.6 million due to building and upgrading stations, track works, and purchasing additional rollingstock
  - an increase in operating expenses of $10.2 million due to maintenance costs, operating additional services and planning with local bus operators
- $164.8 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of $138.6 million due to building and upgrading stations, track works, and purchasing additional rollingstock
  - an increase in operating expenses of $26.2 million due to maintenance costs, operating additional services and planning with local bus operators

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $138.6 million from the commencement of asset works in 2023–24 to completion in 2024–25.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed that the specified funding amount would incorporate administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Data sources

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Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	10.2	16.0	-	-	-	-	-	-
Net operating balance	-	-	-	-10.2	-16.0	-	-	-	-	-	-
Assets	-	65.8	72.8	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-65.8	-72.8	-10.2	-16.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	10.2	26.2	26.2	26.2	26.2	26.2	26.2	26.2
Net operating balance	-	-	-	-10.2	-26.2	-26.2	-26.2	-26.2	-26.2	-26.2	-26.2
Assets	-	65.8	138.6	138.6	138.6	138.6	138.6	138.6	138.6	138.6	138.6
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-65.8	-138.6	-148.8	-164.8	-164.8	-164.8	-164.8	-164.8	-164.8	-164.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

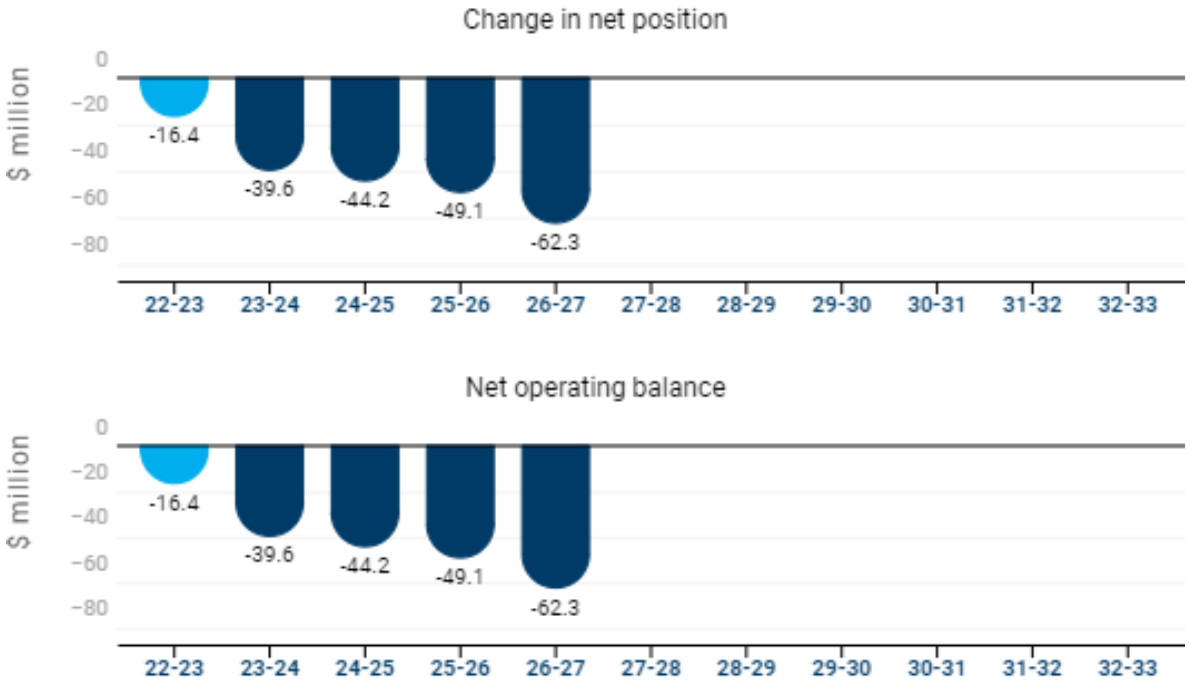
Publicly-announced policy costing

Halve V/Line fares

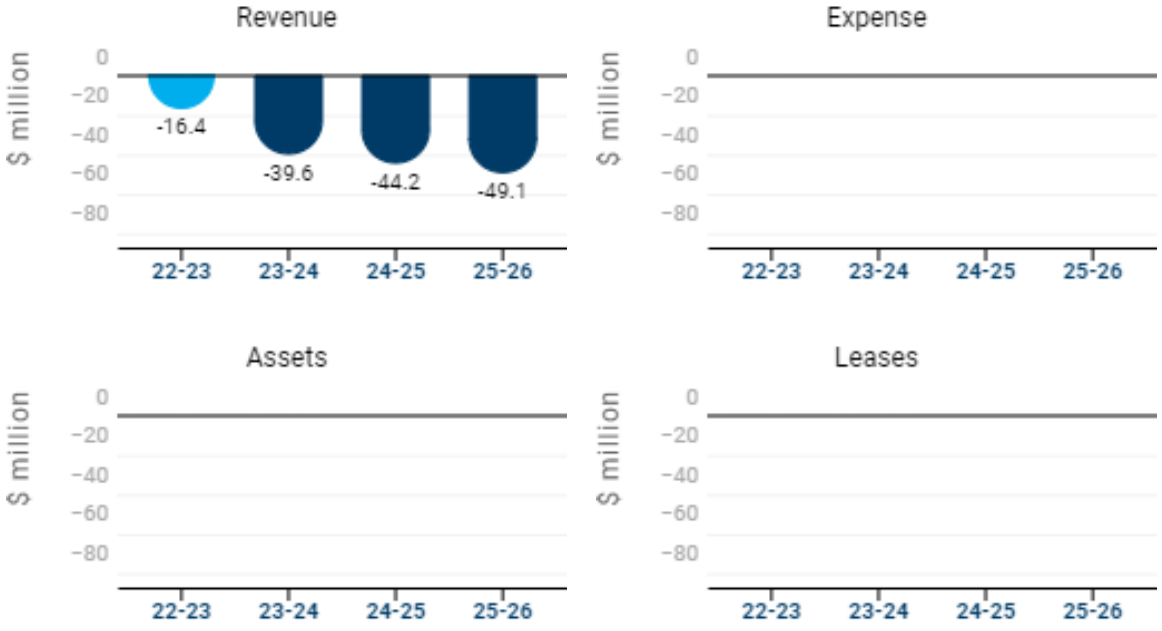
Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 January 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to enact a 4-and-a-half-year policy to: ▪ halve fares on V/Line public transport ▪ make V/Line unscheduled train replacement bus services free of charge.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Context

Victoria's public transport system operates on a zone-based fare system, with Zones 3 to 15 covering parts of regional and rural Victoria. Peak period V/line train and coach services daily fare caps range between $24.80 and $76.80. Peak period concession daily fare caps range between $12.40 and $38.40. Off-peak period V/line train and coach services daily fare caps are 70% of the peak period price.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $149.2 million across 2022–23 to 2025–26
- $211.5 million across 2022–23 to 2032–33.

This is entirely due to a decrease in revenue from a reduction in V/Line fare prices and the provision of free bus transport for V/Line patrons affected by unscheduled service disruptions, partially offset by an increase in revenue from higher V/Line patronage due to lower fare prices.

This cost estimate is sensitive to changes in fare prices and patronage demand.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Post COVID-19, public transport revenue would reach an estimated 80% of pre-COVID-19 levels by 2026–27 and thereafter increase in line with the Victorian budget's population and consumer price index projections (trend).
2. Increases in capital and operating costs for the public transport system resulting from trend increases in patronage do not affect this policy.
3. Peak patronage in 2018–19 represents the capacity of the network.
4. Increased patronage resulting from the change in fare price is capped at 2018-19 peak-period levels and therefore there is no increase in capital or operating costs of the public transport system.
5. Increased patronage resulting from the change in fare price affects full fare patronage first and then concession fare patronage.
6. Additional patrons take 2 trips per day on average.
7. The concession and full-fare patronage proportions would remain constant.
8. Regional public transport patronage responds as price elasticity estimations suggest.
9. V/Line rail and bus services have comparable elasticities and fare prices.
10. Journeys by additional patrons as a result of the reduced fares would reach the daily fare cap.

11. Unscheduled V/Line disruptions account for half of all service reliability issues.

Method

When costing this policy, we:

- estimated the impact of COVID-19 on public transport usage and the rate of patronage return in following years
- estimated the revenue foregone from existing patrons through a reduction in public transport fare prices
- estimated the additional patronage resulting from a reduction in fare prices
- estimated the revenue increase from new patrons using public transport because of the reduction in fare prices
- escalated the revenue foregone by relevant indexation
- estimated the proportion of V/Line services affected by unscheduled disruptions
- estimated the impact of providing free bus travel for patrons affected by unscheduled V/Line service disruptions.

We applied a part-year impact to the first year of this policy to reflect a proposed 1 January 2023 commencement date.

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Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-16.4	-39.6	-44.2	-49.1	-62.3	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-16.4	-39.6	-44.2	-49.1	-62.3	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-16.4	-39.6	-44.2	-49.1	-62.3	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-16.4	-56.0	-100.1	-149.2	-211.5	-211.5	-211.5	-211.5	-211.5	-211.5	-211.5
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-16.4	-56.0	-100.1	-149.2	-211.5	-211.5	-211.5	-211.5	-211.5	-211.5	-211.5
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-16.4	-56.0	-100.1	-149.2	-211.5	-211.5	-211.5	-211.5	-211.5	-211.5	-211.5

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

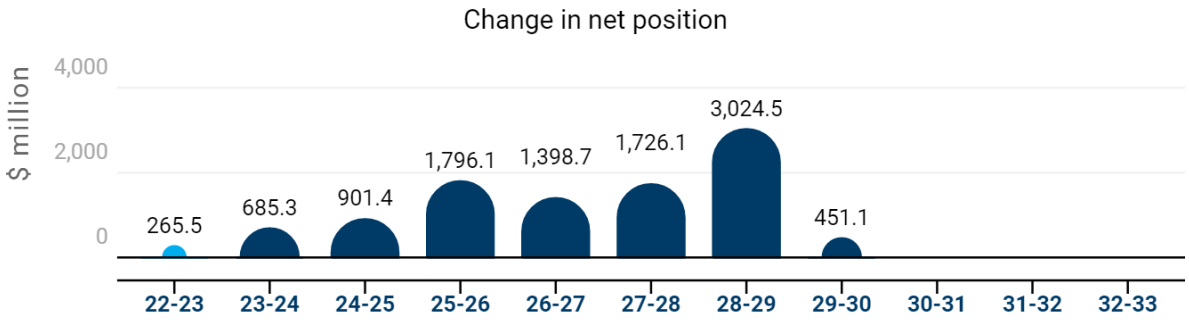
Publicly-announced policy costing

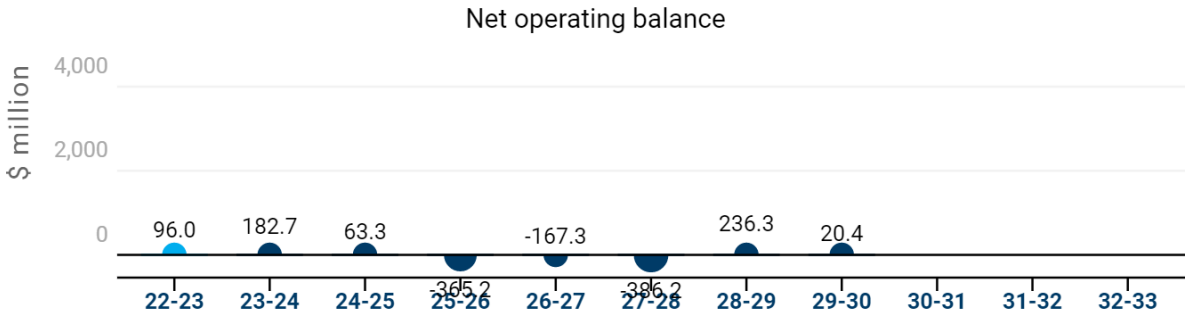
Immediately shelve the Suburban Rail Loop

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	27 November 2022
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to shelve the Box Hill to Cheltenham leg of the Suburban Rail Loop project. The Suburban Rail Loop Authority would also be dissolved. No works contracts would be terminated.
Election commitment	https://www.matthewguy.com.au/news/2022-11-24-srl-uncosted-and-unwanted
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

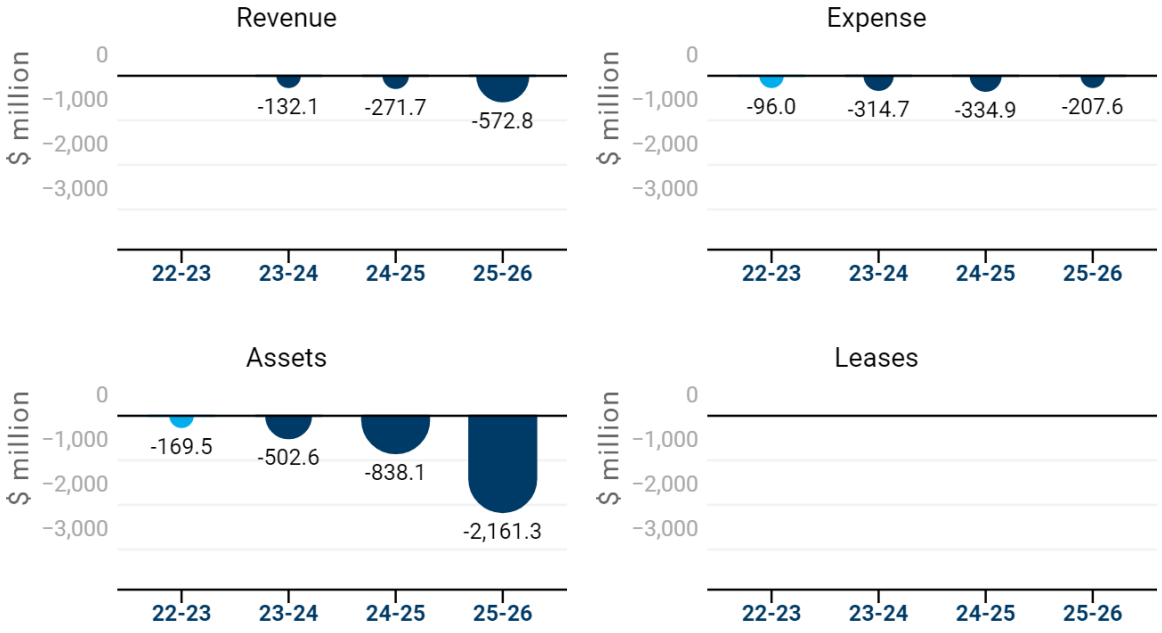
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

The Suburban Rail Loop (SRL) is a multi-stage infrastructure project that the Victorian Government first announced in 2018. The government plans to deliver the SRL in 3 sections over several decades:

1. SRL East – Cheltenham to Box Hill
2. SRL North – Box Hill to Melbourne Airport
3. SRL West – Melbourne Airport to Werribee.

Planning and initial works for the project commenced in 2019–20, with construction of SRL East commencing in 2022. The government expects SRL East to cost between $30–$34.5 billion, with first trains running in 2035.

The Victorian Government has committed $11.8 billion funding for the SRL to date, across multiple budgets, and the Australian Government has committed $2.2 billion for SRL East construction works over the next 5 years. The Prime Minister has stated that this funding cannot be used for any other purpose.

Costing overview

We expect this policy to increase the state's budgeted net position by:

- $3,648.3 million across 2022–23 to 2025–26, this reflects:
  - a decrease in assets of $3,671.5 million due to savings from ceasing SRL works
  - a decrease in expenses of $953.3 million due to savings from ceasing SRL works
  - partially offset by a decrease in revenue of $976.5 million due to forgone Australian Government funding
- $10,248.8 million across 2022–23 to 2032–33, this reflects:
  - a decrease in assets of $10,568.9 million due to savings from ceasing SRL works
  - a decrease in expenses of $1,879.9 million due to savings from ceasing SRL works
  - partially offset by a decrease in revenue of $2,200.0 million due to forgone Australian Government funding.

We expect that the Australian Government's $2.2 billion commitment is additional to the Victorian Government's $11.8 billion commitment. We expect that without this policy, the Australian Government contribution would be used for additional works beyond those already committed to by the Victorian Government.

This policy, to immediately shelve the SRL, would result in the Australian Government contribution being returned to the Australian Government and a budget saving to the Victorian Government recovering the unspent and uncommitted elements of its $11.8 billion commitment.

This cost estimate is sensitive to:

- the terms and conditions of SRL-related contracts
- the disbursement profile of Australian Government funding.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. Funds already spent would not be recoverable.
2. No substantive SRL East main works contracts would be entered into before policy commencement.
3. All SRL East main works project funding is for asset initiatives.
    a. As the project progresses, the Victorian Government would continue to reclassify a portion of expenditure as operating instead of capital.
4. The Department of Transport would subsume the Suburban Rail Loop Authority and retain its assets.
    a. Machinery of government changes would be implemented on 1 January 2023.
    b. All Suburban Rail Loop Authority staff would receive full retrenchment benefits.
5. The Victorian Government budget includes the Australian Government funding commitment of $2.2 billion for SRL East construction.
    a. Australian Government funding would be used for additional works not previously budgeted for, expanding the total estimated investment of this project.
    b. The Australian Government funding disbursement profile would match SRL East main works expenditure.
6. The Australian Government would not transfer committed SRL East construction funding to any other Victorian Government project.

Method

When costing this policy, we:

- determined the amount of funding committed to the project in the budget
- determined the cost and profile of delivering the project
- estimated the amount of funds already spent
- estimated the value of works already contracted
- estimated the cost of retrenchment benefits for all Suburban Rail Loop Authority staff
- calculated the amount of funds the policy would save.

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Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-132.1	-271.7	-572.8	-531.8	-691.6	-	-	-	-	-
Expense	-96.0	-314.7	-334.9	-207.6	-364.5	-305.4	-236.3	-20.4	-	-	-
Net operating balance	96.0	182.7	63.3	-365.2	-167.3	-386.2	236.3	20.4	-	-	-
Assets	-169.5	-502.6	-838.1	-2,161.3	-1,566.1	-2,112.3	-2,788.2	-430.8	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	265.5	685.3	901.4	1,796.1	1,398.7	1,726.1	3,024.5	451.1	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-132.1	-403.7	-976.5	-1,508.4	-2,200.0	-2,200.0	-2,200.0	-2,200.0	-2,200.0	-2,200.0
Expense	-96.0	-410.7	-745.7	-953.3	-1,317.8	-1,623.2	-1,859.5	-1,879.9	-1,879.9	-1,879.9	-1,879.9
Net operating balance	96.0	278.7	341.9	-23.2	-190.6	-576.8	-340.5	-320.1	-320.1	-320.1	-320.1
Assets	-169.5	-672.1	-1,510.2	-3,671.5	-5,237.6	-7,349.9	-10,138.1	-10,568.9	-10,568.9	-10,568.9	-10,568.9
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	265.5	950.8	1,852.2	3,648.3	5,047.0	6,773.1	9,797.7	10,248.8	10,248.8	10,248.8	10,248.8

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

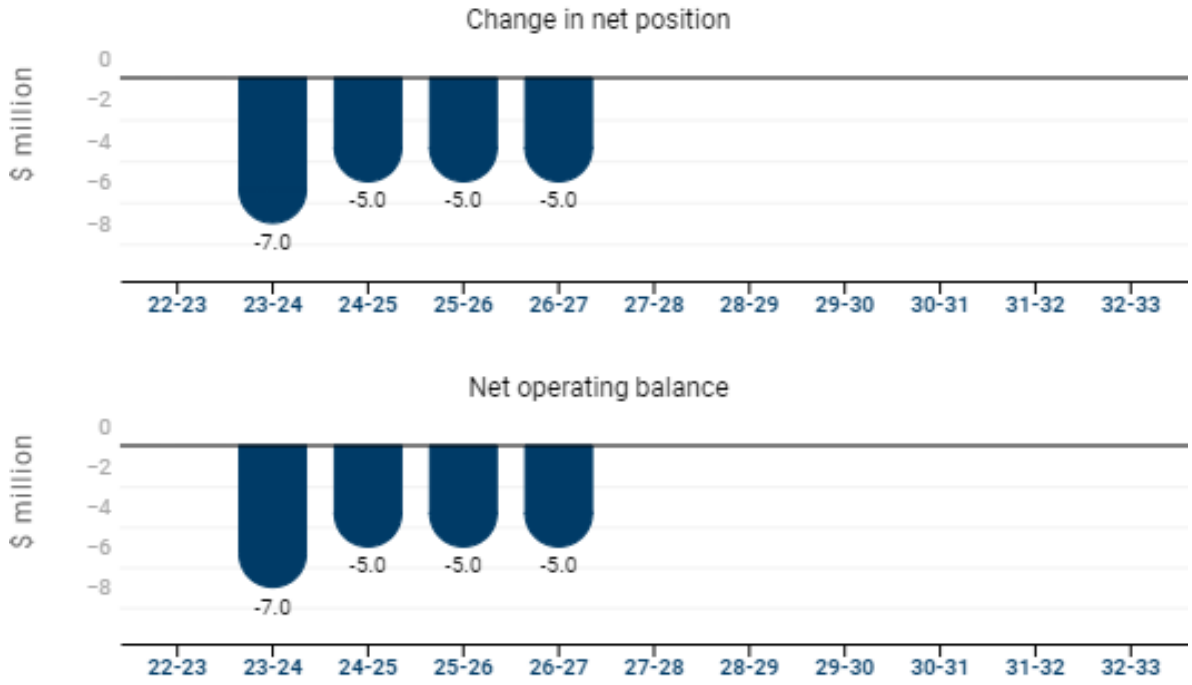
Publicly-announced policy costing

Mode shift incentive scheme and gold standard freight network

Political party	Liberal Nationals Victoria
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	Ongoing
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to provide: ▪ $20.0 million over 4 years for the Mode Shift Incentive Scheme ▪ $2.0 million to work with the Australian Road Research Board to produce a 'gold standard freight network' which will include full analysis of the busiest and most important freight routes across Victoria and assess what issues are preventing the running of more efficient trucks.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

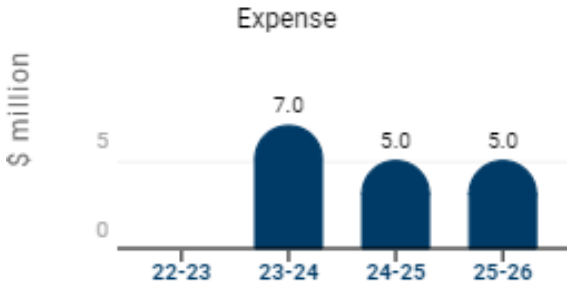
Our response

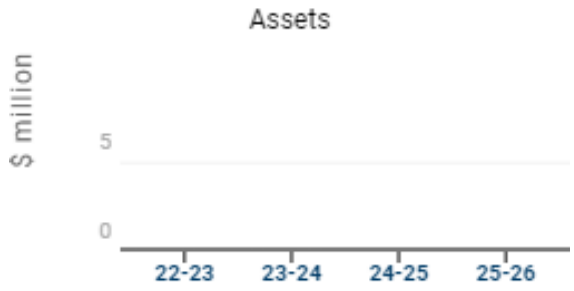
Budget impact

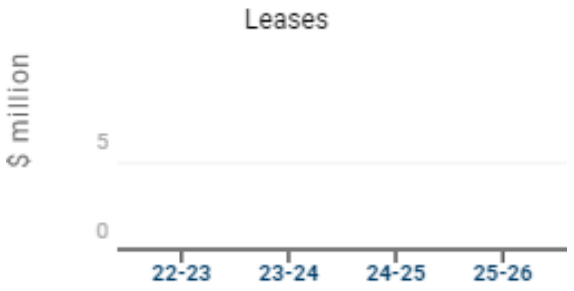


Costing components









Source: Parliamentary Budget Office.

Context

The Mode Shift Incentive Scheme (MSIS) aimed to reduce truck congestion on roads and ports by shifting containerised freight from road to rail.

The Australian Road Research Board (ARRB) collaborates with all levels of government and private sector organisations on road strategy. In 2022, the ARRB began expanding its work across all modes of transport and transitioning into the National Transport Research Organisation (NTRO).

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $17.0 million across 2022–23 to 2025–26
- $22.0 million across 2022–23 to 2032–33

This is entirely due to an increase in operating expenses from funding the MSIS and the gold standard freight network.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The specified funding amount would encompass administrative costs.
2. MSIS funding would be split evenly across the duration of the policy.

Method

We based this policy costing on the capped amount of funding specified in the election commitment.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	7.0	5.0	5.0	5.0	-	-	-	-	-	-
Net operating balance	-	-7.0	-5.0	-5.0	-5.0	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-7.0	-5.0	-5.0	-5.0	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	7.0	12.0	17.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Net operating balance	-	-7.0	-12.0	-17.0	-22.0	-22.0	-22.0	-22.0	-22.0	-22.0	-22.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-7.0	-12.0	-17.0	-22.0	-22.0	-22.0	-22.0	-22.0	-22.0	-22.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

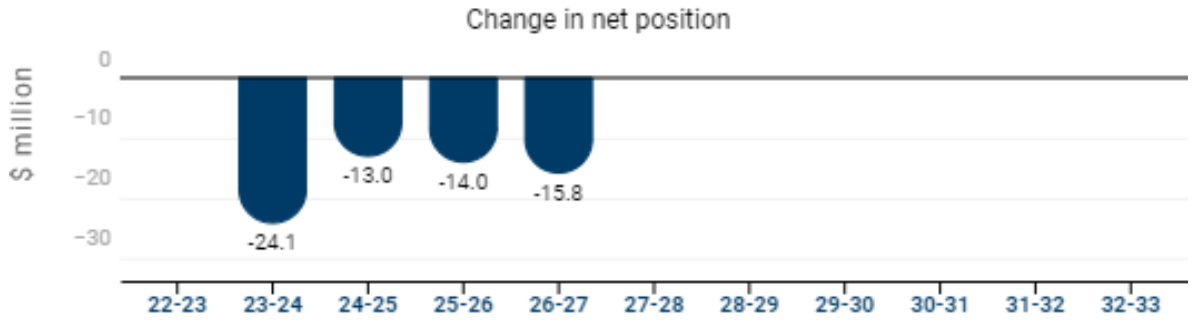
Publicly-announced policy costing

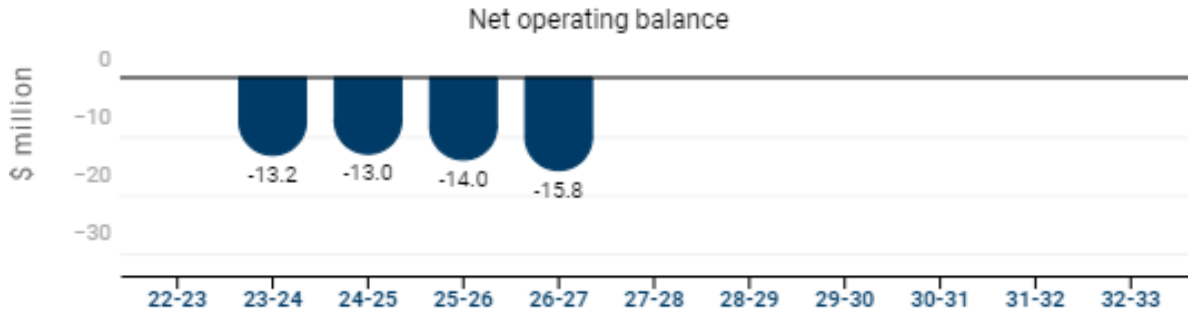
Road safety initiatives

Political party	Liberal Nationals Victoria
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2027
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed: ▪ $43.5 million to undertake an extra 2,500 random roadside drug tests each week ▪ $23.4 million to: – fund a comprehensive virtual driver training program via mobile 'road safety buses' that will reach 50,000 teenage learner drivers – invest in buses fitted out to enable the comprehensive virtual driver training program to be delivered regionally – review professional driver trainer requirements with a view to identifying areas for improvement – reinstate the bipartisan Parliamentary Road Safety Committee – introduce additional initiatives to bring rules for younger drivers into line with other states ▪ reduce the driving age to 17.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

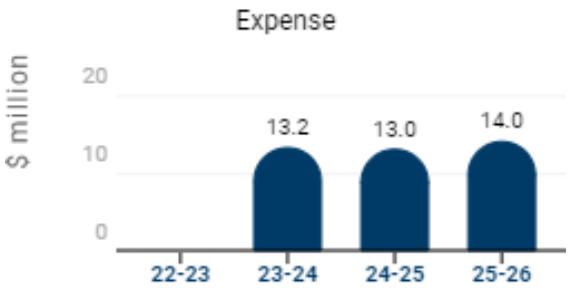
Budget impact

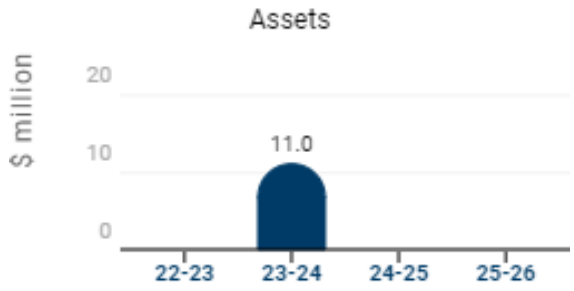


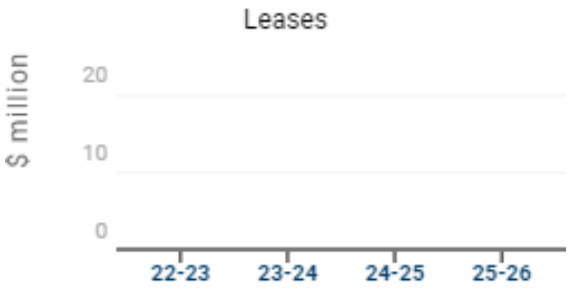


Costing components









Source: Parliamentary Budget Office.

Context

The Road Safety Committee is a former Joint Investigatory Committee of the Parliament of Victoria. In April 2015, it merged with the Law Reform, Drugs and Crime Prevention Committee and became the Law Reform, Road and Community Safety Committee.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $51.1 million across 2022–23 to 2025–26, this reflects:
  - an increase in operating expenses of $40.1 million from providing resources for roadside drug tests and operating the virtual driver training program
  - an increase in assets of $11.0 million from fitting out buses for the driver training program
- $66.9 million across 2022–23 to 2032–33, this reflects:
  - an increase in operating expenses of $55.9 million from providing resources for roadside drug tests and operating the virtual driver training program
  - an increase in assets of $11.0 million from fitting out buses for the driver training program.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of $11.0 million from works in 2023–24.

The financial implications of this policy are certain as they relate to specified capped funding. We made no judgement as to the efficacy of the funding specified to achieve the desired outcomes.

Our approach

Assumptions

When costing this policy, we assumed the specified funding amount would encompass administrative costs.

Method

When costing this policy, we

- accepted the capped amount of funding and phasing specified in the election commitment
- estimated the cost to provide additional roadside drug tests and assured the specified cost.

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	13.2	13.0	14.0	15.8	-	-	-	-	-	-
Net operating balance	-	-13.2	-13.0	-14.0	-15.8	-	-	-	-	-	-
Assets	-	11.0	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-24.2	-13.0	-14.0	-15.8	-	-	-	-	-	-

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	13.2	26.1	40.1	55.9	55.9	55.9	55.9	55.9	55.9	55.9
Net operating balance	-	-13.2	-26.1	-40.1	-55.9	-55.9	-55.9	-55.9	-55.9	-55.9	-55.9
Assets	-	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-24.2	-37.1	-51.1	-66.9	-66.9	-66.9	-66.9	-66.9	-66.9	-66.9

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.

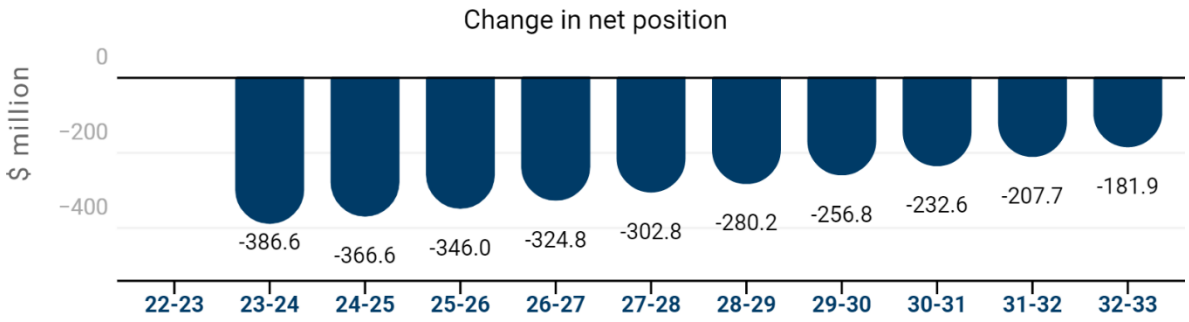
Publicly-announced policy costing

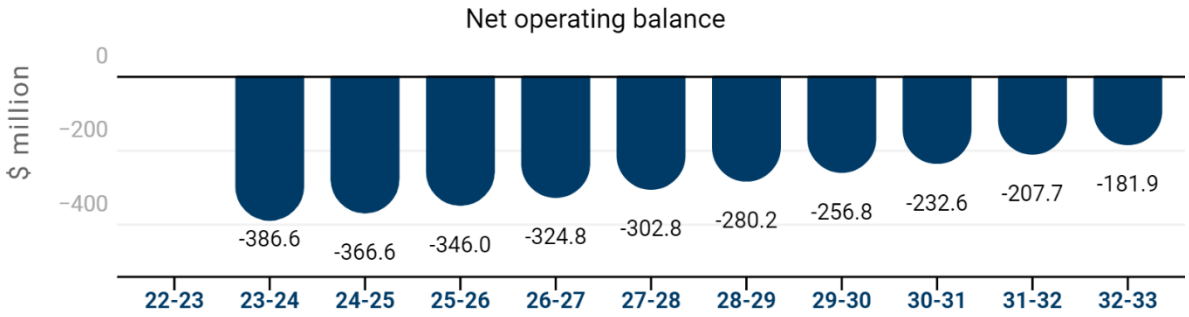
Ten billion in ten years on road maintenance

Political party	Liberals and Nationals
Parliamentary leader	The Hon. Matthew Guy MP
Policy commencement	1 July 2023
Policy conclusion	30 June 2033
Policy summary	On 24 November 2022, The Hon. Matthew Guy MP committed to increase investment in road maintenance to $10.0 billion over the coming decade, ensuring $1.0 billion per year for the department's Road Asset Management output.
Election commitment	https://pbo.vic.gov.au/response/2500
Budget baseline	November 2022 pre-election budget update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

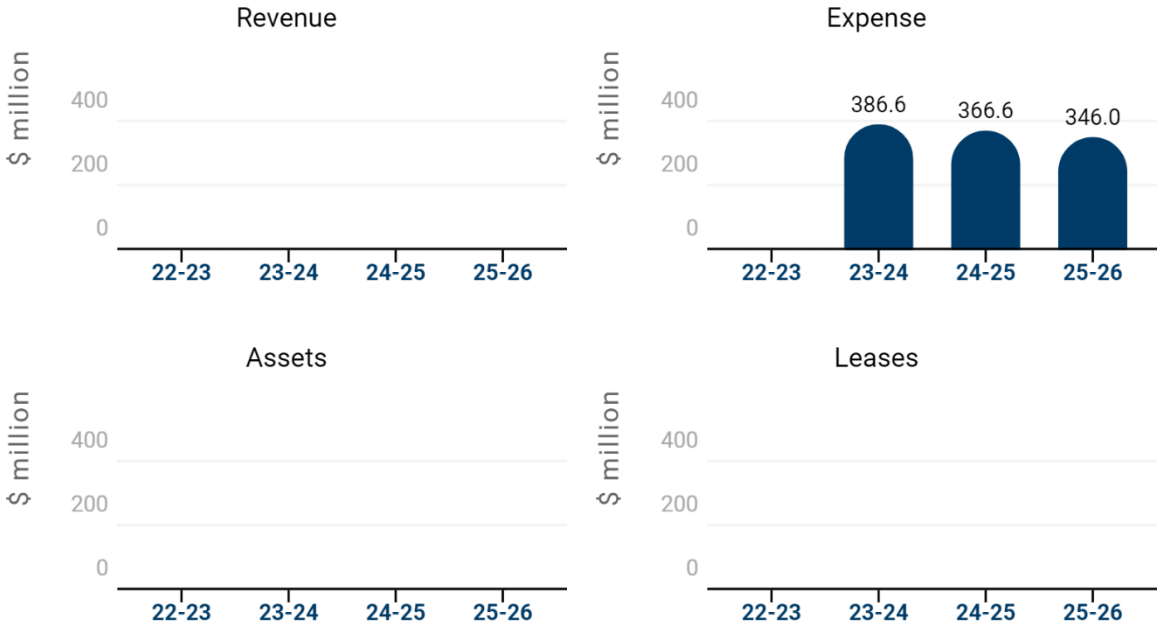
Our response

Budget impact





Costing components



Source: Parliamentary Budget Office.

Context

Road Asset Management is an output in the Victorian Budget that delivers programs and initiatives to maintain Victoria's freeways and arterial roads. In the 2022–23 budget, Road Asset Management output was allocated $592.7 million for 2022–23, with expected road maintenance output and asset expenditure of $780.0 million.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $1,099.2 million across 2022–23 to 2025–26
- $2,886.0 million across 2022–23 to 2032–33.

This is entirely due to an increase in operating expenses from increasing funding for road asset management.

The financial implications of this policy are sensitive to changes in:

- future spending on road asset management
- the Victorian wage price index (WPI).

Our approach

Assumptions

When costing this policy, we assumed that current funding for road asset management output would increase annually by the Victorian WPI.

Method

When costing this policy, we:

- estimated current yearly funding for road asset management
- calculated the total increase in yearly funding by deducting the current budgeted road asset management amounts from the amount of funding specified in the election commitment.

Data sources

- Victorian Budget 2022–23, Budget Paper No. 3 Service Delivery 2022–23

Attachment A– Detailed budget impacts

Year-on-year impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	386.6	366.6	346.0	324.8	302.8	280.2	256.8	232.6	207.7	181.9
Net operating balance	-	-386.6	-366.6	-346.0	-324.8	-302.8	-280.2	-256.8	-232.6	-207.7	-181.9
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-386.6	-366.6	-346.0	-324.8	-302.8	-280.2	-256.8	-232.6	-207.7	-181.9

Cumulative impacts

($ million)	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	386.6	753.2	1,099.2	1,424.0	1,726.8	2,007.0	2,263.8	2,496.4	2,704.1	2,886.0
Net operating balance	-	-386.6	-753.2	-1,099.2	-1,424.0	-1,726.8	-2,007.0	-2,263.8	-2,496.4	-2,704.1	-2,886.0
Assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-386.6	-753.2	-1,099.2	-1,424.0	-1,726.8	-2,007.0	-2,263.8	-2,496.4	-2,704.1	-2,886.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.