

OVERVIEW

2021-2022
STATE BUDGET

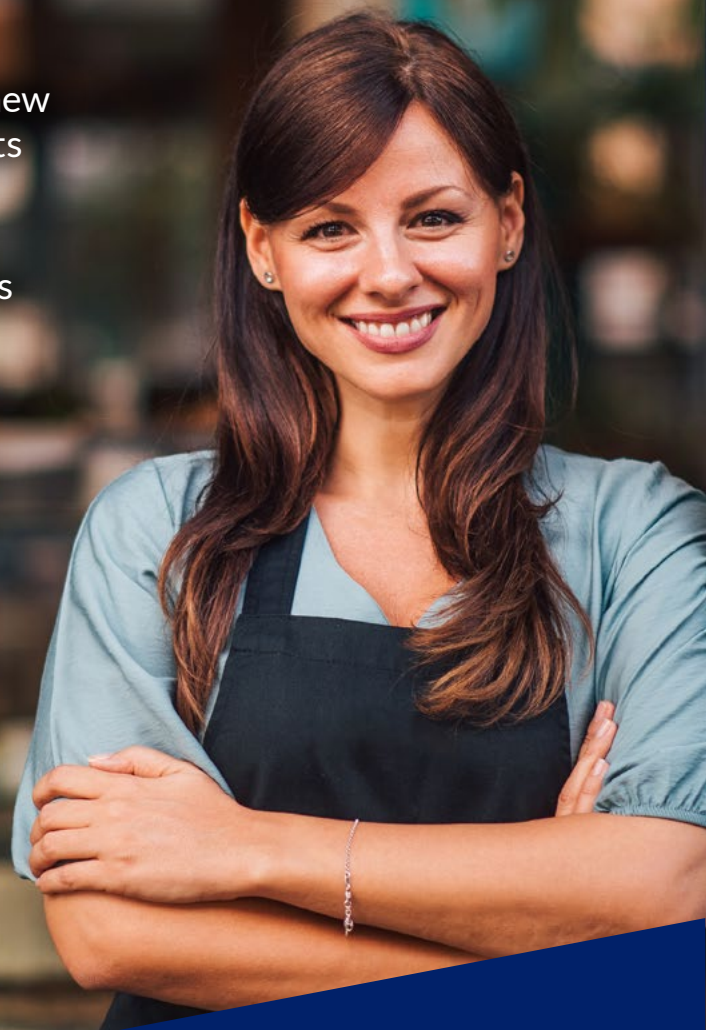


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State Budget 2021 - 2022 Small Business and Regional Overview



FOREWORD



The 2021-22 Victorian Budget is a third-year fiscally-responsible budget of restrained, yet targeted spending which largely reflected our budget submission; to enable, grow and ease the conditions necessary for business prosperity. It ticks a lot of boxes for business in the areas of job creation, addressing skills gaps, powering innovation and manufacturing, and creating more inclusive workplaces for women.

The Victorian Chamber is pleased that the Budget recognised that COVID-19

disproportionately impacted certain sectors including the visitor economy, CBD businesses, international education, events, and the arts.

The Budget acknowledged that regional Victoria spurred our recovery from COVID-19, with significant funding to enable regional communities to continue on that trajectory. It's a great budget for regional businesses which now have the lowest payroll tax rate in the country.

Every Victorian will welcome the once in a generation reform to our mental health system and we should not underestimate the flow on effects that a fit for purpose system will have on our society and economic growth. However, business is once again going to pick up the bill during a period when costs on major projects are blowing out. The Victorian Chamber is concerned about the impact on Victoria's credentials as the best place in Australia to operate a business.

Business is not only the engine room of the economy, they're also the heart of our communities. The State Government needs to stop treating business as a fund of last resort.

Next year, we expect to see a pre-election Budget with a further focus on business and jobs which will be needed to propel our economy. There was an opportunity missed in the Budget to change stamp duty for a more efficient and equitable property tax. The Victorian Chamber will continue to lead the advocacy for this important structural economic change.

Paul Guerra
Chief Executive,
Victorian Chamber of Commerce and Industry



**WATCH PAUL GUERRA'S
REVIEW HERE!**

2021-22 State Budget Review with VCCI Chief Executive Paul Guerra



KEY BUDGET INITIATIVES

ENABLE

Victorian businesses are efficient and have become even more resilient since COVID-19 hit. They will be aided by having access to the skills they need through further funding for apprenticeships, and further infrastructure spending.

Skills & Training

- > \$393.8 million investment in skills, training and higher education including:
- > \$85.9 million to establish a new Victorian Skills Authority.
- > \$88.8 million to provide subsidised VET to eligible students.
- > \$99.2 million to boost funding rates for TAFES.
- > \$72.4 million to upgrade TAFE campuses, including Bendigo Kangan Institute Broadmeadows campus and \$10.7 million to redevelop the GOTAFE Shepparton campus.
- > \$12 million to make sure TAFES have the modern equipment and tools to teach apprentices and trainees
- > \$14.9 million for placement officers to better coordinate mandatory practical placements for TAFE students.
- > \$6.2 million to increase places for pre-accredited digital literacy and employability training courses.
- > \$51 million to support recovery in international education, including expanding the Global Education Network and Offshore Study hubs.

Energy

- > \$2.1 million in funding provided to the Essential Services Commission (ESC) to support trials of innovative energy products and services.
- > \$600,000 to support for the expansion of the Victorian Energy Upgrades program.

Infrastructure

- > \$1.6 billion for school infrastructure, including upgrades at 52 schools, building 13 new schools and additional stages at three further schools, and expanding six more across Victoria
- > \$265 million to plan, upgrade and maintain suburban, rural and regional roads
- > \$349.6 million to deliver an additional 82 secure mental health beds and supporting infrastructure through major works at Thomas Embling Hospital.
- > \$101.1 million investment to build a purpose-built Home of the Matildas with a state-of-the-art facility for La Trobe University's Bundoora Sports Park in a major advancement for women's sport in Australia.
- > \$31.7 million for Parks Victoria.

ENABLE

SKILLS AND TRAINING

Victorian Skills Authority

- > \$85.9 million to establish a new Victorian Skills Authority to coordinate teaching and training across the VET sector.
- > Building on the work of the Skills Commissioner, this investment will further drive innovation across the VET sector, delivering better planning for Victoria's future training needs and providing an integrated approach to the quality of teaching and training.
- > It will also lead the development of an annual Victorian Skills Plan to better guide our state's training delivery. The VSA is expected to be launched in July 2021 and is a key response to the recommendations in Skills for Victoria's Growing Economy led by former Federal Minister Jenny Macklin and reflecting recommendations by VCCI.

Subsidised VET to eligible students

- > \$88.8 million to provide subsidised VET to eligible students, including continuing the successful Asylum Seeker VET program, to improve people's skills and job opportunities as they build their new life in Victoria.
- > This will deliver up to an extra 12,200 training places, 7,400 of which are at TAFEs.

TAFE campus redevelopments

- > \$72.4 million to upgrade TAFE campuses as part of the Building Better TAFEs Fund, including:
 - > \$60 million to redevelop the Bendigo Kangan Institute Broadmeadows campus
 - > \$10.7 million to redevelop the GOTAFE Archer Street Shepparton campus.

Modern equipment for TAFEs

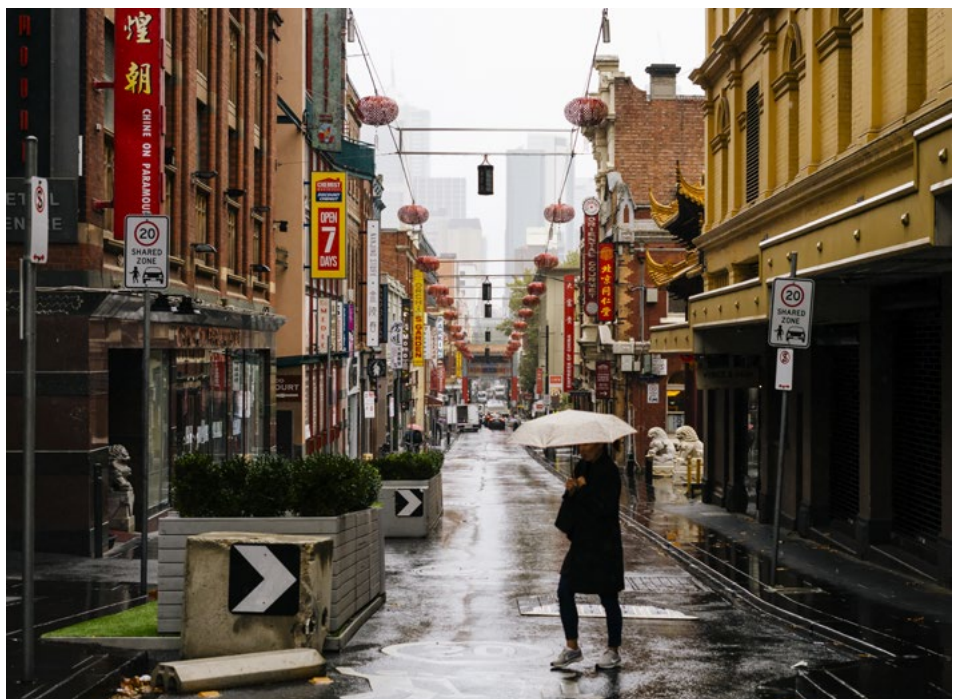
- > \$12 million will make sure our TAFEs have the modern equipment and tools they need to teach apprentices and trainees, such as mobile cranes and 3D Metal Printers

Placement officers

- > \$14.9 million means support for placement officers to better coordinate mandatory practical placements for TAFE students in areas such as allied health, community services and early childhood, education and training.
- > A new Office of TAFE Coordination and Delivery will be established in DET to enhance collaboration across the TAFE network.

Pre-accredited digital literacy and employability training courses

- > \$6.2 million will increase places for pre-accredited digital literacy and employability training courses, as well as enable a new literacy and numeracy assessment tool for TAFE and training providers, including Learn Locals.



Chinatown.



ENERGY

Expansion of regulatory activities of the Essential Services Commission (ESC)

- > \$2.1 million in funding provided to the Essential Services Commission (ESC) to support trials of innovative energy products and services, such as microgrids and virtual power plants, which are not currently permitted under energy rules. The ESC will also report on the outcomes of these trials and make recommendations to the Government on ways to further reduce red tape for the energy sector.

Expansion of the Victorian Energy Upgrades program

- > \$600,000 to support for the expansion of the Victorian Energy Upgrades program. Funding is provided to the ESC to support the recent expansion of targets to the Victorian Energy Upgrades program. This includes upgrades to the ESC's information technology system to give expanded services to program participants.

INFRASTRUCTURE

Metropolitan Roads Upgrades

Funding is provided for several upgrades on metropolitan roads to improve safety and travel times, and to develop high-priority projects for future upgrades, at locations including:

- > Springvale Road and Virginia Street intersection, Springvale;
- > Canterbury Road and Heathmont Road intersection, Heathmont;
- > Bulla Road and Tullamarine Freeway Interchange;
- > Somerton Road, Mickleham Road to Roxburgh Park Drive;
- > Craigieburn Road East, Hume Freeway Overpass to Epping Road;
- > York Road between Swansea Road and Monbulk Road, Mount Evelyn;
- > Derrimut Road, Hopkins Road and Boundary Road in Tarneit; and
- > Punt Road, Princes Highway East to Swan Street, Richmond.

Regional Roads Upgrades

Funding is provided for a number of upgrades on regional roads to improve network efficiency and road safety, and to develop high-priority projects, at locations including:

- > Western Freeway and Learmonth Road intersection;
- > Corridor Improvements, Surf Coast Highway;
- > Corridor Improvements, Bellarine Link Stage 1, Geelong;
- > Bunurong Road, Cape Paterson;
- > Traffic Controllers, Barwon Heads; and
- > Black Forest Drive, Woodend.

Central Pier Docklands redevelopment

- > \$3 million in funding is provided to develop the concept design and business case for demolition and redevelopment of Central Pier at Docklands.



Limestone mine in Melbourne, Australia.

Infrastructure & Manufacturing



\$3.2b

for public transport including maintenance and new trains to be manufactured in Ballarat.

GROW

KEY BUDGET INITIATIVES

GROW

We need Victorian businesses to grow in their current industries while also expanding into emerging ones. There is support for nearly all Victorian industries that will allow them to contribute to Victoria's economic growth.

Innovation & Commercialisation

- > \$179 million to deliver stage one of the Fishermans Bend Innovation Precinct.
- > \$1 million for digital infrastructure upgrade: Cremorne

Industry support & development including mental health

- > \$986 million to build 25 brand-new X'Trapolis trains.
- > \$288 million investment in the creative economy.
- > \$107 million for a Melbourne central business district economic package.
- > \$10 million for the Morwell Food Manufacturing Precinct to enable the centre to manage greater water and energy demands.
- > \$31 million in small business and industry guidance for COVID-19
- > \$5.4 million for a Defence Capture Plan
- > \$788 million to reduce the impact of bushfires on Victorian communities, the economy and the environment.
- > \$11.2 million for Puffing Billy to protect local jobs and support its operations as it recovers strongly and draws tourists and day-trippers by the thousands.
- > \$55 million to Visit Victoria for crucial new campaigns to draw visitors to Melbourne and across the state.

- > \$42.9 million for the Business Events Program
- > \$40.6 million to continue maximising local jobs and local content by enabling suppliers to compete for government projects.

Export Support

- > \$4.2 million to continue the operation of the Victorian Government Trade and Investment Network and the appointment of new investment professionals in strategic markets.
- > \$5 million for the Trade Mission Program.

Environment

- > \$10 million to enhance capability to drive progress towards Victoria's emissions reduction targets and support job creation in clean and competitive industries in Victoria.
- > \$8.4 million for resilient water markets, regional communities and infrastructure.
- > \$24.5 million supporting regional communities through healthy waterways.
- > \$2.8 million for the Port Phillip EcoCentre redevelopment
- > \$8.8 million for the Port Phillip Bay Fund to rehabilitate Port Phillip Bay ecosystems
- > \$31.7 million for Parks Victoria
- > \$76.6 million for the Environment Protection Authority.



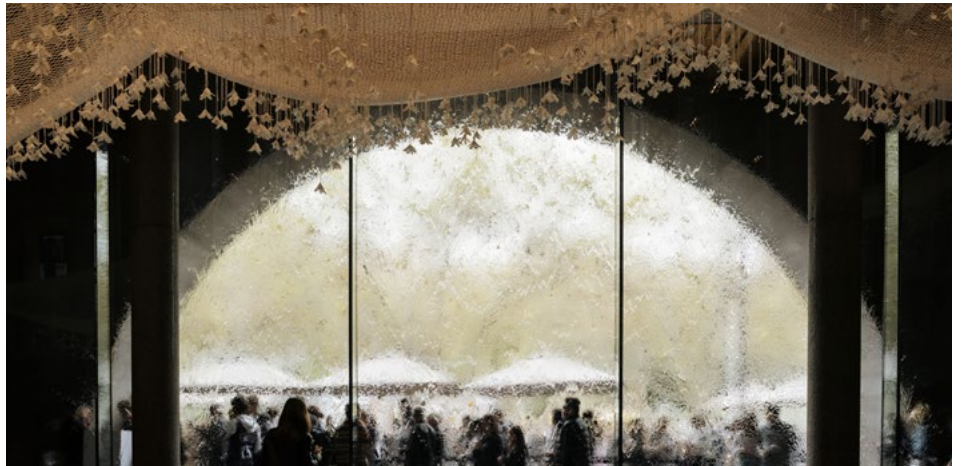
INNOVATION AND COMMERCIALISATION

Fishermans Bend Innovation Precinct

- > \$179 million to support stage one of the Fishermans Bend Innovation Precinct development at the former General Motors Holden site – four kilometres from the city centre.
- > As many as 300 people will work on the project at any one time, with close to 700 indirect jobs also supported. Stage one is expected to unlock developable land capable of supporting 2,000 jobs by 2024.
- > Fishermans Bend will house the University of Melbourne's School of Engineering from 2024 and the innovation precinct is forecast to be capable of supporting up to 30,000 STEM jobs by 2051.
- > The precinct will cement Victoria's status as a powerhouse of advanced manufacturing and support high-paid innovation jobs in defence, aerospace, clean energy and transport.

MRNA capability

- > \$50 million to secure and scale mRNA vaccine and therapeutic manufacturing capability in Victoria.
- > This will be facilitated through collaboration with the Commonwealth and world-leading experts from Monash University, the University of Melbourne, the Doherty Institute, other leading research institutes and industry partners.
- > The establishment of local a mRNA manufacturing capability will provide vaccine security, ensure manufacturing can be contracted locally to mitigate global supply chain risks and create a more robust defence against future pandemics.



NGV - Waterwall.



Prom Country Cheese.

Essential Skills for Businesses



\$384m

for TAFE training and infrastructure, and the establishment of the Victorian Skills Authority.

GROW

INDUSTRY SUPPORT AND DEVELOPMENT

International education recovery and growth

- > \$51 million to support recovery in international education, including expanding the Global Education Network and Offshore Study hubs.
- > This includes continuing the Study Melbourne brand, Study Melbourne Student Centre, and the Study Melbourne Inclusion and Empowered Programs. This initiative also continues delivery of the Global Education Network and Study Melbourne Hubs.

Maximising local jobs and local content

- > \$40.6 million to ensure that opportunities for local businesses and workers associated with government procurement are maximised.
- > The Office of the Local Jobs First Commissioner and Industry Capability Network Victoria will be resourced to oversee and enforce compliance with the Local Jobs First Act 2003 and the Local Jobs First Policy.
- > Funding is provided to support the operation of Ethical Clothing Australia and the accreditation process for the Ethical Supplier Register.
- > Funding is provided to establish the Fair Jobs Code Unit in the Department of Jobs, Precincts and Regions to support implementation of the Fair Jobs Code, including undertaking education and compliance activities.

Defence Capture Plan

- > \$5.4 million for Victoria's defence industry and supply chains to be supported to secure roles in delivering major defence contracts through advocacy, advisory and capability development activities.

Visitor economy

- > \$8.9 million to support new Visitor Economy Partnerships, driving more tourists to our regional communities.
- > \$55 million of funding to support Victoria's visitor economy through targeted drive, short-haul flight, long-haul flight and growth marketing campaigns to encourage tourism visitation
- > \$10 million distillery door grant scheme will continue to grow Victoria's distillery industry, supporting jobs and the visitor economy.
- > \$11.2 million for Puffing Billy to protect local jobs and support its operations as it recovers strongly and draws tourists and day-trippers by the thousands.

Business Events Program

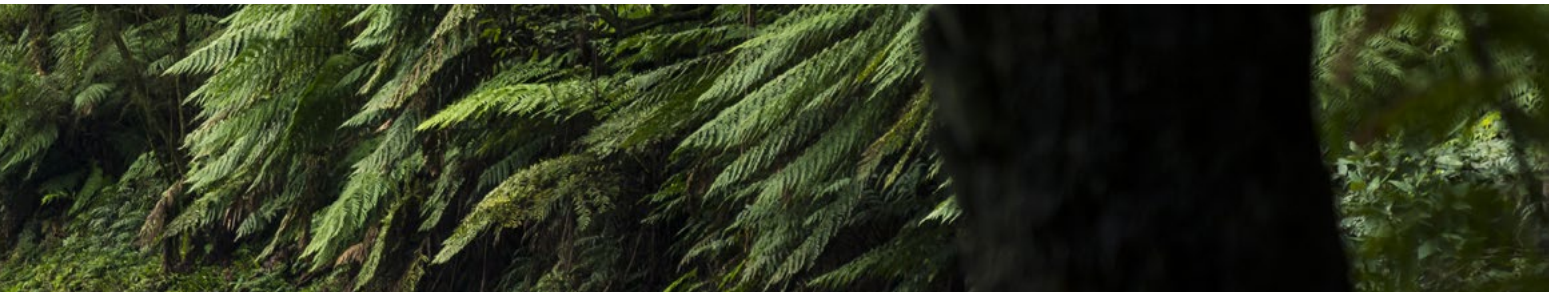
- > \$42.9 million to attract a strong pipeline of business events to Melbourne and regional Victoria.
- > As a high-yielding sector of the visitor economy, business events provide a pipeline of visitors during the off-peak and shoulder seasons and will continue to support the State's economic recovery.

Melbourne central business district economic package

- > \$107 million to help drive economic activity and revitalise Melbourne's central business district.
- > Including \$7.4 million for a new voucher scheme to entice Melburnians and visitors to city cafes and restaurants, and support CBD arts and cultural events.

Creative economy

- > \$288 million to boost Victoria's creative sector, including:
- > \$121 million to transform the Victorian screen industry by growing jobs, developing home-grown talent, and promoting our people and content to the world.
- > \$79 million to support institutions and the companies they support – like Arts Centre Melbourne, the Geelong Arts Centre and the Melbourne Theatre Company.
- > \$34 million to invest in our cultural institutions, including new immersive exhibitions at Melbourne Museum. This will include a new Triceratops Gallery showcasing the recent acquisition of the most complete Triceratops fossil skeleton ever found.
- > \$24 million to deliver a sustainable multiyear investment funding framework for non-government creative organisations. This will mean greater certainty for these organisations, while attracting audiences and supporting new opportunities for Victoria's creatives.



EXPORT SUPPORT

- > \$11 million to extend the Music Works program to support musicians, managers, technicians, venues, peak bodies and small to-medium businesses and organisations to accelerate the recovery and growth of Victoria's music scene.
- > \$4.5 million to invest in established and emerging creative neighbourhoods by supporting affordable creative spaces for artists and enterprises. This will promote the creative reputation of these communities and help to create jobs in metro, regional and outer-suburban areas. An Emporium Creative Hub will be created in Bendigo together with the establishment of the Brunswick Design District.
- > \$4.0 million in support for Victorians from First Peoples, youth and diverse backgrounds to obtain secure, well-paid work, and support leadership programs for a diverse cohort of mid-career and established creatives. This includes support for First Peoples' festivals and platforms such as Yirramboi, Blak & Bright Literature Festival and the Koorie Art Show, attracting more visitors to Victoria and creating new local jobs.

Jobs Growth
38,000



jobs each year
over the next
4 years.

Support for seasonal agriculture workforce

- > \$19.3 million in funding is provided for a response to the seasonal harvest workforce shortage to attract seasonal workers and ensure farmers have the workers they need. Support includes the seasonal harvest sign-on bonus for jobseekers who take up a harvest job; a co-contribution to quarantine costs for workers under the Commonwealth Government's Pacific mobility schemes; and Seasonal Workforce Industry Support grants.

Victoria's Fruit Fly Strategy

- > \$6.4 million in funding is provided for Victoria's Fruit Fly Strategy, which will focus on preparedness and prevention activities, strengthening shared responsibility in the management of the Queensland Fruit Fly.

Transforming traceability

- > \$11.6 million Agricultural traceability systems will be strengthened to enhance Victoria's reputation for high-quality food and fibre products, driving growth in both local and export market access. This will be achieved by implementing a traceability and product integrity action plan which will provide increased information on traceability systems and improve biosecurity risk management.

Victorian Rural Women's Network

- > \$1.4 million in funding provided to continue the Victorian Rural Women's Network. This program will deliver upskilling, leadership and capability building opportunities, thereby supporting the economic participation and resilience of rural women in Victoria.

Accelerating Victoria's agriculture sector response to changing climate

- > Funding of \$20 million to position Victoria as a leader in low-emissions agriculture, including through accelerating research in emissions reducing technologies, delivering on-farm action plans to measure and reduce emissions, updating the Victorian Land Use Information System and developing an Agricultural Climate Spatial Tool.

Victorian Government Trade and Investment Network

- > \$4.2 million to continue the operation of the Victorian Government Trade and Investment Network and the appointment of new investment professionals in strategic markets.
- > \$5 million for the Trade Mission Program. resilience of rural women in Victoria.

GROW

ENVIRONMENT



Twelve Apostles.

Seizing the economic opportunity of a net zero, climate resilient state

- > \$10 million is provided to enhance capability to drive progress towards Victoria's emissions reduction targets and support job creation in clean and competitive industries in Victoria.

Zero and low emission vehicles: commercial sector

- > \$5 million in funding is provided for a new innovation fund to encourage the early adoption of zero and low emission vehicles by the commercial sector, including the commercial passenger vehicle, freight and construction sectors. This initiative will invite proposals from industries that support transition towards zero and low emission technologies.

Effective water management and supply

- > \$8.4 million is provided for community engagement and capacity building to support irrigators and Traditional Owners. This includes grants for infrastructure projects to enable farms to modernise and optimise water efficiency.
- > \$24.5 million is provided for a package of on-ground environmental works to improve the health of rivers and wetlands. Sites targeted will be of high recreational and tourism importance.

Environment and biodiversity

- > \$2.8 million is provided to contribute to the design and construction of a new facility for the Port Phillip EcoCentre in St Kilda. The EcoCentre is a leading community-managed organisation with a dedicated team of scientists, educators and volunteers who design and implement innovative environmental programs.

- > \$8.8 million is provided to continue the Port Phillip Bay Fund, which provides grants to local government authorities to rehabilitate Port Phillip Bay ecosystems.

Protecting regional environments

- > \$8.8 million is provided for the continued resourcing of the Office of the Conservation Regulator to ensure it can oversee regulatory functions in conservation and environment in Victoria. This includes educating the community about conservation and environment protection in Victoria, providing guidance to support compliance, and undertaking enforcement action when necessary.

Parks Victoria

- > \$31.7 million is provided to ensure priority parks and public spaces remain staffed, maintained, and available to enhance the health and wellbeing of Victorians.

Planning, building and heritage

- > \$6.6 million is provided to continue to implement and conduct a five-year review of Plan Melbourne, the whole of government strategy that seeks to integrate long-term land use, infrastructure, and transport planning to meet the city's future needs.

Statutory activities and environment protection

- > \$76.6 million is provided for the EPA to ensure it can continue to protect Victoria's environment from pollution and waste and fulfil its obligations under the Environment Protection Amendment Act 2018.



KEY BUDGET INITIATIVES

EASE

Businesses need an environment that is more conducive to investment through improvements to the regulatory and tax environment. This will lead to a decrease in operational costs, so that more capital can be invested in employees, research, and equipment, which will make Victoria a more attractive location to invest. The cuts to payroll tax will keep regional Victoria the most attractive destination for business in Australia. However, there remains room to calibrate the competitiveness of Victoria's tax environment with other jurisdictions – under current settings more Victorian businesses are required to pay payroll tax than interstate counterparts.

Taxation

- > The Government will bring forward increases in the payroll taxfree threshold, which will increase from \$650 000 to \$700 000 from 1 July 2021.
- > To support regional Victorian jobs the Government will bring forward reductions in the regional employer rate of payroll tax. The regional employer rate will reduce from 2.02 per cent to 1.2125 per cent from 1 July 2021.
- > From 1 January 2022, the tax-free threshold for general land tax rates will increase from \$250 000 to \$300 000.
- > For contracts entered into from 1 July 2021, a new land transfer duty threshold for high-value property transactions will be introduced. For property transactions with a dutiable value above \$2 million, the land transfer duty payable will increase to \$110 000 plus 6.5 per cent of the dutiable value in excess of \$2 million.

- > Increase in eligibility for the off-the-plan concession to \$1 million for principal place of residence.
- > A concession of up to 100 per cent of the land transfer duty payable will be provided on the purchase of new residential property, in the Melbourne local government area, with a dutiable value of up to \$1 million.
- > Vacant residential land tax exemption for new developments will be extended to apply for up to two years.

State regulation and planning

- > \$14 million to continue Streamlining for Growth.
- > \$6.6 million for ongoing implementation of Plan Melbourne.

EASE

TAXATION



Degraes Street.

Payroll Tax

Threshold increased from

 **\$650,000**
to **\$700,000**

for all of Victoria and the regional
rate moving to 1.2125 per cent.

Backing Victoria's Racing Industry

- > \$196.2 million is provided. Wagering and betting tax will increase from 8 per cent to 10 per cent of net wagering revenue from 1 July 2021, bringing Victoria into line with the rate that applies in New South Wales, and remaining below the rate that applies in other states.

Payroll Tax

- > \$27.9 million to support Victorian jobs the Government will bring forward increases in the payroll tax-free threshold, which will increase from \$650 000 to \$700 000 from 1 July 2021.
- > \$29.9 million to support regional Victorian jobs the Government will bring forward reductions in the regional employer rate of payroll tax. The regional employer rate will reduce from 2.02 per cent to 1.2125 per cent from 1 July 2021.

Land Tax

- > \$1.5 billion is funded. From 1 January 2022, the land tax rate for taxpayers with larger property holdings will increase by:
 - > 0.25 percentage points for taxable landholdings exceeding \$1.8 million; and
 - > 0.3 percentage points for taxable landholdings exceeding \$3 million.
- > \$102 million is provided. From 1 January 2022, the tax-free threshold for general land tax rates will increase from \$250 000 to \$300 000. This means for land not held on trust, land tax will only be payable if the total taxable value of Victorian land is equal to or exceeds \$300 000. The trust rate scale will remain unchanged.

- > \$761 million is funded. For contracts entered into from 1 July 2021, a new land transfer duty threshold for high-value property transactions will be introduced. For property transactions with a dutiable value above \$2 million, the land transfer duty payable will increase to \$110 000 plus 6.5 per cent of the dutiable value in excess of \$2 million.

Property tax

- > A concession of up to 100 per cent of stamp duty for new dwellings worth up to \$1 million in the Melbourne local government area.
- > Temporarily increasing the eligibility thresholds to \$1 million for all home buyers off-the-plan purchases.
- > Extending the vacant residential land tax exemption for new developments will be extended to two years.

State Revenue

- > \$24.4 million is provided to the State Revenue Office (SRO) to modernise its Revenue Management System. This will provide a better customer experience and increase the SRO's efficiency and effectiveness in collecting a range of State taxes, duties and levies, as well as broader administration of a range of programs.



STATE REGULATION AND PLANNING



Cape Bridgewater.

Victorian Civil and Administration Tribunal digital service transformation

- > Funding to VCAT to upgrade digital services infrastructure including the case management system and increase process automation, to deliver more accessible and timely provision of justice to citizens and businesses.

Plan Melbourne implementation

- > \$6.6 million is provided to continue to implement and conduct a five-year review of Plan Melbourne, the whole of government strategy that seeks to integrate long-term land use, infrastructure and transport planning to meet the city's future needs.

Streamlining for growth

- > \$14 million for growth Funding is provided to continue the Streamlining for Growth program administered by the Victorian Planning Authority (VPA) to assist local government authorities to plan and manage growth. This funding includes assistance for reducing capacity constraints on council approval processes, reducing delays associated with utility approvals, and improving guidelines for local government authorities and developers to reduce the uncertainty associated with turning precinct structure plans into subdivision permits.

Budget numbers at a glance

Victoria's economic forecast (%)	2019-20 actual	2020-21 forecast	2021-22 forecast	2022-23 forecast	2023-24 projection	2024-25 projection
Real gross state product	(0.5)	(2.00)	6.50	3.25	2.75	2.75
Employment	1.2	(1.00)	2.50	1.25	1.75	1.75
Unemployment rate	5.4	6.50	5.75	5.50	5.25	5.25
Consumer price index	1.7	1.50	1.50	1.75	2.00	2.25
Wage price index	1.5	0.00	0.30	1.20	1.70	1.70

Sources: Department of Treasury and Finance, Australian Bureau of Statistics

OVERVIEW

2021-2022
SMALL BUSINESS AND
REGIONAL STATE BUDGET



Victorian
Chamber of Commerce
and Industry

> SMALL BUSINESS

ENABLE, GROW AND EASE	
Victorian Chamber Recommendation	State Budget Outcome
<p>Enable</p> <ul style="list-style-type: none">> Establish an Industry COVID-19 Recovery Fund providing grants to assist businesses to transform their operations.	<p>Enable</p> <ul style="list-style-type: none">> \$31 million in small business and industry guidance for COVID-19 prevention measures.
<p>Grow</p> <ul style="list-style-type: none">> Virtual Trade Missions and eCommerce programs must continue to provide the vital services to Victorian export businesses throughout the 2021-2022 financial year.	<p>Grow</p> <ul style="list-style-type: none">> \$4.2 million to continue the operation of the Victorian Government Trade and Investment Network and the appointment of new investment professionals in strategic markets.> \$5 million for the Trade Mission Program.
<p>Ease</p> <ul style="list-style-type: none">> Payroll tax reform: increase the payroll tax threshold to \$1million and reduce the payroll tax rate to four per cent for metropolitan Victorian employers and one per cent for Regional Victorian employer to make Victoria the competitive State in for doing business in Australia.> Streamline the Environmental Effects Statement to be more efficient and provide greater certainty to applicants as to the likelihood of success.	<p>Ease</p> <ul style="list-style-type: none">> The Government will bring forward increases in the payroll tax free threshold, which will increase from \$650 000 to \$700 000 from 1 July 2021.> To support regional Victorian jobs the Government will bring forward reductions in the regional employer rate of payroll tax. The regional employer rate will reduce from 2.02 per cent to 1.2125 per cent from 1 July 2021.> \$107 million for a Melbourne central business district economic package.> \$14 million to continue the Streamlining for Growth program administered by the Victorian Planning Authority (VPA) to assist local government authorities to plan and manage growth.

ENABLE, GROW AND EASE	
Victorian Chamber Recommendation	State Budget Outcome
<p>Enable</p> <ul style="list-style-type: none"> > Increase investment in pre-apprenticeship programs that provide full-time, one-year training programs that count towards an apprenticeship. > Continue to provide Parks Victoria with a significant increase in capital funding to build new assets and experiences that support the visitor economy. <p>Grow</p> <ul style="list-style-type: none"> > Establish a defence manufacturing support fund to leverage the Federal \$450 billion, 10-year commitment. > Further develop and harmonise Victoria's local content policies to stimulate Victorian manufacturing. The current local content requirements are complicated, confusing and resource intensive, instead acting as a barrier to boosting local content. As a priority, health sector procurement should be de-mystified and opened to create more opportunities for small local suppliers to tender for contracts. > The continuation of the Mode Shift Incentive Scheme (MSIS) for Victorian regional exporters. This \$4 million per-year scheme helps promote the use rail rather than road. Government has renewed the MSIS on a year-by-year basis over recent times. The Victorian Chamber calls on the State Government to commit long-term to the scheme. <p>Ease</p> <ul style="list-style-type: none"> > Stamp duty tax reform: follow NSW and the ACT and switch stamp duty for land tax for all property purchases to improve efficiency and remove a market distorting tax. > Waive existing COVID-19 business payroll and land tax deferrals still owed by employers with Victorian payrolls of up to \$10 million (based on their 2019-20 financial year annual reconciliation returns). > Payroll tax reform: increase the payroll tax threshold to \$1million and reduce the payroll tax rate to four per cent for metropolitan Victorian employers and one per cent for Regional Victorian employer to make Victoria the competitive State in for doing business in Australia. 	<p>Enable</p> <ul style="list-style-type: none"> > \$1.6 billion for school infrastructure, including upgrades at 52 schools, building 13 new schools and additional stages at three further schools, and expanding six more across Victoria. > \$265 million to plan, upgrade and maintain suburban, rural and regional roads. <p>Grow</p> <ul style="list-style-type: none"> > \$5.4 million for a Defence Capture Plan. > \$10 million for the Morwell Food Manufacturing Precinct to enable the centre to manage greater water and energy demands. > \$986 million to build 25 brand-new X'Trapolis 2.0 trains and the infrastructure they need to modernise the state's train fleet. > \$11.2 million for Puffing Billy to protect local jobs and support its operations as it recovers strongly and draws tourists and day-trippers by the thousands. > \$20.5 million investment in tech schools in the regions. > Funding for the continuation of the Mode Shift Incentive Scheme (MSIS) for only one year and at a reduced rate of \$3.6 million. VCCI will continue to lobby government for a longer-term commitment to encourage more freight mode shift in Victoria. > \$60 million Bendigo Kangan redevelopment. > \$10.7 million to redevelop the GOTAFE Archer Street Shepparton campus. > \$10 million distillery door grant scheme. > \$24.5 million supporting regional communities through healthy waterways. > \$19.3 million in funding is provided for a response to the seasonal harvest workforce shortage to attract seasonal workers and ensure farmers have the workers they need. > \$6.4 million in funding is provided for Victoria's Fruit Fly Strategy. > \$1.4 million in funding provided to continue the Victorian Rural Women's Network. > \$20 million to position Victoria as a leader in low-emissions agriculture. > Creative Hub established in Bendigo. <p>Ease</p> <ul style="list-style-type: none"> > To support regional Victorian jobs the Government will bring forward reductions in the regional employer rate of payroll tax. The regional employer rate will reduce from 2.02 per cent to 1.2125 per cent from 1 July 2021.



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