

2023-24 State Budget Submission

13 February 2023

Contents



Chief Executive Summary	1
Budget Submission Approach	2
Top 10 Recommendations	3
Submission	5
Strengthening Victoria's jobs and skills	6
Building Victoria as the best state to operate a business	10
Driving Victoria's Economy	16
Growing Regional Victoria	30
Appendix A: Summary of recommendations adopted at State Election	36

Chief Executive Summary



The Victorian Chamber of Commerce and Industry (VCCI) welcomes the opportunity to provide a submission on the 2023-24 Victorian State Budget on behalf of our 65,000 members and clients.

The Victorian Chamber is a trusted advocate at all levels of government. We work closely with our members, stakeholders and government officials to influence a better business environment.

Businesses are the heart of our communities and drive our economy. For businesses to better contribute to economic growth, they need the right conditions. Conditions that make it easier and more economically attractive to own and operate a business so that they are encouraged to invest in their business, their employees, and employ more Victorians. This will facilitate economic growth which will help power our State.

Improving Victoria's economic fiscal position is also dependent upon the reduction in Government expenditure. While the need for business and individual support necessitated increased spending and staff to deliver it throughout the pandemic, it is now time for Government to consolidate and put business back in the driver's seat of the economy. Returning to an operating surplus and improving Victoria's overall budgetary position should be the ultimate goal, as it has committed to in 2025-26, and the Victorian Chamber looks forward to seeing the strategy to deliver this.

As the Government looks at the Budget for 2023-24, we want to see a continued commitment to return to a AAA credit rating, and for the budget to begin the move towards an operating surplus as a consequence of strong economic growth and responsible budgeting.

Responsible budgeting through prudent management of Government projects, service delivery and normalised staffing expenditure. With the right conditions, it is businesses that will power Victoria's future economic growth, creating more jobs and benefit for the Victorian community.

November 2022 saw a historic third-term election win by the Andrews Labor Government. We look forward to continuing to work with the Victorian Government to ensure that business continues to play a pivotal role in helping Victoria grow and continue to be the best state in Australia.

Prior to the November 2022 Victorian Election, the Victorian Chamber released, Powering Victoria's Future, a comprehensive platform for business comprising 61 recommendations across four pillars.

Over the course of the election campaign, the Government adopted more than a third of our 61 recommendations to support business which reflects the effectiveness of the Chamber's pragmatic approach to advocacy on behalf of our members.

Our members helped shape the priorities and recommendations presented in the Platform and in this budget submission at metropolitan and regional roundtables and through participation in an online membership survey that gathered more than 1000 responses. We also built upon the work of the 2021 Victoria Summit, which brought together thought leaders from industry, unions, government, the community and educational institutions to create an aspirational vision for Victoria.

Business is ready to play its role, and with the right environment created by Government, business will help drive Victoria's economy.

Budget Submission Approach

Our submission is centred around four key pillars that align with the Victorian Government’s priorities and those of our members.

Pillar 1	Strengthening Victoria’s jobs and skills	Cultivating the best jobs and skilled workforce in the nation.
Pillar 2	Building Victoria as the best state to own and operate a business	Improving Victoria’s regulatory, investment, tax and procurement systems to help us to be the best state to own and operate a business.
Pillar 3	Driving Victoria’s Economy	Ensuring the growth of Victoria’s economy by investing in long-term planning for established and emerging industries.
Pillar 4	Growing Regional Victoria	Supporting Victoria’s regions to grow and thrive through targeted industry investment and development.

Top 10 Recommendations

Recommendations	
01	Recommendation 29: Develop and implement energy efficiency incentives for businesses, such as tax breaks or grants, to encourage the adoption of energy-efficient technologies and practices.
02	Recommendation 7: Fund Better Regulation Victoria and Services Victoria to lead cultural change, develop a 'one door' approach for State and Local Government regulation, and provide an escalation point for Victoria's regulatory system.
03	Recommendation 11: Increase the payroll tax threshold from \$700,000 to \$1.2 million across Victoria and to be comparable with NSW's payroll tax rate, decrease the rate from 1.21 per cent to zero in Regional Victoria to increase regional attractiveness for business investment and growth.
04	Recommendation 13: Conduct a review of state taxes, including the release of a green paper to identify the costs and benefits of state tax reform to inform long-term tax reform aimed at increasing increase Victoria's competitiveness.
05	Recommendation 2: Develop a standardised microcredentials framework, including defining the role, accreditation requirements, and funding mechanisms of microcredentials, to enable the rapid reskilling and upskilling of the workforce.
06	Recommendation 50: Create a \$200 million events attraction fund to secure world leading events and ensure we remain the number one state for events. This should include a business plan for securing the Rugby World Cup 2027, the 2034 FIFA World Cup and COP27.
07	Recommendation 54: Fund a targeted, industry-led 'Work in the Regions' initiative to encourage people to work in regional industries experiencing skills shortages.
08	Recommendation 19: Provide R&D incentives to small and medium manufacturing businesses to boost the local industry.
09	Recommendation 35: Fund an ESG (Environmental, Social, Governance) education campaign that empowers businesses to implement ESG initiatives and improve reporting practices.
10	Recommendation 68: Conduct an audit of all accommodation options across Regional Victoria to adequately prepare for the Commonwealth Games.



Submission

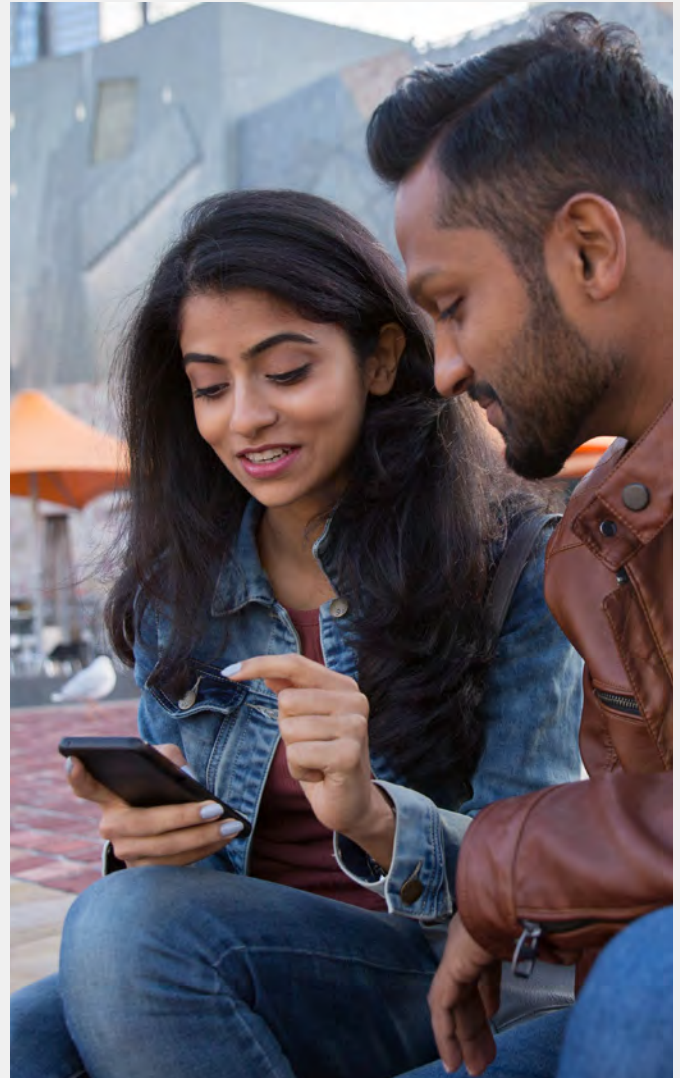
Budget Forwards

The Chamber reiterates our proposal to extend Budget forward estimates from four to 10-year forward estimates. This shift would assist the Government to maximise savings, encourage long term policy thinking, and allow for rigorous assessment of outcomes. It would also ensure greater transparency for any adjustments to 'Total Estimated Investment' in capital programs.

Economic prosperity drives the wellbeing of Victorians. It is well established that secure employment is a predictor of health and happiness, and a thriving private sector is conducive to sustainable job creation. A fiscally responsible budget that minimises costs on businesses, while funding stimulatory initiatives would contribute to this outcome. Importantly, some of the wrap around services required to provide the greatest benefit to our wellbeing requires long term funding commitments, so that return on investment can be realised.

Recommendation 01:

Change from four-year forward estimates to 10-year forward estimates.



Strengthening Victoria's jobs and skills



Summary of recommendations

Recommendations	
02	Develop a standardised microcredentials framework, including defining the role, accreditation requirements, and funding mechanisms of microcredentials, to enable the rapid reskilling and upskilling of the workforce.
03	Establish a formal internship framework (e.g. template of internship agreement) for industry and education institutions to easily develop partnerships and incentivise businesses (e.g. through tax breaks) to invest in internship programs to provide immediate labour-shortage relief.
04	Commit to zero-youth unemployment by 2026 and implement a careers strategy in primary and secondary school curriculum to equip students with the knowledge and tools to make informed skilling and career choices.
05	Incentivise businesses to develop paid internship programs for international students to attract them back to Victoria and address critical skills shortages in industry.
06	Establish an 'Orientation Week' each semester in major cities across Victoria for all new international students to provide them with advice and initial support networks upon arrival.

Strengthening Victoria's jobs and skills

Investment in lifelong learning

The State Government has provided substantial investment in skills and training, including lifelong learning. In the 22-23 State Budget, it allocated \$12 million to expand the Apprenticeship Support Officers program, \$83 million to strengthen TAFEs, \$4.1 million to add Diploma and Advanced Diploma courses in Auslan, almost \$800,000 to review accessibility of all Victorian TAFE campuses, and \$10 million to develop industry-led microcredentials through the Skills Solutions Partnerships program.¹ However, more focus and structure around lifelong learning is required to help the education system evolve to meet industry needs.

Victoria, and Australia more broadly, needs a micro-credentials system that provides mid-career workers the means to transition to a new industry, leveraging their transferrable skills. The Government must establish a definition of microcredentials and a framework for their rapid development, funding, accreditation, and implementation to address the continual evolution of skills in industry. This would help industry and education providers to establish tailored short courses that reskill and upskill the workforce to meet industry needs and address critical worker shortages.

Further to this, more investment in business capability to train graduates through internships is required. This would help to provide young adults with clear pathways into employment that is right for them. To facilitate internships in industry, Victoria needs a formal internship framework.

Recommendation 02:

Develop a standardised microcredentials framework, including defining the role, accreditation requirements, and funding mechanisms of microcredentials, to enable the rapid reskilling and upskilling of the workforce.

Recommendation 03:

Establish a formal internship framework (e.g. template of internship agreement) for industry and education institutions to easily develop partnerships and incentivise businesses (e.g. through tax breaks) to invest in internship programs to provide immediate labour-shortage relief.

¹ <https://www.budget.vic.gov.au/skilling-victorians>

Strengthening Victoria's jobs and skills

Youth workforce participation and careers advice

Youth not in training, education, employment or training (NEET) longer-term causes significant social and economic harm, and has negative impacts on individuals, their families and communities. Almost 60,000 young Victorians aged between 15-24 years are not studying or working.² Further, Victoria's youth unemployment remains high at 9.2 per cent, more than double the State's unemployment rate at 3.7 per cent. At the same time, Victorian employers are hamstrung by skills and labour shortages in an increasingly tight labour market, where skilled migration and temporary work visas have been limited and job advertisements are at a record high.

The Chamber recommends bold action to improve these outcomes by committing to zero youth unemployment. Zero youth unemployment ensures that every Victorian young person aged 16-25 is in meaningful employment, training (e.g., apprenticeship, traineeship) or further education within four months of graduating from high school, TAFE or university, or becoming unemployed. The Chamber also encourages the Government to adopt a post-secondary degree target, in VET or University education.

Targeted promotional programs paired with meaningful, professional careers advice delivered in schools will help boost pathways into a wider range of industries and occupations, including VET-related pathways. Research strongly highlights the importance of careers advice in schools to increase knowledge of career pathways. Further, industry experiences ongoing frustration that school leavers lack knowledge about different industries, foundational skills, and key career navigation skills. Professional and in-depth career guidance in schools is therefore crucial.

Recommendation 04:

Commit to zero-youth unemployment by 2026 and implement a careers strategy in primary and secondary school curriculum to equip students with the knowledge and tools to make informed skilling and career choices.



² Youth and the labour market - Youth not in employment, education or training (NEET) - OECD Data, available at <<https://data.oecd.org/youthinac/youth-not-in-employment-education-or-training-neet.htm>>.

Strengthening Victoria's jobs and skills

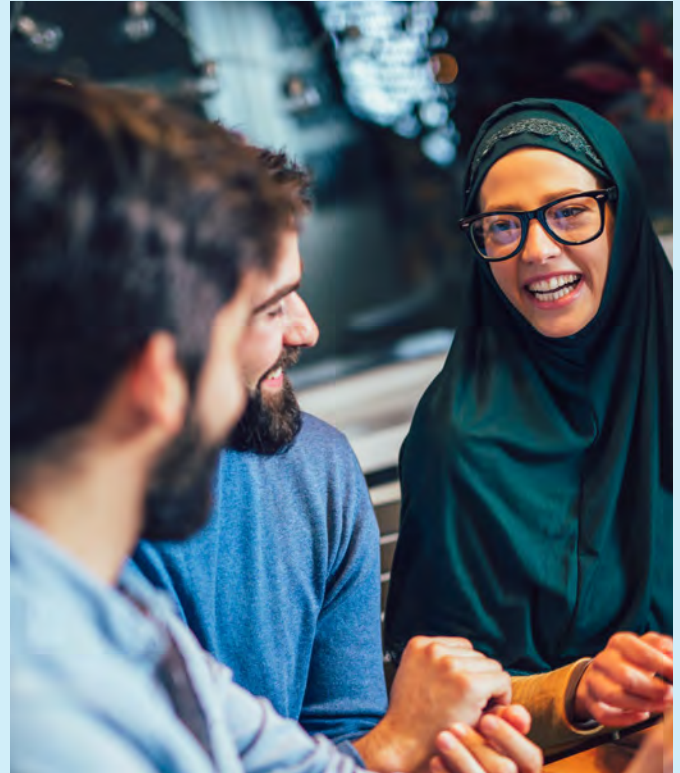
International students

International students boost the economy, make up an important part of our university student cohort, and add to the rich cultural fibre of Victoria's CBD, suburbs and regions. Victoria needs to prioritise the return of international students.

International education was Victoria's largest services export industry³ which was hit hard during the pandemic. This has also had a ripple effect on international visitation, by September 2022 overnight spending in Victoria decreased by 72 per cent to a mere \$2.5 billion compared to September 2019.⁴

To attract international students back to our state, we must improve their employability and local career opportunities. The Government can help achieve this by supporting businesses to offer more paid internships, providing students with practical work experience and professional networks to secure jobs upon completion of their studies. Providing international students with meaning work opportunities during and post-study will give them the financial certainty needed to support themselves while studying in Victoria.

Further, Melbourne should leverage its status as one of the top 10 best student cities in the world and the best student city in Australia.⁵ Although Melbourne International Student Week⁶ is a step in the right direction, it only takes place once a year in May resulting in second semester international students missing out. Creating an orientation week at the beginning of each semester in cities across Victoria would give international students the culture emersion, advice, and initial support networks they need upon arrival.



Recommendation 05:

Incentivise businesses to develop paid internship programs for international students to attract them back to Victoria and address critical skills shortages in industry.

Recommendation 06:

Establish an 'Orientation Week' each semester in major cities across Victoria for all new international students to provide them with advice and initial support networks upon arrival.

³ <https://global.vic.gov.au/our-programs-and-services/international-education/international-education-overview>

⁴ <https://business.vic.gov.au/business-information/tourism-industry-resources/tourism-industry-research/international-research>

⁵ <https://www.topuniversities.com/city-rankings/2022>

⁶ <https://www.misw.org.au/>

Building Victoria as the best state to operate a business

Summary of recommendations

Recommendations	
07	Fund Better Regulation Victoria and Services Victoria to lead cultural change, develop a 'one door' approach for State and Local Government regulation, and provide an escalation point for Victoria's regulatory system.
08	Allow businesses seeking to pre-qualify as suppliers to the Victorian Government to fulfil screening requirements via a single form to streamline procurement processes.
09	Support growth of SMEs in the technology sector by tying government procurement funding to sovereign capability in ICT.
10	Streamline support for Victorian businesses (particularly SMES and regional businesses) to be able to access procurement opportunities – this should be coordinated through a central body such as the Industry Capability Network (ICN).
11	Increase the payroll tax threshold from \$700,000 to \$1.2 million across Victoria to be comparable with NSW's payroll tax rate, decrease the regional rate from 1.21 per cent to zero.
12	Swap property stamp duty with a broad-based land tax system.
13	Conduct a review of state taxes, including the release of a green paper to identify the costs and benefits of state tax reform to inform long-term tax reform aimed at increasing increase Victoria's competitiveness.
14	Legislate a planning overlay on public transport corridors within two blocks from tram tracks and four blocks from train stations with automatic approvals provided buildings are six floors or under and meet all required standards.
15	Provide a funding pool for councils that improve their planning approval processes.
16	Provide funding and ministerial direction for the Victorian Planning Authority to support regional councils.
17	Adjust the thresholds of the Development Facilitation Taskforce so it can assess more applications, and work to combine improvements with greater release of land especially in Regional Victoria.

Building Victoria as the best state to operate a business

Regulation

Fifty-five per cent of Victorian businesses with operations in other jurisdictions report that Victoria is harder to do business compared with other states.⁷ Further, Victorian business owners also spend more time on unproductive activities, with almost 40 per cent reporting that time is a bigger cost to doing business than money spent.⁸

While the Victorian Government has rightfully invested in regulatory reform initiatives, these results show a clear need to continue streamlining processes and minimising the barriers for doing business. The next phase of regulatory reform in Victoria, building on the success of programs like the Better Approvals project, needs to include three elements: digital infrastructure, an escalation mechanism that can solve and prevent issues from arising in approval processes alongside ongoing culture changes, and a mechanism for large and complex projects to be scoped and managed.

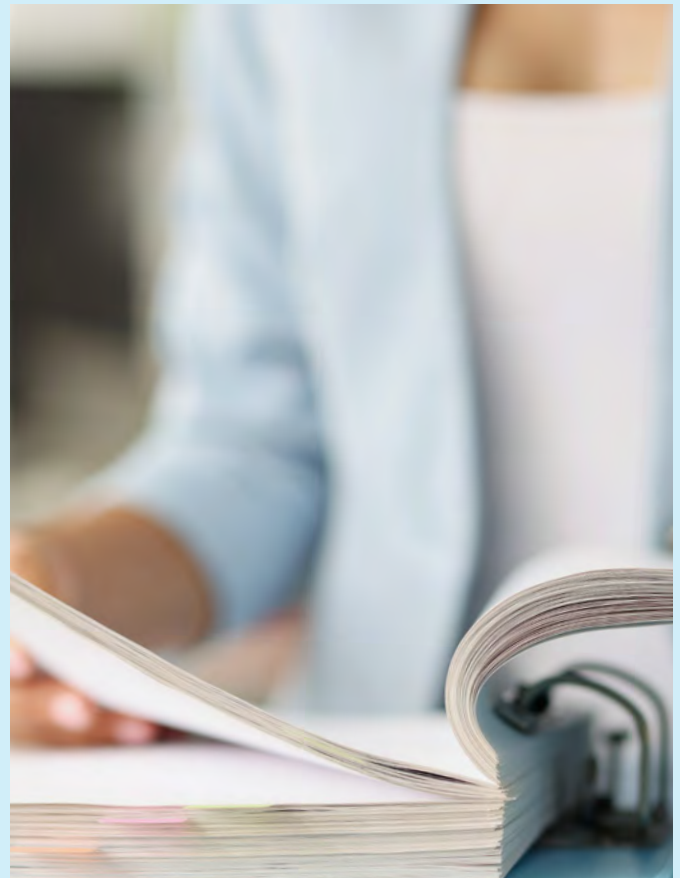
Standard approvals should be facilitated digitally via a secure, streamlined digital platform. In the first instance this system would notify businesses of renewals and changes to licenses, permits, approvals, and more. Longer term, an efficient and modern platform would allow regulatory customers to file approvals and track progress. These standard approvals represent the highest volume of regulatory traffic.

The Government should establish a Business Approvals Coordination Unit (BACU) for the escalation of business regulation. The BACU's mandate would include fielding queries from businesses that are unclear about which agency to contact, or have other issues with their approvals. The BACU would also be required to identify common issues that come from businesses and address them to improve the regulatory system. The BACU therefore would play a crucial role in educating Victorian regulators and driving positive cultural change. The BACU should sit within Better Regulation Victoria.

Further reform of how large, significant projects are assessed, planned and regulated is also required. An example of how this could be done is through a unit that functions in a similar manner to the Quarry Approvals Coordinator.

Recommendation 07:

Fund Better Regulation Victoria and Services Victoria to lead cultural change, develop a 'one door' approach for State and Local Government regulation, and provide an escalation point for Victoria's regulatory system.



⁷ Nous Group, 2022, 'Cost and ease of doing business in Victoria' (report commissioned by the Victorian Chamber of Commerce & Industry) <<https://www.victorianchamber.com.au/policy-and-advocacy/taskforces/cost-and-ease-of-doing-business-in-victoria-taskforce>>.

⁸ Ibid.

Building Victoria as the best state to operate a business



Procurement

Procurement is one of the best ways to activate and support businesses. It also has the capacity to improve sovereign capability which decreases reliance on imports. Importantly, it creates local jobs and supports local businesses while driving economic growth.

To date on major projects, procurement of local rolling stock has been quite successful, however there is scope to improve through greater engagement with SMEs, especially those located in Regional Victoria. Minor changes to current procurement policies, together with minimal targeted government funding, could help grow local jobs and businesses.

Recommendation 08:

Allow businesses seeking to pre-qualify as suppliers to the Victorian Government to fulfil screening requirements via a single form to streamline procurement processes.

Recommendation 09:

Support growth of SMEs in the technology sector by tying government procurement funding to sovereign capability in ICT.

Recommendation 10:

Streamline support for Victorian businesses (particularly SMES and regional businesses) to be able to access procurement opportunities – this should be coordinated through a central body such as the Industry Capability Network (ICN).

Building Victoria as the best state to operate a business

Tax Reform

Competitive state taxes and duties play a vital role in stimulating business investment and job growth. Payroll tax is a tax on jobs, with Victorian employers currently paying more tax if they have more employees. This is not only counterintuitive to Victoria's goal of a higher wage economy but makes the taxation system less competitive compared to other states.

In the short-term, the Government needs to increase the payroll tax threshold to \$1.2 million from \$700,000 across Victoria which would be comparative with New South Wales' payroll tax threshold. Further, the Government should decrease the payroll tax rate from 1.21 per cent to zero in Regional Victoria.

In the long-term, payroll tax should be removed as it disincentivises jobs and high wages. A complete root and branch review of the way taxes are collected and levied in Victoria should be undertaken. In VCCI's August pre-election survey, 83 per cent of businesses indicated support for a review of the Victorian taxation system to make it more business friendly.

There is a further opportunity with genuine tax reform in Victoria, swapping stamp duty for a broad-based land tax system. Stamp duty deters homeowners from moving locations which negatively impacts labour mobility and discourages retirees or empty nesters from downsizing. Land taxes, on the other hand, paid annually are less likely to impact such decisions. Further, research conducted by the Grattan Institute found that removing stamp duty would lead to better use of existing housing stock, ultimately resulting in the reduction of house prices and rents (up to six per cent in the long term).⁹ VCCI believes this swap would make Victoria's taxation system more efficient and increase labour mobility.



Recommendation 11:

Increase the payroll tax threshold from \$700,000 to \$1.2 million across Victoria and to be comparable with NSW's payroll tax rate, decrease the rate from 1.21 per cent to zero in Regional Victoria to increase regional attractiveness for business investment and growth.

Recommendation 12:

Swap property stamp duty with a broad-based land tax system.

Recommendation 13:

Conduct a review of state taxes, including the release of a green paper to identify the costs and benefits of state tax reform.

⁹ Coates, B, 2022, 'The new PM has an opportunity for major tax reform', Grattan Institute, <<https://grattan.edu.au/news/the-new-pm-has-an-opportunity-for-major-tax-reform/>>.

Building Victoria as the best state to operate a business



Planning

Access to affordable housing is a growing issue in Victoria, both in metropolitan and regional areas. While the Government has used many policy levers to alleviate this problem, many Victorians are still unable to purchase a home in the areas they grew up, would like to live or in close proximity to their workplace. In Metropolitan Melbourne, the level of urban infill has not kept pace, meaning more people live further from major public transport infrastructure points which puts pressure on our road system and decreases available greenfield land supply. This impacts jobs due to a lack of labour in employment centres because of limited housing or decreased worker wellbeing on account of long commutes.

The Victorian Chamber proposes several solutions that will lead to an increase in planning approvals and a higher level of infill development, while also providing affordable housing in Regional Victoria.

Recommendation 14:

Legislate a planning overlay on public transport corridors within two blocks from tram tracks and four blocks from train stations with automatic approvals for buildings that are six floors or less and meet all required standards.

Recommendation 15:

Provide a funding pool for councils that improve their planning approval processes.

Recommendation 16:

Provide funding and ministerial direction for the Victorian Planning Authority to provide support to regional councils.

Recommendation 17:

Adjust the thresholds of the Development Facilitation Taskforce so it can assess more applications, and work to combine improvements with greater release of land especially in Regional Victoria.



Driving Victoria's Economy

Summary of recommendations

continued on next page

Recommendations	
18	Promote manufacturing jobs and provide incentives to pursue a career in the industry to attract and retain more employees and grow Victoria's manufacturing sector.
19	Provide R&D incentives to small and medium manufacturing businesses to boost the local industry.
20	Fund an online industry-led marketplace that connects industry with research institutions, product designers and manufacturers to solve problems.
21	Further develop and harmonise Victoria's local content policies to stimulate Victorian manufacturing.
22	Establish a \$500 million credit scheme to provide payroll tax and land tax concessions for manufacturing and high-tech businesses.
23	Provide \$5 million in funding to Launch Vic to help create a 'connector unit' to enable greater cooperation between university researchers and industry to facilitate problem solving and improve economic growth. Launch Vic could help foster spinouts through this process.
24	Provide \$125 million for capital works for the Australian Food Innovation Centre, to be released when the Federal Government matches funding.
25	Implement subsidies to support energy intensive industries to help businesses lower energy costs and effectively transition to renewable energy options.
26	Extend energy subsidies to sole traders to ensure that they are not unfairly disadvantaged during the energy transition.
27	Implement funding programs for reskilling workers in existing energy industries to transition via microcredentials or fast-track courses to ensure the clean energy industry has the future workforce they need.
28	Increase the Victorian Government Energy Subsidy Scheme from \$1,400 to \$2,500 to incentivise commercial property owners to install renewable energy infrastructure.
29	Develop and implement energy efficiency incentives for businesses, such as tax breaks or grants, to encourage the adoption of energy-efficient technologies and practices.
30	Establish a renewable energy finance program that provides low-interest loans or guarantees to businesses to help them finance the cost of transitioning to renewable energy options.

Driving Victoria's Economy

Summary of recommendations

continued on next page

Recommendations	
31	Support businesses by providing energy audits to identify areas where they can improve energy efficiency and reduce costs, as well as creating a program to provide funding for energy efficiency upgrades.
32	Co-invest with industry on large-scale battery storage capabilities to boost supply chains and offset the risk of supply shortages during the infrastructure upgrades to Victoria's energy grid.
33	Fund the expansion of Victoria's ultra-rapid electric vehicle charging network across Victoria to support the transport and logistics sector reduce emissions.
34	Evaluation and consultation of the economic value, social impact and profitability of large-scale procurement and investment opportunities for green technology and the decarbonisation of Victoria's economy.
35	Fund an ESG (Environmental, Social, Governance) education campaign that empowers businesses to implement ESG initiatives and improve reporting practices.
36	Provide further incentives for businesses to invest in circular economy programs, promote innovative solutions and sustainable markets, and work with businesses to set up repurposing facilities.
37	Fund a pilot program for businesses to explore climate-friendly innovations across multiple industry sectors.
38	Develop a comprehensive, long-term strategy to achieve net-zero emissions in the built environment by retrofitting existing buildings and designing new ones to be energy-efficient and reduce carbon emissions. The strategy should include building codes and standards, financial incentives, training and education programs to support the transition to net-zero buildings.
39	Develop a detailed, long-term plan and transparent pathways to achieve net-zero emissions and mitigate the effects of climate change, including specific targets and timelines, as well as regular reporting on progress to ensure accountability and encourage investment. Continuously review and update the plan to ensure it remains aligned with international developments and progress towards net-zero emissions.
40	The Victorian Government should gift the required land to the Federal Government for the Western Intermodal Freight Terminal (WIFT) in Truganina and connections into the Port of Melbourne. The Government should pre-approve associated planning provisions to fast track the process once Federal funding is committed.
41	Expand number of rapid bus services in Fishermans Bend.

Driving Victoria's Economy

Summary of recommendations

Recommendations	
42	Prepare a business case for the delivery of trackless trams for the Fishermans Bend southern route.
43	Fund the northern Fishermans Bend tram connection for delivery by 2026.
44	Legislate 24/7 operations and access to the Port of Melbourne.
45	Develop a long-term strategy to drive demand for business events across the State to support growth in venue infrastructure.
46	Build the organisational capability of service providers in the experience economy to improve service delivery and increase industry resilience.
47	Launch a targeted suite of in-person tourism expos and events to promote Victoria to key visitor markets.
48	Develop a long-term infrastructure plan, with short and medium-term milestones, for Victoria's experience economy to ensure appropriate facilities are in place to support future growth. The focus should be on agribusiness, food, accommodation and experience.
49	Fund and develop specialist industry-led and delivered short courses and internships for the events, tourism and hospitality sectors.
50	Create a \$200 million events attraction fund to secure world leading events and ensure we remain the number one state for events. This should include a business plan for securing the Rugby World Cup 2027, the 2034 FIFA World Cup and COP27.
51	Fund and scale up business support, advice and funding to upskill businesses who export or want to export.
52	Align Invest Victoria and Global Victoria's strategies with investment and growth in Victoria's export capability.
53	Fund Global Victoria to revamp its online platform to help businesses export.

Driving Victoria's Economy

Manufacturing

A recent VCCI survey showed 82 per cent of businesses support a 10-year manufacturing strategy.

Victoria's manufacturing sector is a \$30 billion industry.¹⁰ Manufacturing is a crucial part of Victoria's identity and is a key component of the State's economic landscape. Over the last two years, manufacturers have had to respond to rapidly changing conditions, labour shortages and supply chain issues, in addition to uncertainty about the future. Manufacturers are significant employers, as well as drivers of innovation, crucial for the development of sovereign capability and are key contributors to export success.



To support local manufacturing, the Government must provide leadership and look at facilitating the development of targeted industry growth. To do this, the Government must fund a 10-year manufacturing strategy to drive growth through collaboration, innovation and capital access. The announcement in 2022 of a strategy was a good start but it must be funded.

This strategy must be industry-led but have government support and coordination. Manufacturers in existing and emerging industries are concerned about competitiveness and the constant threat of foreign products and services. Alongside a 10-year strategy, the development of a campaign that promotes buying local has the capacity to improve sovereign capability, decreasing the reliance on imports and creating local jobs. According to a recent VCCI survey, 86 per cent of businesses support this initiative.

Further, The Government must implement specific policies to address skills and labour shortages. Victoria needs to provide incentives for individuals to work in the advanced manufacturing industry and promote it as a long-term career path, to further attract and retain staff.

Recommendation 18:

Promote manufacturing jobs and provide incentives to pursue a career in the industry to attract and retain more employees and grow the local manufacturing sector.

Recommendation 19:

Provide R&D incentives to small and medium sized manufacturing businesses to boost the local industry.

¹⁰ Department of Jobs, Precincts, and Regions, 2021, *Advancing Victorian Manufacturing*, <<https://djpr.vic.gov.au/about-us/overview/strategies-and-initiatives/advancing-victorian-manufacturing>>.



Driving Victoria's Economy

Innovation and Commercialisation

Innovation and commercialisation creates new industries and jobs, boosts economic development, and solves problems of today and the future. Victoria needs to increase support for transforming innovative ideas and research into commercial products and services. Eighty per cent of our surveyed members highlighted the need for direct government investment in this space.

Although Melbourne is home to some of the world's best research institutions, we fall behind when it comes to commercialising innovative ideas. Australia is well behind global standards in terms of our capability to support R&D. Total spending on R&D in the country today remains at a similar level to a decade ago.¹¹ As a percentage of national Gross Domestic Product (GDP), our overall spending on R&D fell from 2.11 per cent in 2011-12 to 1.79 per cent in 2019-20.¹² This is well below other OECD countries that spend more than three to five per cent of GDP on R&D.¹³

We must invest in the commercialisation of innovative products and services to help grow our economy. This can be achieved by increasing funding for commercialisation, establishing an industry-led online marketplace, developing policies that favour Victorian manufacturers, and providing concessions for manufacturing and high-tech businesses.

An Australian Food Innovation Centre would provide opportunities for innovation and commercialisation. La Trobe University and CSIRO partnered to create a national agri-food innovation network to drive sector growth and jobs, improve health outcomes and commercialise new food products. The centre would address two of the globe's biggest questions, specifically, how to sustainably develop sufficient food to meet the demand for population growth, and how we leverage food science and nutrition to remediate chronic health conditions.

Just as Parkville is one of the world's preeminent precincts in life sciences, Bundoora has the potential to be the world's number one precinct for food and agriculture sciences. It would not only provide high value jobs in Bundoora, but it would also enable Victorian farmers to access cutting edge technology and processes to improve yields and their approach to agriculture.

Recommendation 20:

Fund an online industry-led marketplace that connects industry with research institutions, product designers and manufacturers to solve problems.

Recommendation 21:

Further develop and harmonise Victoria's local content policies to stimulate Victorian manufacturing.

Recommendation 22:

Establish a \$500 million incentive credit scheme to provide payroll tax and land tax concessions for manufacturing and high-tech businesses.

Recommendation 23:

Provide \$5 million in funding to Launch Vic to help create a 'connector unit' to enable greater cooperation between university researchers and industry to facilitate problem solving and improve economic growth. Launch Vic could help foster spinouts through this process.

Recommendation 24:

Provide \$125 million for capital works for the Australian Food Innovation Centre, to be released once the Federal Government has matched funding.

¹¹ <https://www.innovationaus.com/business-spending-on-rd-has-flatlined-in-australia/>

¹² <https://www.innovationaus.com/business-spending-on-rd-has-flatlined-in-australia/>

¹³ <https://www.innovationaus.com/business-spending-on-rd-has-flatlined-in-australia/>

Driving Victoria's Economy



Investing in Clean Energy and Sustainable Infrastructure

The Victorian Chamber is advocating for additional funding mechanisms to support the transition to a net-zero economy in Victoria. The Chamber's recent 2022-member survey showed 73 per cent of businesses are struggling with the increased costs of energy as well as the challenges of transitioning to renewable energy options. To address these challenges, the Chamber recommends a range of measures that would support businesses transition to clean-energy and address the high costs of energy.

One of the key recommendations is to implement subsidies and incentives to energy-intensive industries, which would help businesses lower energy costs and effectively transition to renewable energy options. The Chamber also recommends extending support to sole traders and other small businesses by providing energy subsidies, which would ensure they are not unfairly disadvantaged during the energy transition.

Additionally, the Chamber suggests investing in programs to train and reskill workers in the clean energy sector, which would require funding for training and educational programs. Furthermore, we need to see increased support for commercial solar upgrades by increasing the Victorian Government Energy Subsidy Scheme from \$1,400 to \$2,500. The Chamber is also advocating for the promotion of energy efficiency through incentives, grants, and other programs that would require funding.

All these actions will help our state reach our emission targets of 95 per cent reduction by 2035 by providing funding for key initiatives and subsidies that will help businesses transition to clean energy, thus reducing our dependence on fossil fuels and decreasing overall carbon emissions.

[Recommendations continued on next page.](#)

Driving Victoria's Economy

Recommendation 25:

Implement subsidies to support energy intensive industries to help businesses lower energy costs and effectively transition to renewable energy options.

Recommendation 26:

Extend energy subsidies to sole traders to ensure that they are not unfairly disadvantaged during the energy transition.

Recommendation 27:

Implement funding programs for reskilling workers in existing energy industries to transition via microcredentials or fast-track courses to ensure the clean energy industry has the future workforce they need.

Recommendation 28:

Increase the Victorian Government Energy Subsidy Scheme from \$1,400 to \$2,500 to incentivise commercial property owners to install renewable energy infrastructure.

Recommendation 29:

Develop and implement energy efficiency incentives for businesses, such as tax breaks or grants, to encourage the adoption of energy-efficient technologies and practices.

Recommendation 30:

Establish a renewable energy finance program that provides low-interest loans or guarantees to businesses to help them finance the cost of transitioning to renewable energy options.

Recommendation 31:

Support businesses by providing energy audits to identify areas where they can improve energy efficiency and reduce cost, as well as creating a program to provide funding for energy efficiency upgrades.

Recommendation 32:

Co-invest with industry on large-scale battery storage capability to boost supply chains and offset the risk of supply shortages during the infrastructure upgrades to Victoria's energy grid.

Recommendation 33:

Fund the expansion of Victoria's ultra-rapid electric vehicle charging network across Victoria to support the transport and logistics sector reduce emissions.

Recommendation 34:

Evaluation and consultation of the economic value, social impact and profitability of large-scale procurement and investments opportunities for green technology and the decarbonisation of Victoria's economy.



Driving Victoria's Economy

Environment and climate change

The 2022-23 Victorian Budget saw significant investment in clean energy, environmental protection, renewable energy, climate change mitigation, and water security, demonstrating the Government's commitment to investing in projects in favour of both sustainable business growth and the environment.

With the constantly evolving risks of climate change, the Victorian Chamber recognises the need for industry to seize the economic opportunities of a climate-resilient Victoria in growth sectors like renewables, waste recovery, carbon technologies and transport. Government support and investment in these growth sectors will help create jobs and increase local demand for products.

Transitioning to a circular economy presents multiple opportunities and challenges for business. It is important to continue to create incentives for business to invest in circular economy programs, promote innovative solutions and sustainable markets, and work with businesses to set up repurposing facilities. This will ensure businesses are supported to take advantage of circular economy practices that benefit the State.

Evidence shows that the transport sector is one of the largest emitters of greenhouse gas emissions.¹⁴ The Chamber welcomed the investment in grants for the Destination Charging Across Victoria program and supports additional funding to provide local procurement opportunities for business to drive the adoption of Electric Vehicles (EVs) across the State.

Victoria must take a comprehensive approach to combat climate change and protect the environment. To achieve this, business needs support to understand and implement cost-effective measures to reduce their carbon footprint and contribute to the goal of a net-zero economy. This requires ongoing collaboration and transparency between the Government and industry to reach emission targets effectively and efficiently.

Recommendation 35:

Fund an ESG (Environmental, Social, Governance) education campaign, that empowers businesses to implement ESG initiatives and improve reporting practices.

Recommendation 36:

Provide further incentives for businesses to invest in circular economy programs, promote innovative solutions and sustainable markets, and work with businesses to set up repurposing facilities.

Recommendation 37:

Fund a pilot program for businesses to explore climate-friendly innovations across multiple industry sectors.

Recommendation 38:

Develop a comprehensive, long-term strategy to achieve net-zero emissions in the built environment by retrofitting existing buildings and designing new ones to be energy-efficient and reduce carbon emissions. The strategy should include building codes and standards, financial incentives, training and education programs to support the transition to net-zero buildings.

Recommendation 39:

Develop a detailed, long-term plan and transparent pathways to achieve net-zero emissions and mitigate the effects of climate change, including specific targets and timelines, as well as regular reporting on progress to ensure accountability and encourage investment. Continuously review and update the plan to ensure it remains aligned with international developments and progress towards net-zero emissions.

¹⁴ Climate Change Authority, *Opportunities to reduce light vehicle emissions in Australia*, available at <<https://www.climatechangeauthority.gov.au/reviews/light-vehicle-emissions-standards-australia/opportunities-reduce-light-vehicle-emissions>>.



Driving Victoria's Economy

Infrastructure

Intermodal terminal

Victoria needs a new intermodal freight terminal to increase freight capacity for imports and exports. This requires funding and a commitment to begin the project in 2023-24. While the Federal Government has set aside \$2 billion, starting work is dependent on Federal-State agreement on the location.

The Victorian Chamber supports developing the proposed site in Truganina (the Western Interstate Freight Terminal (WIFT)) first as this option will best address immediate pressures on the network. Once the WIFT is operational, work should then begin on a freight terminal at Beveridge.

Victoria's freight volumes are expected to grow from approximately 400 million tonnes in 2021 to around 900 million tonnes annually by 2050. A WIFT operational by 2025, followed by an interstate freight terminal at Beveridge, will ensure our supply chain can manage this projected growth, ease cost pressures on business, and generate economic benefit for Victoria and the nation.

While the intermodal terminal would be federally funded as part of inland rail, the State Government can provide assistance and incentives to bring it forward. The State must gift the required land to the Federal Government as well as provide pre-approval of all planning controls required.

Recommendation 40:

The Victorian Government should gift the required land to the Federal Government for the Western Intermodal Freight Terminal (WIFT) in Truganina and connections into the Port of Melbourne. The Government should pre-approve associated planning provisions to fast track the process once Federal funding is committed.

Fishermans Bend Precinct

By 2050, Fishermans Bend will be home to approximately 80,000 residents and provide employment for up to 80,000 people. Fishermans Bend has an ever-growing reputation as a hub of Victorian innovation.

Transport and access routes to activate and connect Fishermans Bend and prevent congestion as traffic continues to grow need to be confirmed now.

The Government has committed \$15 million to the planning of longer-term transport links, but this planning does not have an estimated due date. Failure to commit now will see the area become congested, decreasing productivity of businesses within Fishermans Bend and the surrounding central business district.

In the short term, the rapid bus project involving the construction of bus stations and stops should begin, together with bus priority and increased bus frequency. To cater for the longer term, the Government should allocate funding to the northern Fishermans Bend tram connection for delivery by 2026 and commence planning for the southern route connection.

Recommendation 41:

Expand number of rapid bus services in Fishermans Bend.

Recommendation 42:

Prepare a business case for the delivery of trackless trams for the Fishermans Bend southern route.

Recommendation 43:

Fund the northern Fishermans Bend tram connection for delivery by 2026.

Driving Victoria's Economy



24/7 Port of Melbourne operations and access

The Port of Melbourne has the highest freight volumes in Australia and, as it upgrades its infrastructure, there will be efficiency improvements. These efficiencies benefit all businesses and provide a significant contribution to economic development. To preserve and further facilitate improved efficiencies, the Government should protect the Port of Melbourne's

24/7 operations through legislation to provide the certainty that is required to encourage investment.

Recommendation 44:

Legislate 24/7 operations and access to the Port of Melbourne.



Visitor Economy

Victoria is the events capital of Australia. As Victoria begins planning for the 2026 Commonwealth Games, we have a unique opportunity to showcase our local attractions and tourism industry. The Government must provide adequate funding and long-term planning to ensure economic recovery to pre-pandemic levels not just in the short term, but for future generations.

By focusing on growing our visitor economy and investing in our unique tourism industry through long-term strategies to drive demand for events, Victoria could be the envy of the world as the best place to learn, work, live and visit.

Recommendation 45:

Develop a long-term strategy to drive demand for business events across the State to support growth in venue infrastructure.

Recommendation 46:

Build the organisational capability of service providers in the experience economy to improve service delivery and increase industry resilience.

Recommendation 47:

Launch a targeted suite of in-person tourism expos and events to promote Victoria to key visitor markets.

Recommendation 48:

Develop a long-term infrastructure plan, with short and medium-term milestones, for Victoria's experience economy to ensure appropriate facilities are in place to support future growth. The focus should be on agribusiness, food, accommodation and experience.

Recommendation 49:

Fund and develop specialist industry-led and delivered short courses and internships for the events, tourism and hospitality sectors.

Recommendation 50:

Create a \$200 million events attraction fund to secure world leading events and ensure we remain the number one state for events. This should include a business plan for securing the Rugby World Cup 2027, the 2034 FIFA World Cup and COP27.



Exports

Victoria is a significant exporter of goods and services. In 2018-19, Victoria exported \$31.1 billion in goods and \$26.2 in services.¹⁵ Proportionately this represents 8.3 per cent of Australia's total exports of goods and 27.1 per cent of Australia's total exports of services¹⁶, but we can do better. Exports increase wages, standards of living and create more jobs.

The Chamber recommends a target to grow Victoria's share of Australia's total exports (goods and services) to 50 per cent, by 2025. A clear target, supported by a new Export Victoria Strategy would speed up government and industry action to assist businesses to commercialise their products for international markets. Key to this strategy is expanding business support and funding for industry-led 'export ready' mentoring and business advisory programs. There should be equal focus on the export of goods and services.

The Government should expand Invest Victoria and Global Victoria's roles to account for investment and growth in export capability, especially for SMEs and regional businesses.

Global Victoria should offer a clear, coordinated pathway of support for Victorian businesses seeking to go global. A revamped online platform would incorporate a streamlined gateway assessment for potential exporters, supplemented by personal follow-up for businesses assessed as export ready.

Recommendation 51:

Fund and scale up business support, advice and funding to upskill businesses that export or want to export.

Recommendation 52:

Align Invest Victoria and Global Victoria's strategies with investment and growth in Victoria's export capability.

Recommendation 53:

Fund Global Victoria to revamp its online platform to help businesses export.

¹⁵ Invest Victoria, *Economic Indicators*, available at <<https://www.invest.vic.gov.au/resources/statistics/economic-indicators>>.

¹⁶ Ibid.

Growing Regional Victoria

Summary of recommendations

Recommendations	
54	Fund a targeted, industry-led 'Work in the Regions' initiative to encourage people to work in regional industries experiencing skills shortages.
55	Establish regional development precincts to build a skilled workforce to drive growth and innovation in the regions.
56	Create a Regional Victorian Manufacturing Strategy and Fund to boost Victoria's local manufacturing industry and capabilities.
57	Fund a targeted settlement strategy to encourage skilled migrants to settle in Regional Victoria.
58	Create an Agriculture Passport to allow seasonal employees to work across growers and farms.
59	Fund Services Victoria to lead a new initiative to reduce the cost, time and processes associated with starting up or expanding an agribusiness.
60	Create a fund to support agricultural manufacturing and production.
61	Invest in regional infrastructure and essential services to accommodate the recent population growth into the regions and allow for continual housing developments.
62	Expand public transport networks within the regions and to/from Melbourne to facilitate business activities, increase connectivity and attract more visitors to regional areas.
63	Create a \$250 million regional transport asset maintenance fund to ensure regional roads are maintained.
64	Commission a statewide review of local content procurement processes in collaboration with at least six regional councils.
65	Require Victorian Government agencies to report quarterly against local procurement targets.
66	Provide funding over four years for a business case each year for uninterrupted high-speed trains to Regional Victoria on dedicated lines from Southern Cross Station, starting with Ballarat, and begin collaborating with the Commonwealth on a joint funding model for the project.
67	Create a destination marketing campaign to encourage visitation to our regions and showcase the unique landscape of Regional Victoria.
68	Conduct an audit of all accommodation options across Regional Victoria to adequately prepare for the Commonwealth Games.

Growing Regional Victoria

Skilled labour and investment

Our regions are home to one in four Victorians, and account for 700,000 jobs.¹⁷ However, they too are feeling the impact of skilled labour shortages. The loss of skilled migrants and the impacts of the pandemic have left regional businesses struggling to fill vital positions. The Victorian Chamber is advocating for a targeted industry-led 'Work in the Regions' initiative to encourage people to work in regional industries with critical skills shortages.

Regional areas contribute significantly to the growth of Victoria; however, they are not receiving adequate funding and investment in education, labour, infrastructure, manufacturing, planning, skills development and business support. Regional Victoria needs fit-for-purpose investment that specifically addresses community constraints. To provide certainty and direction, Regional Victoria requires adequate local and state planning. Victoria is one state, and our regions must be included in any discussions regarding funding and investment.

Further, targeted industry investment and procurement levers should be used to ensure development in our regions. The Victorian Chamber proposes the creation of a targeted Victorian Manufacturing Strategy and Fund to boost Victoria's local manufacturing industry and capabilities both in cities and Regional Victoria.

Regional businesses must be active contributors to ongoing policy frameworks so they can decide how their communities see sustained future growth. To achieve meaningful revitalisation of our regions, we need a two-pronged approach to policy development.

Better housing, public transport and infrastructure are crucial, but these measures need to coincide with strategic migration initiatives and skills development pathways that incentivise people to live and work in communities over the long term.

Business widely supports the establishment of regional development precincts to help drive regional industry growth and skills development. According to VCCI's pre-election member survey, 81 per cent are in favour of the establishment of regional precincts.

Recommendation 54:

Fund a targeted, industry-led 'Work in the Regions' initiative to encourage people to work in regional industries experiencing labour shortages.

Recommendation 55:

Establish regional development precincts to build a skilled workforce to drive growth and innovation in the regions.

Recommendation 56:

Create a Regional Victorian Manufacturing Strategy and Fund to boost Victoria's local manufacturing industry and capabilities.

Recommendation 57:

Fund a targeted settlement strategy to encourage skilled migrants to settle in Regional Victoria.

¹⁷ Solar Victoria, 2021, *Victorians embracing solar at record levels*, <<https://www.solar.vic.gov.au/victorians-embracing-solar-record-levels>>.

Growing Regional Victoria



Australia's food bowl

In 2019-20, the State's gross value of agricultural production was \$17.8 billion representing 29 per cent of Australia's gross value of agricultural production, making Victoria the country's largest agricultural producer.¹⁸ The value of this industry must be prioritised to continue to grow and thrive. Governments need to develop and promote local initiatives such as 'Buy Local' that showcase our regions. Such initiatives are vital for the health of small regional businesses and the Victorian economy. This can be further supported by direct government investment in agricultural manufacturing and production.

In addition to this, Victoria employs the most people in agriculture and food industries across Australia, contributing 28 per cent to employment in the industry nationally.¹⁹ But our regions are suffering, worker shortages and the absence of skilled labour in farming management roles are creating difficulties across Victoria. VCCI advocates for the creation of an Agriculture Passport, a scheme where migrant workers can be housed by government and are able to work across growers and seasons throughout the year.

Currently, agriculture workers can access several different visas, all with different requirements and sometimes restricting them to work with only one employer. An Agriculture Passport would create one scheme that would help address these issues and the severe labour shortage in Regional Victoria.

Recommendation 58:

Create an Agriculture Passport to allow seasonal employees to work across growers and farms.

Recommendation 59:

Fund Services Victoria to lead a new initiative to reduce the cost, time and processes associated with starting up or expanding an agribusiness.

Recommendation 60:

Create a fund to support agricultural manufacturing and production.

¹⁸ Agriculture Victoria, 2022, *Victoria's agriculture and food industries*, <<https://agriculture.vic.gov.au/about/agriculture-in-victoria/victorias-agriculture-and-food-industries>>.

¹⁹ Ibid.

Growing Regional Victoria

Accessibility, connectivity and infrastructure

The accessibility of our regional areas is particularly important to the growth and vitality of Regional Victoria. Good quality infrastructure, whether housing or transport, can result in a flourishing regional economy. By pushing for better long-term housing and public transport planning, regional centres can acquire more skilled workers and meaningfully address labour shortages.

If the regions do not have the adequate mechanisms to plan for provisions like transport and housing, all economic levers for the growth of our state will be hampered. Victoria needs a government-led housing development scheme to expand housing supply and planning in Regional Victoria. Seventy-three per cent of businesses surveyed supported a government scheme to expand housing supply in Regional Victoria.

Further, one of the biggest challenges for Regional Victoria is connectivity and the ability for businesses to operate efficiently and effectively with poor digital capabilities. For our regions to flourish the Government must ensure digital technology and infrastructure across Victorian regions are consistent with Metropolitan Victoria.

Recommendation 61:

Invest in regional infrastructure and essential services to accommodate the recent population growth into the regions and allow for continual housing developments.

Recommendation 62:

Expand public transport networks within the regions and to/from Melbourne to facilitate business activities, increase connectivity and attract more visitors to regional areas.

Recommendation 63:

Create a \$250 million regional transport asset maintenance fund to ensure regional roads are maintained.

Local procurement

We want Victoria to be the best state to own and operate a business, to do this Government must improve our procurement systems. Improving procurement processes is one of the best ways to activate and support businesses, as well as create local jobs. Delays or long procurement processes in local councils have hindered productivity for regional businesses. The Government needs to commission a state-wide review of local content procurement processes to ensure efficiency and productivity in our regional areas.

Further, increased transparency on procurement targets is needed to increase productivity. The Government must require departments and agencies to report quarterly against local procurement targets.

Recommendation 64:

Commission a statewide review of local content procurement processes in collaboration with at least six regional councils.

Recommendation 65:

Require Victorian Government agencies to report quarterly against local procurement targets.



Growing Regional Victoria

High speed trains to Regional Victoria

Fast rail connections between Regional Victoria and Melbourne would decrease commute time and improve the availability of labour in Victoria's fastest growing regional centres. A 45-minute commute between Ballarat and Melbourne could be a reality and provide the blueprint to rollout further highspeed trains to other regional centres to improve connectivity. The State Government should also bring forward the work on Geelong fast rail.

Recommendation 66:

Provide funding over four years for a business case each year for uninterrupted high-speed trains to Regional Victoria on dedicated lines from Southern Cross Station, starting with Ballarat, and begin collaborating with the Commonwealth on a joint funding model for the project.



Tourism and events

Regional tourism contributes \$11.5 billion to Victoria's economy.²⁰ There is a strong appetite for travellers to experience Victoria's natural beauty, food and wine, and arts and culture. Regional events are high in demand and have been incredibly well attended. However, our regions need a clear destination marketing plan to bring visitors to Regional Victoria and showcase the unique cultural experiences that exist there.

The 2026 Regional Victorian Commonwealth Games presents a unique opportunity for the State to showcase our regional areas. If Victoria is to see the necessary growth in our regions, we need to empower those local communities. This does not just provide hope for a better future but enables investment from communities who understand what will benefit them most. In our pre-election member survey, 77 per cent of businesses support increased funding for regional tourism infrastructure.

Recommendation 67:

Create a destination marketing campaign to encourage visitation to our regions and showcase the unique landscape of Regional Victoria.

Recommendation 68:

Conduct an audit of all accommodation options across Regional Victoria to adequately prepare for the Commonwealth Games.

²⁰ Regional Development Victoria, 2022, *About Regional Development Victoria*, <<https://www.rdv.vic.gov.au/about-rdv/who-we-are>>.



Our regions need a clear destination marketing plan to bring visitors to Regional Victoria and showcase the unique cultural experiences that exist there.

Summary of recommendations adopted at State Election

We welcome that the Victorian Government in-part or fully adopted 23 of 61 recommendations in our State Election Platform, Powering Victoria's Future.

These are outlined in Appendix A.

Pillar 1: Strengthening Victoria's jobs and skills	
P2	Set up training centres linked to major infrastructure projects (e.g. wind farms) to provide students with practical training and address specific skills shortages.
S1	Increase funding for digital infrastructure required to facilitate lifelong learning to address the continual evolution of skills in industry.
S2	Improve the affordability of early childhood education and care, including after school care, and provide more places to help address the workforce participation gap between men and women.
S4	Enable industry to co-design training programs with education institutions to ensure the skills taught in courses are fit-for-purpose and in line with future industry needs.
S5	Incentivise international students to study in Victoria by providing support and covering administration costs for enrolment in tertiary education.
S6	Provide targeted employer support and training to increase apprenticeship completion.
Pillar 2: Building Victoria as the best state to operate a business	
S11	Incentivise workers, through a government-led discounted public transport scheme, to return to Melbourne CBD offices during the working week.
S12	Provide funding to establish a regulatory concierge model to help streamline process times and procedures.
S14	Provide funding for shared digital infrastructure to save council resources and give council clients a better, more integrated service.

Pillar 3: Driving Victoria's Economy

P11	Fund Visit Victoria to develop a detailed 10-year experience economy strategy to restore and retain Victoria's reputation for great experiences. It should be focused on two pillars – Tourism and Events – with equal importance given to both.
P12	Create with substantive funding a 10-year Victorian Manufacturing Strategy to boost Victoria's local manufacturing industry in existing and emerging industries.
P13	Fund an energy subsidy scheme to incentivise commercial landlords to install renewable energy infrastructure.
P15	Commit to reviewing and implementing ways to regulate the energy market to ensure certainty of supply and certainty of price for users.
S16	Create a clean energy roadmap that drives planning and development of clean-tech enablers to reach Victoria's 50 per cent carbon reduction target by 2030. This would include strategies that develop future fuels such as hydrogen production for transportation and industrial use, battery storage and circular economy investment for the recycling of battery and solar.
S18	Incentivise businesses to adopt energy-saving technologies, equipment and products to lower day-to-day expenses.
S21	Fund and scale up business support, advice and funding to upskill businesses that export or want to export.
S22	Develop a new 'Export Victoria' strategy to increase Victoria's share of Australia's total exports to 50 per cent by 2025.
S27	Provide sustained funding for the Mode Shift Incentive Scheme to provide regional exporters and logistics companies more certainty in the transition from road to rail.
S29	Implement tax deductions on energy efficiency implementation, including insulation, timing of energy use, smart meters and cheaper ways of upgrading to renewable energy sources.

Pillar 4: Growing Regional Victoria

P16	Create a housing development scheme to expand housing supply and planning in Regional Victoria, that is supported by comprehensive place planning in regional and rural towns.
S32	Invest in improving digital infrastructure capability across Regional Victoria.
S33	Establish regional development precincts to build a skilled workforce to drive growth and innovation in the regions.



#vcci

© The Victorian Chamber of Commerce and Industry 2023.

This paper was prepared by the Victorian Chamber of Commerce and Industry. While the Victorian Chamber has endeavoured to provide accurate and reliable research and analysis, it will not be held liable for any claim by any party utilising this information.

The Victorian Chamber of Commerce and Industry,
150 Collins Street, Melbourne, Victoria 3000
Phone: (03) 8662 5333 victorianchamber.com.au Sep 2022

victorianchamber.com.au