



**Victorian
Chamber of Commerce
and Industry**

VICTORIAN CHAMBER SECURES WINS FOR BUSINESS IN 2020-21 STATE BUDGET

- > \$1.5 billion in tax relief, including a new jobs tax credit
- > \$465m tourism recovery package
- > \$230m for reskilling and retraining
- > \$4.2 billion for suburban rail and Geelong fast rail
- > \$2b Breakthrough Victoria Fund
- > Affordable finance for start-ups
- > Reforms to cut red tape and simplify government procurement
- > Global Gateway vouchers to support trade, as well as new investment attraction support
- > \$681m for cheaper and cleaner energy
- > \$100m to support industry recovery and development

With a focus on economic recovery, job creation, infrastructure, investment attraction and measures to strengthen innovation, the Victorian Chamber of Commerce and Industry has welcomed the 2020-21 State Budget.

The budget provides \$1.5 billion in tax relief, including a new jobs tax credit that will offset payroll tax for businesses that re-hire and bring on new workers, and additional support to cover the wages of 10,000 new workers in regional workers.

The budget funds the delivery of a range of transport, health, energy, education, and tourism infrastructure improvements.

Much of what the Victorian Chamber recommended on behalf of our 47,000 members and customers features in the budget.

While the budget will help build confidence, investment, and jobs, not everything in the budget is welcome. The spending commitments will push net debt to historic new levels.

The domestic and international economic outlook also remains fragile. The longer international borders remain closed, the longer net overseas migration, and international education and tourism exports, will remain very low.

The table overleaf compares the Chamber's pre-budget recommendations with the key measures announced in the 2020-21 State Budget.

Victorian Chamber Recommendation	State Budget Outcome
Business growth and emerging industries <ul style="list-style-type: none"> > Establish an industry growth fund to stimulate advanced manufacturing and innovation commercialisation across the state. > Support Victorian businesses leverage international supply chain opportunities > Support the transition of businesses to low emission energy 	<ul style="list-style-type: none"> > \$60m Manufacturing and Industry Development Fund > \$65m to grow and modernise Victorian agribusiness > \$681.9m for projects to drive cheaper and cleaner energy > \$40m to establish the Industry Recovery and Growth Fund > \$20m to establishment of the Australian MedTech Manufacturing Centre > \$321.7m for a circular economy policy and plan to transform Victoria's recycling sector > \$31.8m for an export recovery plan (inc. grants for SMEs)
Innovation <ul style="list-style-type: none"> > Provide funding to assist start-ups and SMEs to bring their product or service to market, including a low interest loan and facilitated access to private sector investment. 	<ul style="list-style-type: none"> > \$2 billion Breakthrough Victoria Fund > \$525.9m for Victoria's Digital Future > \$70.5m for Start-up Capital Fund & investment for female founded start-ups > \$25.8m to establish a Venture Growth Fund to inject more capital into the scaleup sector > \$12.9m providing R&D cash flow loans for SMEs
Business costs <ul style="list-style-type: none"> > Reduce the payroll tax burden on Victorian businesses. > Provide an immediate electricity rebate for small businesses. > Reduce the regulatory burden on Victorian businesses. 	<ul style="list-style-type: none"> > A payroll tax credit of 10 cents for every dollar of wages paid in 2020-21 and 2021-22 above the previous year's wages (for employers with wages below \$10 million) > \$74.8m regulatory reform package > \$45.9m to expand the solar panel rebate and loans scheme to small businesses
Visitor economy, events, and creative industries <ul style="list-style-type: none"> > Reinstitute the Regional Tourism Infrastructure Fund and provide significant funding to key demand-driving organisations (e.g. Visit Victoria) to support COVID-19 and bushfire recovery tourism marketing and the attraction of new, world class major business events. 	<ul style="list-style-type: none"> > \$106.5m to support the recovery of Victoria's visitor economy > \$120.6m Regional Tourism Investment Fund > \$150m Regional Tourism Infrastructure Fund > \$27.9m for the Victorian Regional Travel Voucher Scheme > \$20m Regional Events Fund
Infrastructure <ul style="list-style-type: none"> > Take advantage of current low interest rates with prudent increases in debt to invest in productivity - enhancing infrastructure, consistent with the State's triple-A credit rating. > Bring forward road and other infrastructure and social infrastructure upgrades, and any planned procurement across the public service and related organisations, that can leverage local content and skills. > Simplify and streamline procurement processes to make it easier for SMEs to tender and win work. 	<ul style="list-style-type: none"> > \$2.2b for the Suburban Rail Loop > \$2b for stage 1 of the Geelong Fast Rail > Funding for 100 Next Generation Trams > \$10m for planning for the redevelopment of the Royal Melbourne Hospital > \$5.3b for more than 12,000 Social Housing dwellings. > \$108.7m for a road maintenance blitz across the state > \$892.2m to upgrade 123 schools across the state and \$122.4m for new school construction > \$13.7m to streamline and simplify procurement processes. > \$320m for Health Infrastructure Funds
Employment and training <ul style="list-style-type: none"> > Arrest Victoria's long-term decline in apprenticeship and traineeship commencements and completion rates. > Improve the perception of VET pathways within secondary schools. > Provide an independent resource to help tenderers, contractors and their supply chains understand their Major Projects Skills Guarantee requirements and how they can meet them. 	<ul style="list-style-type: none"> > \$19.3m for the Apprenticeships Growth Strategy > \$74.8m to rapidly retrain Victorians for high-priority industries & \$155.5m to reskill and upskill those particularly affected by economic disruption > \$33.1m for the Big Build training pathway program to enhance the impact of the Major Projects Skills Guarantee > Jobs, Skills and Pathways program in schools to support students with vocational and applied learning pathways > \$631.5m to meet anticipated demand for eligible students to undertake training to enhance their skills and employment opportunities