

OVERVIEW

2021-2022
SMALL BUSINESS AND
REGIONAL STATE BUDGET



Victorian
Chamber of Commerce
and Industry

> SMALL BUSINESS

| ENABLE, GROW AND EASE | |
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| 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. |

> REGIONAL

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. |