



Back in business:

A Victorian agenda for the 2022-23 Federal Election

ABOUT THE PLATFORM

The Victorian Chamber of Commerce and Industry is Victoria's peak business and industry body, representing the collective voice of 50,000 members and clients. We advocate for better conditions for Victorian businesses, so that every business – small, medium or large – can start up, grow and thrive in our state.

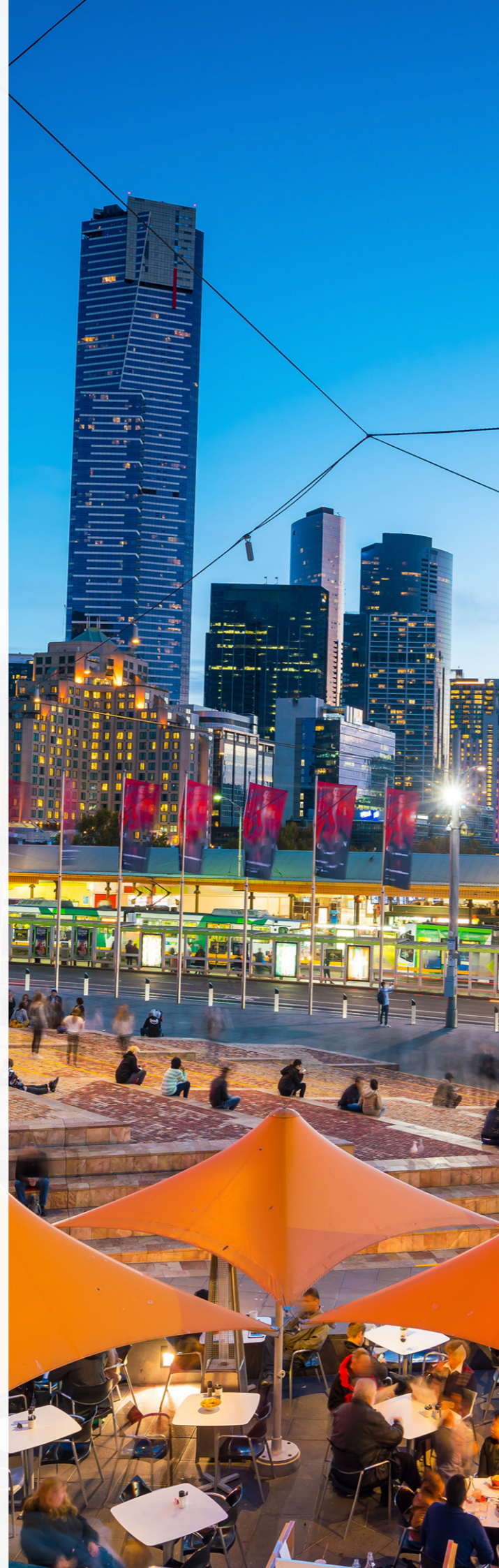
Business is the heart of our economy and community. This past two years, more than any period in our history, has highlighted the central role of industry in the life of our nation.

Our platform is shaped around three pillars that, if delivered, will help secure Victoria's economic future and our nation's prosperity. These include supporting our visitor economy to rapidly adapt and thrive, securing our supply chain through a new intermodal freight terminal, and boosting our clean energy industries to create jobs and an advanced manufacturing sector.

We know delivery of these priorities matters to Victorian businesses and to the broader community. We identified and validated our three pillars through surveying our member businesses, hosting five targeted member roundtables, and through independent focus groups involving Victorian voters from key marginal electorates.

The private sector has kept our economy moving under shutdown orders, supplied millions of Victorians with the goods and services they needed to work from home, and served as the main broker for social contact during prolonged periods of social distancing.

Now is the time to give business owners the tools they need to get our state and nation back in business. It's time to get the private sector back into its rightful place as the engine room of our economy to build a strong, secure and hopeful future for Victoria and Australia to roar back.



PILLAR 1

Help our tourism industry survive and thrive

OUR POSITION

The tourism industry needs targeted funding to help stay afloat and prepare to attract visitors back to Victoria when travel freedom is returned. Before the pandemic, Victoria's visitor economy generated 210,000 jobs and \$21.7 billion to the state economy – we can't let it fall behind the rest of the world.

CONTEXT

Victoria is an exciting state to visit and is home to one of the most liveable cities in the world. Our world-class events, unique natural wonders and vibrant culture attract visitors from all over the globe. Despite these attractions, Victoria's visitor economy has experienced severe setbacks due to the COVID-19 pandemic.

Border closures cut off the influx of international and interstate tourists. Multiple lockdowns and rigid public health restrictions have also deterred many from planning visits to Melbourne - Australia's cultural and sporting capital. This has had dire consequences, not only on the tourism industry, but the Victorian economy more broadly. Victoria's tourism expenditure was \$13.6 billion in the September 2021 quarter, down 57 per cent from the same period in 2019¹.

Visitor economy businesses and the wider community are united on the need to support the visitor economy. Participants in the Chamber's independent voter focus groups, without prompting, cited tourism as a sector which has experienced unavoidable damage due to COVID-19. Ordinary Victorians were concerned about the future of Australia's visitor economy sector, sharing examples from their own communities of operators who had experienced hardship or who had exited the industry altogether.

A new recovery package for the visitor economy should be designed in a way that promotes industry resilience. The aim should be to provide interim financial protection to assist organisations to survive to the end

of 2022 and prepare to return to full capacity in 2023. We cannot allow such an important part of our economy to fall behind the rest of the world.

Finally, Victoria must remain open for business. At the Chamber, we strongly promote the need to allow operators to trade in COVID-normal settings. We have reached a new phase in the pandemic where we must learn to live with the virus. This requires keeping business' doors and state borders open to allow the free flow of tourists, and therefore tourist expenditure, back into our state.

VICTORIA'S VISITOR ECONOMY	
23.4 bn 	Size of Victoria's visitor economy in 2019/2020 ▼ Down 20.7 per cent from 2018/2019
232,000 	People employed in tourism in 2019/2020 ▼ Down 11.9 per cent from 2018/2019
56.5 mil 	Visitors from Sept 2020-2021 ▼ Down 42 per cent from Sept 2019-2020

¹ Victoria's Tourism, Events and Visitor Economy research overview. Available at: https://business.vic.gov.au/_data/assets/pdf_file/0009/2041866/Victorias_Visitor_Economy_performance_infographic_YESep21.pdf





PILLAR 2

Build a new interstate freight terminal to secure Victoria's supply chain

OUR POSITION

Supply chain disruptions are hampering Victoria's economic growth. Victoria needs a new intermodal freight terminal to increase freight capacity for the post-COVID-19 economy. Secure supply chains will deliver the stability our small businesses need to invest in their businesses and create well-paying jobs. Work on a new freight terminal for Victoria must start now so that industry can have the confidence that pressures on the supply chain network will be addressed.



PILLAR 3

Build Victoria's clean energy industries to support a thriving advanced manufacturing sector

OUR POSITION

The Chamber is calling for significant government funding and policy backing to scale up new and existing clean energy projects that build our export markets and boost domestic energy security. Victoria's emerging hydrogen industry presents an opportunity to scale up our state's clean energy sector, create jobs, and build a thriving manufacturing sector.



CONTEXT

In Victoria, our members report that the impact of global supply chain disruptions is intensified by domestic supply chain issues. While public health measures have been a major factor in this situation, local supply chain congestion and limited warehousing space is compounding the costs and pressures on industry.

Victoria needs a new intermodal freight terminal to increase capacity for imports and exports for the post-COVID-19 economy. This requires funding and a commitment to begin the project in 2022-23. While the Federal Government has set aside a \$2 billion allocation as seed funding, starting work is dependent on Federal-State agreement on the location. We urge the Federal and State Governments to select a site and begin work on the terminal within the year so that industry can have the confidence that pressures on the supply chain network will be addressed. Consumers are also demanding this progression.

A new freight terminal, regardless of its location, will revitalise the transport and logistics industry and create jobs for Victorians. The business case for the freight terminal proposed for the Truganina site (the Western Interstate Freight Terminal), for example, reports creation of approximately 2,000 Victorian jobs, without accounting for jobs indirectly created through the multiplier effect of the initiative. The project will improve access for port-related freight and relieve congestion by reducing the truck trips from the existing Dynon precinct by up to 2,000 per day.

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



CONTEXT

Australia's clean energy future is a critical opportunity for Victorian business. Rising energy costs are also hitting the bottom line for many businesses across the state. Victoria's emerging hydrogen industry and rapid charging network present an opportunity to scale up our state's clean energy sector, create jobs and build a thriving manufacturing sector. This will only be possible with scalable government funding and policy backing for clean energy projects.

Tackling climate change is a problem the business community wants to solve. It is an opportunity to create jobs, develop our regional economies and grow our clean energy manufacturing and technology sectors. Victoria offers significant competitive advantages for Australia's clean energy future, including its emerging hydrogen production sector, highly skilled workforce and natural assets.

Tackling emissions while preserving the competitiveness of our economy requires a multi-pronged approach, balancing renewables with other clean energy sources. Decarbonising Australia's trade-exposed, energy intensive sub-sectors, for example, may be best achieved through support for clean hydrogen. The Australian Government has already provided substantial support, for example, for Victoria's nascent hydrogen export market through the Hydrogen Energy Supply Chain Project.

VICTORIA'S CLEAN ENERGY FUTURE



Renewable energy powered **26 per cent** of Victoria's electricity in 2020



More than **26 per cent** of Victorian homes and businesses powered by renewables⁵



Australian hydrogen industry could generate **\$50 billion** by 2050⁵

² <https://www.portofmelbourne.com/about-us/factsandfigures>

³ <https://www.infrastructureaustralia.gov.au/map/melbourne-container-terminal-capacity-and-land-transport-access>

⁴ <https://geelongport.com.au>

⁵ <https://www.minister.industry.gov.au/ministers/taylor/media-releases/australia-japan-clean-hydrogen-trade-partnership>



Victorian
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and Industry

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John Gollings | White Night 2018