Victorian Chamber of Commerce and Industry

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2024-25 State Budget Overview

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What's in it for business?

The Victorian Chamber welcomes no new taxes on business in the 2024-25 State Budget, which was our number one advocacy priority.

While allowances for business in the Budget are modest, the Chamber welcomes increased funding for TAFE and upskilling, careers counselling in schools, business events attraction, innovation and entrepreneurship initiatives, regional services and business enablement and training programs.

Budget highlights

Taxation and reduction of business expenses

- As promised in last year's budget, the payroll tax-free threshold will be lifted from $700,000 to $900,000 from 1 July 2024, and to $1 million from 1 July 2025.
- Also announced in last year's budget, from 1 July 2024, businesses will benefit by approximately $266 million over the next four years from the abolition of stamp duty for commercial and industrial properties.
- Business insurance duty is also being abolished gradually over a 10-year period, which is a saving of $516 million for the business community.
- The Sick Pay Guarantee pilot will conclude on 30 June 2024.

Essential infrastructure

- $996 million in 2024-25 to switch on Big Build projects including Metro Tunnel and Westgate Tunnel.
- $700 million in 2024-25 to extend the Victorian Home Buyer Fund.
- Funding to build 800,000 homes over the next decade and incentivise modern methods of construction.

Talent pipeline

- $555 million in skills and TAFE including
  - $394 million to boost access to vocational training and Free TAFE.
  - $32 million for the Skills First Skill Set initiative.
  - $11 million to support apprentices, trainees and their employers.
- $37.6 million over three years from 2024-25 to 2026-27 for a vocational experience pilot program to support career planning and participation in industry.
- $1.8 million in 2024-25 for leadership and mentorship programs for women.

Energy

- $18 million in 2024-25 for the planning of offshore wind generation and $17 million to further plan and design a renewable energy terminal at the Port of Hastings.

Innovation

- $40 million for LaunchVic to foster future innovators and entrepreneurs and bolster women's representation in the start-up sector.
- $9.4 million to attract high-profile international business events to Victoria.
- $2.3 million in 2024-25 for small businesses to access business advisory services and capability building.

Regional Victoria

- $2 billion regional package for housing, sporting infrastructure and economic development.
- $60.5 million over four years for the regional road upgrade program, including $28.4 million of Federal funding.

View Paul Guerra's comments online

State of the Victorian economy

The Victorian economy is projected to grow 2.5 per cent in 2024-25 up to 2.7 per cent in 2025-26.

Our unemployment rate is expected to increase slightly and reach 4.25 per cent in 2024-25.

Government is forecasting an operating surplus of $1.5 billion in 2025-26 and $1.6 billion in 2026-27.

This Budget forecasts net debt to GDP will decline to 25.1 per cent by 2027-28.

Total revenue growth will increase by an average of 3.6 per cent a year over the forward estimates.

Government expenditure will increase by an average of 2.2 per cent over the forward estimates.

Total new estimated investment in infrastructure will be $2.39 billion in 2024-25 with an additional $9.78 billion to be invested over the next four years, bringing to total to $12.3 billion.

The Victorian Chamber's successful budget asks

Key

Adopted | Partially implemented | Not adopted

Transform and Reduce Business Expenses		
01	Ensure no new or increased taxes and levies are applied to Victorian businesses to prevent business conditions deteriorating further.	Partially implemented
02	Raise the payroll tax-free threshold to $1.2 million and change Regional Victoria's payroll tax rate to zero.	Partially implemented
03	Enhance funding for Better Regulation Victoria and Services Victoria to spearhead an uplift in regulator capability, establish a unified portal for State and Local Government regulation, and serve as a resolution centre for issues within Victoria's regulatory system.	Partially implemented
Transform Foundations for Success		
04	Develop a comprehensive renewable energy roadmap that details industry's transition to renewables and provides energy certainty and security to the business community.	Not adopted
05	Offer energy intensive industries grants, subsidies and incentives to lower energy usage and transition to renewable energy.	Partially implemented
06	Increase commercial subsidy schemes to incentivise commercial property owners to install renewable energy infrastructure.	Partially implemented
07	Establish a Local Careers Development Fund to enable a place-based approach to careers development activities and current, successful place-based careers development activities to be scaled up and replicated. Ensure employers and business groups can access the Fund.	Adopted
08	Establish subsidies or tax incentives for employers that provide work experience and internships to boost the labour pipeline.	Partially implemented
09	Include careers development in school curriculums from Year 7 by inserting one career education subject in the curriculum as a compulsory unit of work.	Partially implemented
10	Develop a consistent, efficient and transparent infrastructure contribution system that better reflects the true cost of infrastructure in different development settings and supports use of existing infrastructure.	Not adopted
11	Enable and incentivise wider uptake of innovative construction technologies and methods to increase housing supply.	Adopted

The Victorian Chamber's successful budget asks (continued)

Transform Foundations for Success		
12	Task the Victorian Economic Growth Commissioner with devising a plan to enhance the efficiency of the Victorian supply chain to cultivate a thriving community of local exporters with increased volumes.	⊖
13	Support 24/7 operations and access to the Port of Melbourne to drive economic prosperity.	⊖
14	Invest in airline attraction to Victoria's airports to increase global connectivity, speed up movement of people and goods, and support the visitor economy's growth.	✓
15	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.	⊖
16	Prioritise a decision on the Victorian Intermodal Freight Terminal's site at the Western Intermodal Freight Terminal (WIFT) location as soon as possible to provide certainty to operators and industry.	✗
17	Connect the WIFT directly to the Port of Melbourne via a dedicated train line to the Swanston Dock in the short-term and Webb Dock in the longer-term to build productivity in the Australian Supply Chain and improve capacity through the Port of Melbourne.	✗
18	Commit funding to a Melbourne Airport rail connection to increase attractiveness and capacity of the Victorian visitor economy.	✗
19	Allow businesses seeking to pre-qualify as suppliers to the Victorian Government to fulfil screening requirements via a single form to streamline procurement processes.	⊖
20	Develop next generation Public Private Partnership (PPP) models that leverage capital and capability available in the private sector to address the demands on existing infrastructure.	⊖
21	Fund the next iteration of the successful SummerTech Live program to increase the digital skills and work experience of the future workforce.	⊖
22	Deliver the previously announced multicultural business scholarships program to increase capability within diverse business communities.	⊖
23	Allocate $10 million over two years to subsidise and enable businesses in Victoria (including in Regional Victoria and Suburban Melbourne) to participate in the Carbon Compass Program and benefit from its tailored carbon audit and management solutions.	✗
24	Fund $4 million over two years for small, medium and family businesses in Victoria (including in Regional and Suburban Victoria and Suburban Melbourne) to participate in the ESG Enablement Program to improve their environmental, social and governance impact.	✗
25	Allocate $460,000 for the Victorian Company Directors Certificate to develop governance skills in small and medium businesses, not for profits and public boards.	✗

The Victorian Chamber's successful budget asks (continued)

Transform Foundations for Success		
26	Provide $300,000 in the next financial year to continue the Chamber Change women in business program to bolster female representation in senior business leadership positions.	⊖
27	Fund the extension of the successful Youth Activating Youth Placement Program to continue providing internships and ongoing work opportunities to multicultural Victorians.	✖
28	Provide $10 million of funding over two years for small, medium and family businesses to access credits for workplace wellbeing programs.	⊖
29	Provide $5 million of funding over two years for a Small and Medium Business (SMB) Cyber Program so that small, medium and family businesses in Victoria can access affordable cyber security products and services.	✖
30	Provide $3 million of funding over one year for the establishment of a Cyber Safe Squad program to take cyber safe advice and assistance to small businesses across Victoria and provide students with practical work experience in the cyber industry.	✖
31	Provide $1 million of funding over two years for small businesses in Victoria to participate in the Small Business Marketing Program.	⊖

Transform and Prioritise Growth		
32	Boost early-stage venture capital investment into Victoria's start-up ecosystem to ensure more companies survive the challenges of starting a business.	✔
33	Provide seed capital funding for a joint-State-and-private-sector venture (working name 'CommercialiseVic') to develop a comprehensive innovation and commercialisation ecosystem (i.e., like that of Silicon Valley and Boston), with wrap-around services to ensure start-ups thrive.	✖
34	Fund a provisional steering group and networking service for small exporters to grow their capability.	✖
35	Develop a new 'Export Victoria' strategy to increase Victoria's share of Australia's total exports to 50 per cent.	⊖
36	Develop a detailed 10-year tourism strategy to attract more local and international visitors to our great state and propel our local economy.	⊖
37	Develop a state-wide business event acquisition plan that supports State Government strategies to increase Victoria's export opportunities and attract investment in key sectors and capabilities central to the future growth and competitiveness of the Victorian economy.	⊖

The Victorian Chamber's successful budget asks (continued)

Regional Transformation		
38	Take a 'Team Victoria' approach to managing migration changes to ensure Victorians are represented and educated about migration changes.	⊖
39	Develop a dedicated planning strategy for Regional Victoria, which includes medium-density housing, to ensure housing and supporting infrastructure meet regional population demands.	⊖
40	Continue investing in regional roads to increase safety and connectivity.	✓
41	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).	⊖
42	Allocate funds for the development of a four-year business case to build a high-speed train service to Regional Victoria via dedicated lines from Southern Cross Station, starting with Ballarat. Initiate a partnership with the Federal Government to establish a joint funding model for the project.	✗
43	Fund Public Transport Victoria to roll out upgrades to facilitate free Wi-Fi access on trains that travel to rural Victorian areas to enhance productivity for commuters.	✗
44	Partner with Internet service providers to encourage the development of regional Internet infrastructure to ensure the delivery of consistent, reliable and fast digital services in Regional Victoria.	✗



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