Victorian Chamber of Commerce and Industry

Committee for Melbourne

2026-2027 State Budget Submission

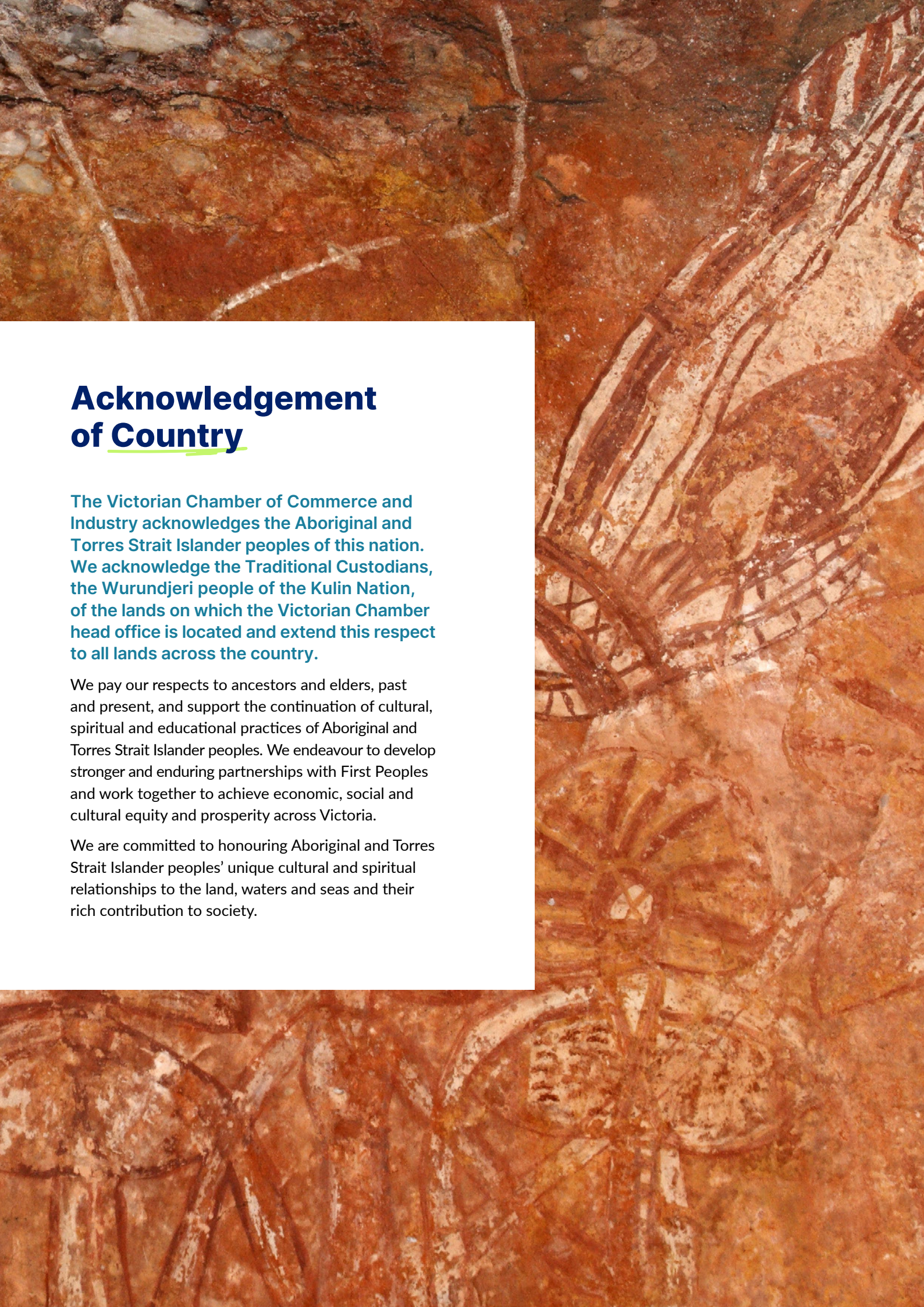
Reclaiming our competitiveness and prosperity

March 2026



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Acknowledgement of Country

The Victorian Chamber of Commerce and Industry acknowledges the Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the Traditional Custodians, the Wurundjeri people of the Kulin Nation, of the lands on which the Victorian Chamber head office is located and extend this respect to all lands across the country.

We pay our respects to ancestors and elders, past and present, and support the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples. We endeavour to develop stronger and enduring partnerships with First Peoples and work together to achieve economic, social and cultural equity and prosperity across Victoria.

We are committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

Reclaiming our competitiveness

This submission focuses on a private sector-led growth agenda that restores our competitiveness and secures our future prosperity.

Business is the engine room for economic growth in Victoria. It is the only path to prosperity.

It is business that creates jobs and provides higher living standards. Success is the ticket to higher wages and a high growth environment.

Business is united in a vision and ambition for Victoria that enhances our competitive and comparative advantages, creates opportunities for Victorians and sets us on a path for economic prosperity.

To achieve this, we must focus on the growth drivers for the Victorian economy.

We must take urgent and decisive action to ensure our economy is a vibrant and attractive place for business and sharpen our focus on growth industries that will create the benefits to be shared by all Victorians.

But today, the scale and scope of the challenges Victorian businesses face require urgent, sustained and focused action.

Unless we make some big shifts, we risk an economy and associated living standards that will see Victorians sliding backwards and stuck in the middle lane while the rest of the country and the world overtakes us.

Economic conditions in Victoria today are characterised by flagging economic dynamism, weakening business investment, a heavy burden of increasing taxes and regulation to support a deleterious fiscal position.

Victoria risks losing its competitiveness and attractiveness as a place to do business.

These factors are already combining to produce a situation where there are fewer growth opportunities for business, per capital incomes are reduced compared to other states. In the latest CommSec State of the States report, Victoria slipped to sixth position for overall economic performance, accounting for the eight annual indicators.[1]

For several decades, Victoria boasted strong economic growth, rising living standards, millions of well-paying jobs, billions of dollars in domestic and overseas investment, and an above-average quality of life. This has been due in no small part to a series of enviable advantages including an abundance of natural resources and sources of energy, high-productivity sectors such as agriculture and manufacturing, and a strong fiscal position.

For Victoria to advance to these heights again, we need to regain the confidence of business and investors into the State. This is best done by addressing debt, getting out of the way of the property sector, reducing the tax burden, and providing a clear roadmap for secure and affordable energy. With that as a base, we can look to grow the economy from the certainty that will ensue.

1 CommSec State of the States Report, October 2025, Page 1: website: CommSec_State_of_the_States_October_2025.pdf



Future industries to drive economic transformation

There is a compelling case for optimism. With strong endowments, particularly in the "future industries" described below, Victoria has a once-in-a-generation opportunity to capture an outsized share of investment flow that would unlock a new wave of prosperity for Victorians and the nation.

Key industries include:

- Resources and critical minerals – which can help drive decarbonation across the globe.
- An agricultural sector that is clean and world-leading.
- Freight and logistics, of which Victoria is the capital of Australia, and the majority of which emanates from our regions.
- Cutting-edge manufacturing and advanced manufacturing, AI, as well as innovation, research facilities and defence capabilities.

Capturing these opportunities will require thoughtful collaboration between business, industry and government to strengthen economic underpinnings and develop a shared vision and roadmap for success.

Top reform priorities:

The 2026-27 Budget is the opportunity to chart the path to economic growth, investment and confidence led by business.

We have focused on a small number of priority areas, knowing that a targeted approach is the right one at this juncture.

The Victorian government must:

Stabilise debt and provide a clear path and timeline for debt reduction as a share of Victoria's Gross State Product (GSP).

Impose no new taxes and reduce the regulatory burden on business

Enable the property sector by cutting land tax and red tape to support housing supply

Become the leading state for education and apprenticeships

Establish a clear energy roadmap that ensures abundant, affordable, secure and reliable energy

Better coordinate significant infrastructure, including private-sector led, by revamping public-private partnerships and

Develop the growth industries – agribusiness, exports, tourism, innovation and manufacturing – that are fundamental to our future prosperity.



We have set out a clear vision for a future Victoria and the immediate steps we need to take to get there. Achieving this will require unprecedented ambition, building on the comparative advantages of Regional Victoria and Metropolitan Melbourne including our central city, developing new strengths to attract key industries and creating new jobs while being sustainable for the communities and environments in which they operate. The Victorian Chamber and Committee for Melbourne stand ready to support the necessary economic reform agenda and work with the Victorian Government to secure a bright and prosperous future for Victorian business and, by extension, all Victorians.



Sally Curtain
Chief Executive
Victorian Chamber of Commerce and Industry



Scott Veenker
Chief Executive
Committee for Melbourne

Agenda to drive economic growth



1. Stabilise debt and provide a clear path for debt reduction

Steps to take right now:

- Set a goal to stabilise and reduce debt as a share of gross state product over the forward estimates. The target must be ambitious.
- Implement a fiscal strategy that drives down the debt while simultaneously providing for productivity growth, including in large government-funded services sectors of health, justice and education.

2. Impose no new taxes and reduce the regulatory and taxation burden on business

Steps to take right now:

- Commit to no new taxes (including levies) on business and articulate a clear path to tax burden reduction for businesses to deliver a competitive and attractive investment environment in Victoria.
- Establish a regulatory reform joint working group with the Victorian Chamber to drive fast-paced, meaningful changes and productivity improvements to planning rules, trading restrictions and regulations.



3. Enable the property sector to deliver much needed housing supply by reducing red tape

Steps to take right now:

- Turbocharge the property sector to deliver the housing supply Victorians need by streamlining regulatory arrangements along with property taxes and charges that add to the cost of supply.
- Work with the Victorian Chamber to address labour force issues, particularly around apprentices in the building and construction industries.
- Ensure confidence in the construction industry by implementing effective mechanisms to stamp out corruption and criminality where it is found.

4. Become the leading state for education and apprenticeships

Steps to take right now:

- Provide modernised career advice in schools, promoting different types of qualifications equally and ensuring student awareness of multiple career and educational pathways.
- Develop industry skills pacts that enable a structured partnership between business, schools and tertiary providers, supporting demand-led education, training and jobs, and enabling better workforce planning.
- Create the ambition for Victoria to be the go-to state in Australia to train as an apprentice.
- Map undergraduate courses offered at regional campuses by key industry. This will ensure that our regions are well placed to match education offerings with future industries.
- Work closely with the Victorian Chamber to support efforts that incentivise businesses to take on apprentices such as employer payments.

Agenda to drive economic growth

5. Establish a clear roadmap that ensures abundant, affordable, secure and reliable energy

Steps to take right now:

- Develop a clear roadmap to deliver abundant, affordable, reliable and secure energy, including for electricity and natural gas.
- Preference market-led investment solutions to energy in Victoria rather than government-led decisions and, above all, stop government bias towards energy sources.
- Provide a certain and supportive investment environment that allows the private sector to secure gas supplies for Victoria, including from within Victoria.

6. Better coordinate significant infrastructure, including private-sector led, by revamping public-private partnerships

Steps to take right now:

- Draw on the expertise of industry, including superannuation funds, to deliver a new public-private partnerships investment framework to encourage private capital and address disincentives to investment for priority infrastructure projects.
- Improving value for money on State government projects including by exploring ways to minimise the State's risk profile, exposure and contingent liabilities during project procurement and execution.

7. Develop the growth industries – exports, tourism, innovation and manufacturing – that are fundamental to our future prosperity

Steps to take right now:

- Create the fundamental policy settings to spur private sector investment in mining, agriculture, agribusiness and service exports including education.
- Work with industry to deliver an export strategy for Victoria aimed at capturing new markets in advanced manufacturing (including defence capabilities), critical minerals and mineral sands, and agriculture while creating new industries such as renewable gas and carbon capture opportunities.
- Secure Victoria's competitive position in rapidly emerging clean energy supply chains by collaborating with regional partners.
- Work with Committee for Melbourne to develop a comprehensive innovation and commercialisation ecosystem to help new businesses and industries thrive with a particular focus on our university precincts.
- Work with the Committee for Melbourne to develop a detailed Melbourne CBD revitalisation strategy with the goal of increasing the economic output of the Melbourne CBD to reach 25 per cent of State GSP.
- Deliver a detailed 10-year tourism strategy and business events acquisition plan that helps stimulate further visitation to our State, which in turn will lead to opportunities to leverage trade and investment strategies across a broad spectrum of emerging and growth industries.


TAKE A FRESH LOOK
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Victorian Chamber of Commerce and Industry

COMMITTEE FOR MELBOURNE

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This paper was prepared by the Victorian Chamber of Commerce and Industry and Committee for Melbourne. While the Victorian Chamber and the Committee 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
and Committee for Melbourne,
Level 6, 2 Lonsdale Street, Melbourne VIC 3000
Phone: (03) 8662 5333 victorianchamber.com.au March 2026

victorianchamber.com.au melbourne.org.au