

VICTORIAN CHAMBER SECURES RESULTS FOR BUSINESS IN 2018–19 STATE BUDGET

- > Average annual infrastructure spend of \$10.1 billion per year over the next four years
- > \$110 million to fast track the completion of design and planning for the North East Link
- > Regional businesses will save \$167 million with a new lower payroll tax rate of 2.425 per cent
- > \$304 million training boost to strengthen apprenticeship and traineeship pathways and close skills gaps
- > \$50 million for detailed planning of a fast train to Geelong integrated with an Airport Rail Link
- > \$941 million for regional road upgrades
- > \$55 million to support investment attraction
- > \$50 million for community infrastructure in fast growing interface council areas
- > Average budget operating surpluses of \$2.5 billion per year

Initiatives in this year's Victorian Budget directly reflect the influence of our pre-budget submission and advocacy on behalf of members, customers and clients.

With a focus on infrastructure, skills and regional tax relief, the Victorian Chamber of Commerce and Industry has welcomed the 2018-19 Budget. It will boost business confidence and encourage private sector investment and jobs growth.

With an average annual infrastructure spend of \$10.1 billion per year over the next four years, the budget is tackling

Victoria's congestion and growth challenges, benefitting industry through faster and safer travel times. This includes \$110 million to ensure that the North East Link can go to market within 100 days of the election.

Regional businesses will save \$167 million with a new lower payroll tax rate of 2.425 per cent, making regional Victoria a destination for investment and job creation with the lowest payroll tax rate in the nation.

An extensive skills package, including stronger school pathways to apprenticeships and traineeships and

better career advice for young people will help address skills gaps faced by business.

State economic and financial management remains responsible with strong surpluses supporting a record infrastructure spend. Debt levels remain prudent, protecting Victoria's AAA credit rating.

The table overleaf compares the Victorian Chamber's pre-Budget recommendations with the key initiatives announced in the 2018-19 State Budget.

Victorian Chamber recommendation	State Budget outcome
<p>Keep Victoria Competitive</p> <ul style="list-style-type: none"> > Keep expenditure growth in check > Limit the growth in public sector wages > Maintain the State's AAA credit rating 	<ul style="list-style-type: none"> > \$1.4 billion surplus in 2018-19 and annual surpluses averaging \$2.5 billion over the next 4 years > Government spending to rise at an average annual rate of 3.9 per cent, with revenue growth of 4.0 per cent > Retention of the State's AAA credit rating
<p>Infrastructure</p> <ul style="list-style-type: none"> > Progress the North East and East West Links > Progress the Melbourne Airport rail link > Progress Ballarat and Geelong fast rail links with Melbourne > Improve regional road and rail infrastructure > Fund interface council infrastructure improvements > Finalise a site for Melbourne's third airport 	<ul style="list-style-type: none"> > \$110 million to fast track the completion of design and planning for the North East Link > \$50 million for detailed planning of a fast train to Geelong integrated with an Airport Rail Link > \$712 million for the second stage of the Monash Freeway upgrade > \$941 million for regional road upgrades > \$50 million for community infrastructure in fast growing interface council areas
<p>Regional Victoria</p> <ul style="list-style-type: none"> > Cut red tape and cross border costs for regional business > Boost regional local content in government procurement > Further decentralise key state government departments and agencies to regional locations > Improve mobile phone and data coverage in regional Victoria 	<ul style="list-style-type: none"> > Funding to establish the Cross Border Commission > \$4.9 million to expand the Industry Capability Network to Ballarat, Bendigo, Geelong and Shepparton > \$16 million for a new GovHub in Bendigo bringing more Government jobs to the region > \$11 million for enhanced mobile coverage in regional Victoria
<p>Small Business and Jobs</p> <ul style="list-style-type: none"> > Increase the payroll tax threshold to \$850,000 > Repeal the Grand Final eve public holiday > Cut small business red tape 	<ul style="list-style-type: none"> > Regional businesses will save \$167 million with a new lower payroll tax rate of 2.425 per cent, making it the lowest payroll tax rate in the nation > \$13.5 to strengthen SME mentoring and support > \$14.7 million to fast track planning permit applications
<p>Education and Training</p> <ul style="list-style-type: none"> > Fund a public awareness campaign to promote the value of apprenticeships and traineeships > Improve the quality of Vocational Education and Training > Strengthen vocational education pathways > Address barriers to apprenticeship completion 	<ul style="list-style-type: none"> > \$49.8 million to fast track secondary school students into apprenticeships and traineeships > \$172 million to make TAFE free for 30 priority courses > \$25.9 million to strengthen vocational pathways > \$109 million to improve secondary student career advice
<p>Tourism and Liveability</p> <ul style="list-style-type: none"> > Increase funding to the Melbourne Convention Bureau > Fund Stage 2 of the Shipwreck Coast Masterplan > Double the size of the Regional Events Fund 	<ul style="list-style-type: none"> > \$51.1 million for tourism marketing and business events attraction > \$153.2 million for a Geelong City Deal that includes a new convention centre and Stage 2 of the Shipwreck Coast Masterplan > \$4.5 million boost to the Victorian Major Events Fund
<p>Trade and Investment</p> <ul style="list-style-type: none"> > Establish a \$200 million fund to provide targeted support for key industries including agribusiness, advanced manufacturing, ICT, defence, construction, medical technology and professional services 	<ul style="list-style-type: none"> > \$55 million to support investment attraction facilitating private sector investment and job creation > \$16.1 million to help grow agribusiness and wine exports
<p>Energy</p> <ul style="list-style-type: none"> > Lift the moratorium on onshore conventional gas exploration > Help businesses manage rising energy costs 	<ul style="list-style-type: none"> > \$48 million for \$50 energy comparison rebates for households