

VIC State Budget Fast Facts



23 May 2023

Tax and innovation, property and planning, and social housing

The Victorian government has introduced several measures to support research & development (R&D) in key industries

- The Government, through the \$2 billion Breakthrough Victoria initiative, has identified five future-focused industries to provide additional investment and support, including advanced manufacturing, agri-food, the clean economy, digital technologies, and health and life sciences.
- The government has made the following investments:
 - \$12m for mRNA Victoria to continue to support the delivery of major sovereign mRNA manufacturing facilities in the State.
 - \$21m to establish a Manufacturing and Industry Sovereignty Fund and provide support for Victorian businesses to access the Commonwealth's \$15 billion National Reconstruction Fund.
 - \$15m for an Industry R&D Infrastructure Fund to incentivise private industry investment into research and development.
 - \$7m to improve the regulatory framework for the minerals and extractives industry, and accelerate decisions for additional earth resources developments.
 - An initial \$1bn to bring back the State Electricity Commission to help Victoria meet its renewable energy targets and lower Victorians' energy bills.

Property and planning reforms

- \$38m for a whole of government work program across regulators and councils to reform regulations for the benefit of Victorian businesses and customers.
- \$23m to support planning legislative reform, including continuation of the Development Facilitation Program to accelerate assessments of development projects.
- \$9m to implement Plan Melbourne, which will support housing growth around existing infrastructure.
- \$3.5m to continue delivering Precinct Structure Plans to unlock housing supply across Victoria.

Social housing

- \$68m to deliver a Housing First response – including housing and multidisciplinary support services for those sleeping rough and experiencing homelessness.
- \$33m to support young people with complex needs leaving residential care and other settings with three years of multidisciplinary support and access to housing.
- \$36m for planning initiatives to help support housing growth and supply to benefit those most at risk of homelessness, such as people with disabilities, older women and single parents.

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Take the lead

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Transport and roads, cost of living, gender equality

Transport

- \$694m to upgrade key roads and intersections in major growth areas and regions.
- \$3.5m to maintain the Mode Shift Incentive Scheme in 2023-24 to encourage the transfer of freight from road to rail.

Cost of living

- \$190m to cap regional fares at the same price as daily metropolitan fares, including regional myki passes to ease road congestion and support emission reduction.
- \$400m for another round of the previously introduced Power Saving Bonus. A one-off \$250 payment to Victorian households who look for a better energy deal on Victoria's Energy Compare website.
- \$10m to offer free vehicle registration to eligible apprentices and tradespeople.

Investing in gender equality in work

- \$21m to strengthen and expand Victoria's manufacturing capability, which will support input into the Women in Manufacturing Strategy.
- \$12m to support Victoria's trade sector while involving the Global Victoria Women's group to give women more support and opportunities to broaden trade networks and participate in trade and export activities.
- \$5m to expand the Alice Anderson Fund, which supports women-led startups to leverage private sector capital.
- \$2.4m to increase the participation of women in construction and improve gender equality in the sector.

Key takeaways

- Larger businesses and landlords will have to pay additional taxes to help the Government repay the COVID debt.
- The Government continues to invest in education and healthcare as this remains a key focus.
- Certain infrastructure projects have been paused such as the Melbourne Airport Link. However, the Government continues to invest in road upgrades and railway networks.

Opportunities

- Investors in commercial and industrial properties should be able to retain more cash on the acquisition of the property, to invest in other business ventures.
- Small business will be able to access higher payroll tax-free thresholds.
- The government has funded reforms to Precinct Structure Plans to increase supply of housing developments in Victoria.
- The Government is investing in future focused industries – advanced manufacturing, agri-food, the clean economy and health and life sciences to encourage R&D in these sectors.



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We score it: **2/5**



The government lent a helping hand to Victorians during the pandemic, and now it's payback time.

We'll be supporting them with our hard-earned money, like a never-ending sequel where we play the role of the generous taxpayer.

