

VECCI STATE BUDGET ADVOCACY ACHIEVEMENTS 2010/11

This year's State Budget represents excellent outcomes for VECI's advocacy and representation with positive outcomes achieved on virtually every area of our pre-Budget Submission.

The solid wins on payroll tax cuts, WorkCover premium cuts, infrastructure investment, tourism and events marketing and infrastructure, export assistance, skills and education and public safety are significant outcomes for members, customers and clients, and the wider Victorian community.

The following table compares our key pre-Budget recommendations with the key measures announced in the 2010/11 Budget.

VECCI RECOMMENDATION	STATE BUDGET OUTCOME
<p>PAYROLL TAX (PRT)</p> <ul style="list-style-type: none"> Reduction in PRT to 4.85% and increase the payroll tax threshold to \$700,000 effective 1 July 2010. 	<ul style="list-style-type: none"> Reduction in PRT to 4.9% (down 0.05 percentage points), saving business \$193 million over four years.
<p>WORKCOVER PREMIUMS</p> <ul style="list-style-type: none"> Reduce the average employer WorkCover premium by 5% from 1 July 2010. 	<ul style="list-style-type: none"> 3.5% cut to WorkCover premiums, saving business \$240 million over four years.
<p>LAND TAX</p> <ul style="list-style-type: none"> Reduce the middle-upper land tax rates (total taxable value of landholdings between \$1,800,000 to < \$3,000,000) by 0.3 percentage points respectively. 	<ul style="list-style-type: none"> An extension of the current land tax exemption to include the construction phase of residential aged care facilities and retirement villages developed by the private sector.
<p>LONG STAY CAR PARK LEVY</p> <ul style="list-style-type: none"> Abolish the Long Stay Car Park Levy 	<ul style="list-style-type: none"> The operation and impact of the Levy is now being formally reviewed by the Government.
<p>ECONOMIC MANAGEMENT</p> <ul style="list-style-type: none"> Continue responsible economic and fiscal management. Keep recurrent expenditure growth below CPI growth. 	<ul style="list-style-type: none"> A forecast operating surplus of \$872 million for 2010/11 and surpluses averaging \$1.2 billion over the forward estimate years. Total outlays are forecast to increase by an average of 2.9% a year over the forward estimates period.
<p>REGULATION & OTHER TAXES AND CHARGES</p> <ul style="list-style-type: none"> No new or extended taxes or charges. Set specific 'red and green tape' reduction targets for regional businesses and key industry sectors, including manufacturing and tourism. 	<ul style="list-style-type: none"> No new taxes or charges announced in the Budget. A higher target of a \$500 million per annum reduction in the regulatory burden by 2012 (previously announced).

<p>INFRASTRUCTURE</p> <p>Transportation</p> <p>Investment in key transportation infrastructure including:</p> <ul style="list-style-type: none"> • The extension of the Geelong Bypass to Bellarine Peninsula. • Completion of the metropolitan ring road – North East Interconnector. • Improved regional links to assist regions absorb population growth. • Building of Melbourne Metro – eastern and western arms <p>Health, Education & Legal Infrastructure</p> <ul style="list-style-type: none"> • Funding for important health related infrastructure projects such as the Box Hill Hospital redevelopment and a new Hospital in Bendigo. • Ongoing funding for important social infrastructure including education and schools across the State. • Improved community safety and legal infrastructure, including police stations and justice services. 	<ul style="list-style-type: none"> • \$6.4 billion for better roads and public transport including new trams, more stations and road projects to reduce congestion including; <ul style="list-style-type: none"> ○ \$4.3 billion for the Regional Rail Link, in cooperation with the Commonwealth Government. ○ \$759 million towards the construction cost of Peninsula Link. ○ \$129.2 million to upgrade regional roads, including \$76.9 million for the final stage of the Geelong Ring Road project. ○ \$66.5 million to upgrade key routes in Melbourne's outer suburbs. ○ \$929 million in public transport infrastructure including 50 new trams, four new stations and upgrades to 20 metropolitan stations. <p>The Budget provides for a \$4 billion health package, in partnership with the Commonwealth including:</p> <ul style="list-style-type: none"> • \$473 million for a new hospital in Bendigo. • \$407.5 million for the Box Hill Hospital redevelopment. <p>Education and schools funding announced in the 2010 Budget includes:</p> <ul style="list-style-type: none"> • \$271.3 million for school infrastructure and equipment. • \$287.5 million for the state's independent and catholic schools. • An additional \$82.6 million over five years for early childhood facilities and services <p>Legal infrastructure funding include:</p> <ul style="list-style-type: none"> • \$673.6 million for 1,966 additional frontline police. • \$62.3 million to speed up courts and improve access to justice services. • \$98 million over four years to reorganise Victoria Police's operational accommodation in Melbourne's CBD.
--	---

<p>CLIMATE CHANGE & ENERGY</p> <ul style="list-style-type: none"> • Funding to support the development and commercialisation of alternative, low carbon energy technologies. • Investment support for alternative (non power) opportunities for brown coal. • The reduction and removal of administrative, regulatory and technical barriers that constrain investment in distributed generation and small scale renewable systems. 	<ul style="list-style-type: none"> • Greener Economy funding of \$175 million. Using funds from the landfill levy, this 18 point Jobs For the Future Economy action plan provides: <ul style="list-style-type: none"> ○ \$60 million to improve the energy and water efficiency of the State's hospitals, schools and government buildings. ○ \$15 million for green skills for trades and plumbing industry training initiatives. ○ \$5 million over three years for 10 solar community hubs across Victoria. ○ \$7.4 million to support the development of low emissions industries in regional Victoria and funding to support Melbourne City Council's 1200 Buildings Program. • New water management initiatives that complement the existing Government water infrastructure program include: <ul style="list-style-type: none"> ○ \$2.9 million to expand programs to reduce leaks and wastage of firewater in buildings and appointment extra water industry advisers ○ \$750,000 for industry and commercial water efficiency incentives.
<p>TOURISM, EVENTS & BUSHFIRE PREPAREDNESS</p> <ul style="list-style-type: none"> • Extension of the Melbourne Exhibition Centre. • Funding for strategic tourism marketing, together with funding to attract and retain business events and meeting sin regional Victoria. • Funding for the maintenance of existing tourist attraction infrastructure. • Improved nature-based tourism facilities in regional Victoria. • Funding for bushfire preparedness and the promotion of regions following bushfires. • Funding to further promote and expand the uptake of business excellence practices. • Establishment of a Tourism Investment Fund. 	<ul style="list-style-type: none"> • \$17.7 million for the preparation for the expansion of the Melbourne Exhibition Centre. • \$27 million in domestic marketing funding. • \$363 million for the first stage of the Melbourne Park redevelopment. • \$3.4 million for rehabilitation work to enable further protection to Phillip Island's iconic fairy penguins. • \$3.4 million for walking trails and signage. • \$11.2 million for the Parks Asset and Replacement program to upgrade infrastructure across Victoria. • \$136.6 million boost to bushfire preparation and emergency response. <p>The tourism and events industry also stands to benefit from a range of other initiatives including:</p> <ul style="list-style-type: none"> • \$4.4 million to support the Melbourne International Film Festival. • \$7.5 million for Scienceworks • \$4.4 million for the Docklands Film and Television Studios. • \$3.9 million to create a new children's space at the National Gallery of Victoria.

<p>EDUCATION & TRAINING</p> <ul style="list-style-type: none"> • Greater support for business-university collaboration and engagement. • Support to conduct individual workplace assessments focusing on up-skilling to meet traditional trades demand and scope emerging 'green' skill requirements. • Additional funding to conduct further work-health research and promotion. • Flexible funding for 'unit of competency' level training for existing workers to meet acute employer skill needs that can be satisfied by unit of competency specific training. 	<ul style="list-style-type: none"> • \$32.3 million over four years for the Apprentice and Trainee Support package to boost commencements and completions and provide accommodation support. • \$5 million over two years for the Green Skills for Trade initiative, as part of the Building a Green Future Fund. • \$4.4 million over the next two years for Sustainability Skills for Industry initiative. • \$3.9 million for the Skills Stores initiative to connect people with training opportunities and provide advisory services and referrals to Registered Training Organisations for recognition of prior learning. • \$12 million to continue the TAFE Institute Specialist Teaching Equipment program to assist TAFE institutes purchase and maintain up to date specialist teaching equipment in line with industry standards.
<p>INNOVATION, TRADE & SMALL BUSINESS</p> <ul style="list-style-type: none"> • An expansion in State based export programs in order to increase both the number of exporters and the value of exports. • Expanded support for firm level growth and innovation, particularly among SMEs. 	<ul style="list-style-type: none"> • \$16.4 million over four years for the Transition to a Global Future initiative. This will include a new Competitive Business Fund, new investment attraction initiatives and expanding the Opening Doors to Export program. • \$11.8 million over four years on a range of initiatives for small and medium sized enterprises, including \$4.5 million for enhanced workshops and seminars in areas such as financial management, innovation, marketing and human resource management.

VECCI STATE BUDGET ADVOCACY ACHIEVEMENTS 2010/11	
PAYROLL TAX	✓
WORKCOVER PREMIUM RELIEF	✓
LAND TAX	✗
LONG STAY CAR PARK LEVY	✗
ECONOMIC MANAGEMENT	✓
EXPENDITURE RESTRAINT	✓
REGULATION & OTHER TAXES AND CHARGES	✓
INFRASTRUCTURE	✓
CLIMATE CHANGE & ENERGY	✓
TOURISM, EVENTS & BUSHFIRE PREPAREDNESS	✓
EDUCATION AND TRAINING	✓
INNOVATION, TRADE & SMALL BUSINESS	✓