

ECONOMIC GROWTH STATEMENT

VICTORIA: OPEN FOR BUSINESS



ACKNOWLEDGEMENT OF COUNTRY

The Victorian Department of Treasury and Finance acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history. We proudly acknowledge Victoria's Aboriginal communities and recognise the value and ongoing contribution of Aboriginal people and communities to Victorian life. We pay our respect to Elders past and present and emerging.

As we work to ensure Victorian Aboriginal communities continue to thrive, the Government acknowledges the invaluable contributions of generations that have come before us, who have fought tirelessly for the rights of their people and communities towards self-determination. We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples towards improved cultural, social and economic outcomes.



'lim-ba nindee thana warn-ga-ilee'
(Preserve our Dreaming Lore) – Gunnai Language

Bitja (Dixon Patten Jnr) Yorta Yorta, Gunnai,
Gunditjmara and Dhudhuroa of Bayila Creative

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PREMIER'S MESSAGE

Victoria has always been a great place to do business.

Our world leading capabilities, established industries, skilled workforce and outstanding liveability make us one of the best places to live and work.

Already, Victoria leads the nation – number one in real economic growth, jobs growth, and business investment growth over the last decade.

But we can't rest on our laurels.

In a rapidly transforming world, where competition has never been fiercer, standing still is not an option.

We must continue to maintain our comparative and competitive advantages.

It's why this Economic Growth Statement is aimed squarely at preparing our economy, people and businesses to grab the opportunities of the future – with both hands.

Through our Economic Growth Statement, we're providing a strong vision for a prosperous Victoria. Importantly, it's a vision that's been delivered in partnership.

This Economic Growth Statement is the result of collaboration across government, business, and industry – setting forth our immediate and practical next steps.

Through the initiatives outlined in this document, we will:

- Open doors
- Cut red tape
- Build new skills
- Reach every community

Underpinning this shared work is a shared commitment. Because economic growth isn't just about numbers: it's about people.

It's about creating a future where potential is realised, prosperity is amplified, and opportunity is shared by everyone.

I want to thank everyone who has been part of this process to date. Thank you for sharing your ideas and experiences, your support and commitment.

Working with you, we're changing the way we do business with business.




Hon Jacinta Allan MP
Premier of Victoria

TREASURER AND MINISTER FOR ECONOMIC GROWTH'S MESSAGE

Victoria is a great place to live. A great place to work. A great place to invest.

We're the sporting capital. The major events capital. The creative and cultural capital.

But our greatest strength is our people: our ability to build and make and innovate.

It's the reason, despite global economic headwinds, our economy is strong – and growing stronger.

And it's why over the last decade we have led the nation in economic growth, jobs growth and business investment growth.

But we also need to be honest about the challenges.

That as much as our state has to be proud of, as its government, we cannot be complacent. We must continue to do more and do better.

As we know, here and around the globe, inflation is hurting. Interest rates are high and productivity is slowing.

And in a world where a strong and vibrant business sector is more important than ever – improvement is the only way forward.

This Economic Growth Statement lays out our actions for a stronger economy, and a stronger future.

Centred around four key actions and five key priority sectors, it contains a raft of initiatives to make it easier to start or build a business here in our state.

Most importantly it sends the clearest of messages:

Victoria is open for business.



A handwritten signature in black ink, appearing to read 'T. Pallas'.

Tim Pallas
**Treasurer and Minister
for Economic Growth**

VICTORIA: A STATE OF IDEAS, INNOVATION AND AMBITION

Victoria is the best state to live, work and invest.

And what makes us great is our people.

Home to a skilled and talented workforce, dynamic and experienced businesses and industries, a jam-packed calendar of events, plus a strong and growing economy:

We are the state of ideas, innovation and ambition.



The experiences capital

Victoria is Australia's **sporting** capital. The **cultural and creative** capital. And our nation's **major events** capital.

We remain Australia's number one city for global events. And every year, we host thousands of festivals, exhibitions and acts, bringing millions of people to events spanning sport to art, food to fashion.

In 2023-24, this jam-packed calendar spurred \$39 billion in tourism spend, supported by record-breaking crowds at both the Australian Open and the Formula 1® Australian Grand Prix, and fans flocking to see Taylor Swift at the MCG.

Our event calendar has also propelled Melbourne as the **number one city for interstate visitors**, benefitting local businesses and supporting the largest hotel market in the nation.

The ideas capital

In Victoria, our strength lies in our ideas.

Victoria is home to **18 major medical research institutes**, **10 universities with four dual sectors**, **12 TAFEs** and **11 teaching hospitals**. These institutions, together with our state's schools, underpin a highly skilled workforce.

We produce the largest number of tech graduates in the nation – with Australia's highest-ranking university and largest university. We're also attracting new talent, with Melbourne consistently ranked as the best student city in Australia – and the fifth-best in the world.

New companies with roots in Victoria are growing to become industry leaders at home and around the world. Victoria is home to **more than 3 500 startups** – an ecosystem that has grown 23 times larger since 2016 and is now worth \$129.3 billion. And we're proudly the home of 18 'unicorns' (startups valued at more than one billion dollars).

Victoria is also **home to more than half of Australia's top 20 tech companies** – with Melbourne host to 62 ASX-listed digital technology companies worth \$203 billion.

Some of the biggest global tech companies, such as Microsoft, AWS, Salesforce, Infosys, and Alibaba have chosen to invest in Victoria. And we're a world leader in health technology and medical research, with the largest sector in Australia – including ongoing partnerships with global leaders such as Moderna and BioNTech.

A state that makes things

Victoria is home to the **biggest-employing manufacturing industry** in the nation, with over 275 000 workers – contributing 6 per cent to our state's GSP.

We also punch above our weight in agribusiness, as the **number one state for food** exports including dairy and horticultural products.

Our world-renowned agribusiness products continue to be our state's largest merchandise export, valued at over \$15 billion in 2023-24.

The Port of Melbourne, Australia's largest container port, supports more than one-third of the nation's container trade. While the curfew-free Melbourne Airport and Avalon Airport connects people and Victorian-made goods with markets around the world.

A state that builds things

Melbourne is on-track to be **biggest city in Australia** – growing at a rate of 3.3 per cent a year, or 460 people each and every day.

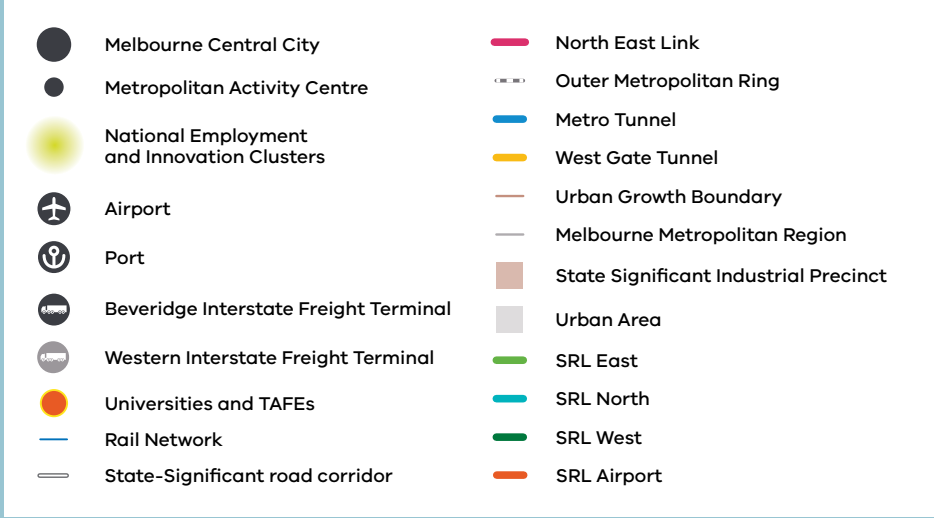
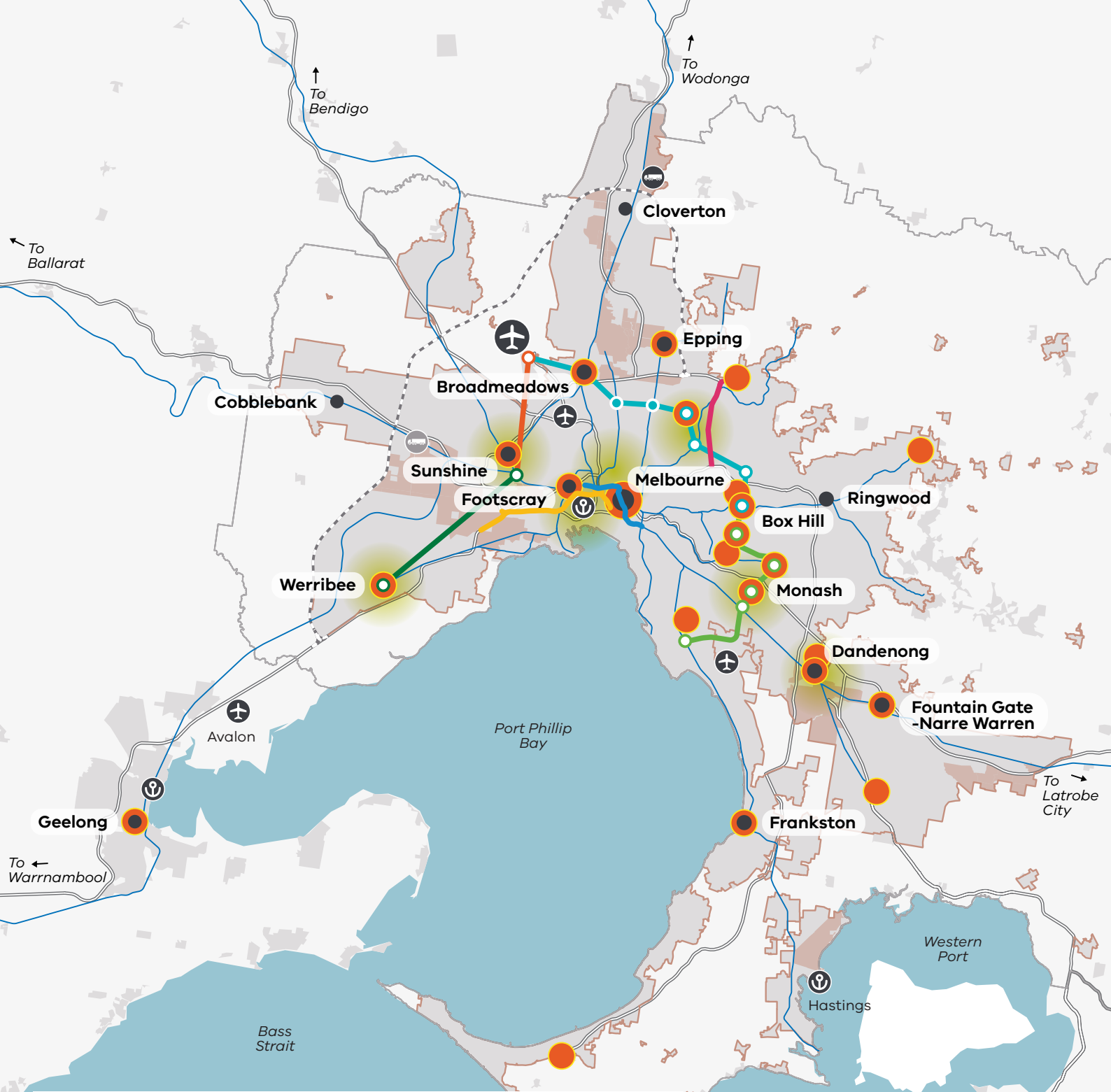
We're building for that growth – with Victoria **number one in Australia for approving and building new homes**. That means we're building thousands more homes than any other state – with more than 60 000 home completions in the 12 months to June 2024.

We're building communities too. That includes delivering city-shaping projects like level crossing removals, the Metro Tunnel, the Westgate Tunnel, North East Link and the Suburban Rail Loop (SRL) – transforming the way people move across our state.

Importantly, these projects are connecting Victorians to study, work and opportunities.

Opening next year, the Metro Tunnel will deliver end to end train services from Sunbury to a level crossing free Cranbourne Pakenham line – connecting multiple employment precincts as well as stops at Victoria University in Footscray, University of Melbourne in Parkville, RMIT at State Library and the Monash Caulfield Campus.

The Suburban Rail Loop will further connect our city and suburbs, with stations linking Monash Clayton, Deakin Burwood, La Trobe University and RMIT in Bundoora – as well as a number of health, education and employment zones.



A STRONG ECONOMY THAT'S CREATING MORE JOBS

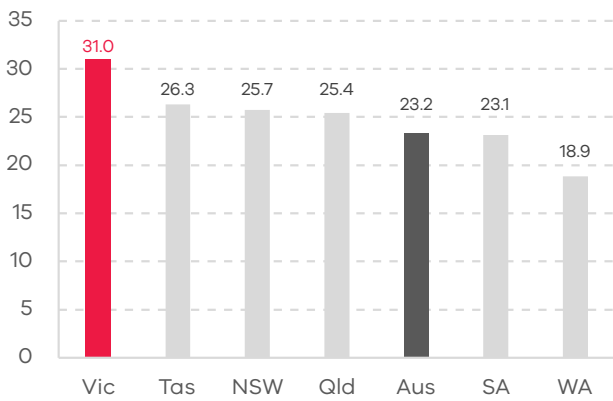
Over the last decade, Victoria's economy has grown in relative terms faster than any other state.

We recorded an increase in gross state product (GSP) of 1.5 per cent in 2023-24, following strong growth of 3.4 per cent in 2022-23.

Our economy is now **11.5 per cent larger in 2023-24 in real terms compared to 2018-19**, before the COVID-19 pandemic.

That strong economy has helped to drive employment numbers, with the share of Victorians in a job now close to a record high.

Chart 1: Growth in real gross state product, 2013-14 to 2023-24 (per cent)

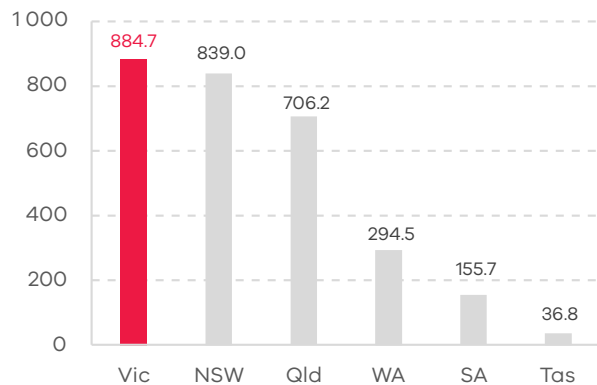


Sources: ABS

Over 600 000 more Victorians are in work since the peak impacts of the pandemic, with more than 280 000 gaining employment in just the past two years – **the fastest jobs growth of any state or territory over this period.**

We've also achieved the highest jobs growth over the past decade – with nearly one in four jobs in Victoria today created since 2014.

Chart 2: Change in employment, Nov 2014 – Oct 2024 ('000s)



Source: ABS

Victoria's business investment surged to record high levels in 2023-24, building on double-digit growth in the previous two years

Chart 3: Business investment growth, 2013-14 to 2023-24 (per cent)



Source: ABS

In 2023-24, Victorian exports were valued at \$69.4 billion, up 17 per cent from the previous year. The Government is also building our global trade partnerships, with the recently launched *India Strategy 2025-2030*, laying out the Government's plan to strengthen its relationship with rising economic superpower India.

Our state is also home to the **fastest growing export sector in the nation**, growing by more than \$10 billion in 2023-24.

Business investment is **now at its highest share of overall economic activity on record** in Victoria.

And we're attracting even more, with more than 100 000 new businesses created since June 2020 in net terms – at 17.0 per cent, this is the **largest percentage growth of any state.**

But as much as we have to celebrate – we must also face up to the challenges.



RIISING TO THE CHALLENGE

Victoria is part of an interconnected global economy. And like economies across Australia and around the world, we're experiencing the challenges of slowing productivity, inflation and elevated interest rates.

We also know that as a state, we can do better when it comes to doing business with business.

Listening to our partners in industry, we've heard there is more we can do to stimulate innovation and investment, reduce the regulatory burden – and make sure we're bringing workers and communities with us.

The Economic Growth Statement is aimed squarely at addressing these challenges – and enabling both government and business to build a strong economy and future.

Through tangible and practical changes, we will make it easier, simpler and faster to do business here in Victoria.

We will respond to the challenges, with four key actions, informed by feedback from business and industry:

- Open Doors: Backing business to invest, expand and innovate
- Cut Red Tape: Making it simpler to do business in Victoria
- Build New Skills: Ensuring a workforce that's ready to go
- Reach Every Community: A strong Victoria underpinned by a strong regional Victoria

Through tangible and practical changes, we will make it easier, simpler and faster to do business here in Victoria.

EVERY INDUSTRY, EVERY COMMUNITY IN OUR STATE

Victoria is home to incredible diversity – both in our communities, and our industries.

And it's a key part of what makes our state so strong.

Whether you're the biggest global company or the smallest of small businesses. Whether you work alongside hundreds on the factory floor or construction site, or are a sole trader.

You're helping contribute to Victoria's success.

Just as our economic diversity is a key strength, so is our people's.

Our state is home to one of the most diverse populations in Australia, hailing from over 300 ancestries and speaking over 200 languages. That cultural richness fuels our creativity and collaboration – making Victoria a globally connected place to live and work.

We also acknowledge that we must achieve an inclusive economy for First Peoples in Victoria.

Our Government is committed to working alongside First Peoples to deliver reforms that respect, recognise and empower their participation in, and contribution to, Victoria's economy – as employees and employers, consumers and suppliers, investors and investees, creators and contributors. First Peoples' economic success is vital to growing Victoria's economic success.

It's why the Economic Growth Statement – and its four actions – have been developed to reach and benefit industries and communities across Victoria.

From traditional to emerging industries, from small businesses seeking to grow to international businesses seeking to invest – these initiatives will create new opportunity and drive new innovation.

Mostly, they'll help build a diverse and inclusive economy – for all of us.



LOCAL JOBS FIRST

As the largest procurer of goods and services in the state, the Victorian Government is using its purchasing power to help back local businesses and create local jobs.

Through our Local Jobs First Policy, we're making sure small and medium size businesses have the opportunity to compete for both large and small government contracts.

Since 2014, Local Jobs First has set local content requirements for 349 Strategic Projects, with a combined total value of more than \$175 billion and supporting more than 60 000 jobs.

We're also helping train the next generation of workers. Since the 2016 introduction of the Major Projects Skills Guarantee – mandating that at least 10 per cent of the work carried out on Victoria's major projects is undertaken by apprentices, trainees or cadets – more than 13 300 Victorians have benefitted.

In line with our election commitment, we're also strengthening the Act – with better enforcement and expanded opportunities for businesses. More announcements will be made in 2025.

From construction to manufacturing, Local Jobs First is ensuring that our investments benefit Victorian businesses and workers.

PRIORITY SECTORS

As we've heard, key to giving industry certainty is giving them clarity about our state's future direction.

It's why as part of this Statement, and in partnership with business, the Government has identified the priority sectors that will be the beating heart of our economy.

From advanced manufacturing and digital technology, to health sciences, renewable energy and food and fibre, these sectors represent the backbone of our current economy – and the engines of our future growth.

Each of these priority sectors have been chosen to align with the four key actions that underpin the Economic Growth Statement.

By opening the door to investment and innovation, cutting red tape, building new skills and reaching every corner of Victoria – we will turn the dial up on these high-potential sectors.

Our priority sectors are:

- Advanced manufacturing and defence
- Health technologies and medical research
- Circular economy
- Digital technologies
- Agribusiness

Each of these priority sectors have been chosen to align with the four key actions that underpin the Economic Growth Statement.

ADVANCED MANUFACTURING AND DEFENCE

Manufacturing is a cornerstone of Victoria's economy – and key to sharpening our state's competitive advantage.

As a powerhouse of manufacturing, we are home to a \$39.2 billion sector supporting more than 275 000 jobs, and exporting goods worth \$11.2 billion.

This has been further amplified thanks to the Government's investments in new infrastructure and new trains and trams – made for Victoria, built in Victoria – supporting more than 10 000 jobs across the industry.

Advanced manufacturing has an important role to play in maintaining high living standards for all Victorians, contributing to important infrastructure and renewable energy projects and safeguarding the supply chains of essential goods in an increasingly uncertain global environment.

Advanced manufacturing technologies also offer solutions across the economy. For instance, modern methods of construction, such as prefabricated and modular construction, enable more efficient and cost-effective delivery of homes and infrastructure. These methods harness the power of automation and innovative technologies, boosting productivity and capability.

Victoria's highly skilled workforce and advanced engineering, design and manufacturing capability also means we are well positioned to secure opportunities arising from the Commonwealth Government's investment in manufacturing and defence, including through the Australia-UK-US Agreement (AUKUS).

Already home to Australia's highest value defence armoured vehicle procurements, capturing defence investment will accelerate advanced technologies and innovation to foster dual sector applications in areas like renewables, transport and Advanced Air Mobility.



HEALTH TECHNOLOGIES AND MEDICAL RESEARCH

Victoria is a global leader in health technologies and medical research, hosting 40 per cent of ASX-listed medical technology and pharmaceutical companies – alongside world-renowned universities and institutes.

Victorian firms produce 54 per cent of the nation's pharmaceutical exports, driving economic growth for our state and delivering improved health outcomes for our nation.

This success is underpinned by world-class facilities including the National Drug Discovery Centre, the Aikenhead Centre for Medical Discovery, the Moderna mRNA Vaccine Manufacturing Facility, and delivery of BioNTech's mRNA research and clinical manufacturing facility and CSL Seqirus' vaccine and anti-venom manufacturing facility.

With both Moderna and BioNTech establishing major hubs in the state, Victoria is the only place in the world where both mRNA leaders host research and development, and manufacturing operations.

We're also a national hub for clinical trials, covering a full spectrum of diseases and advanced health technologies. This end-to-end capability – from research to testing to production – positions us strongly to further grow the sector.

Our future focus is on developing this capability, as well as continuing to attract global industry and investment for research and development, product development, manufacturing and commercialisation in Victoria.

CIRCULAR ECONOMY

With the transition to net zero emissions by 2045, Victoria is primed to be a global leader for low carbon production.

Victoria is leveraging its existing industrial capabilities, resource endowments, highly-skilled workforce and low carbon research clusters to expand our capabilities, and develop new products and technologies.

The significant national funding available for the energy transition, including the \$22.7 billion Future Made in Australia and \$15 billion National Reconstruction Fund, creates strong opportunities for Victorian businesses to become part of national renewable energy supply chains. Developing Victoria's circular economy is also critical to achieving our net zero emissions targets and future-proofing our state in a rapidly decarbonising world.

Critical mineral processing and battery production will be a focus for the future. Victoria's critical minerals endowments provide extraction and downstream processing opportunities, including energy storage product design, production and recycling for local and export markets.

Offshore and onshore wind, solar and storage will also be a continuing focus for growth, facilitating private investment to ensure long-term job and economic opportunities that align with Victoria's world-class renewable resources and advanced skills base.

The Victorian Government established Resources Victoria to help unlock sustainable minerals development and create a roadmap to support this new industry. This roadmap will present a plan for attracting world-class minerals development and investors to Victoria, while maintaining strong environmental standards and empowering local communities through greater consultation.



DIGITAL TECHNOLOGIES

Victoria's digital technology sector contributed \$35.6 billion to the state's economy in 2023 – and employs 30 per cent of the national digital technology workforce.

Not only is Victoria's digital technology sector a direct contributor, it's also an enabler of economic growth in the state – strengthening digitalisation and productivity across all sectors of our economy.

To remain globally competitive, Victoria must continue to develop a highly skilled workforce, support firms to adopt new technologies, and build capabilities in emerging areas such as artificial intelligence and quantum technologies.

Victorian universities have deep and broad research capabilities in these emerging technologies, but there remains significant opportunity to translate these research strengths into commercial advantage across Victoria's key sectors.

Future focus areas include research commercialisation, artificial intelligence, machine learning and quantum technology applications.

AGRIBUSINESS

Victoria is ranked number one in Australia for total agribusiness exports, making up almost half of Victoria's total goods exports and valued at over \$15 billion annually.

Victoria also has strengths in food innovation and research and development, including at the CSIRO's National Food Innovation Centre, Monash Food Innovation Centre and the AgriBio Centre for AgriBiosciences in Bundoora.

Our world-class research and innovation, excellent connections to local and international markets, reputation for food safety and quality produce, skilled workforce and innovative technology means Victoria's food and fibre processing sectors will continue to lead the nation in capturing new and diverse markets.

The future focus for Victorian agribusiness will include new and existing export markets with new products, growing value-added food production and manufacturing, and creating more opportunities for agribusinesses to innovate and commercialise.



REGIONAL VICTORIA WILL DRIVE FUTURE GROWTH

Regional Victoria is critical to accelerating the growth of priority sectors.

As host to several of Victoria's key and emerging advanced manufacturing sectors, fast-growing circular economy sectors and high-value mineral resources – regional Victoria's supply chains, workforces and small and medium-sized enterprises will be key to unlocking success.

- Regional Victoria is at the forefront of **manufacturing and defence industry** capabilities, from the production of components and transport equipment into global supply chains, through to cutting-edge advanced manufacturing clusters and food and fibre processing and exports. Enablers for growth, including the availability of industrial land, supportive regulatory systems, a skilled workforce and public transport and freight networks, will prime this advanced manufacturing ecosystem for the future in regional Victoria.
- Regional Victoria is home to cutting-edge **medical research** facilities, including Bendigo Health's Accelerator, La Trobe University's Biomedical Science Teaching and Research Hub, CSIRO's PC4 biocontainment facility (the Australian Centre for Disease Preparedness), and the Geelong Centre for Emerging Infectious Diseases, a partnership between CSIRO, Barwon Health and Deakin University. Regional Victoria is also home to boutique MedTech manufacturing, medicinal cannabis and opiate production. This provides world-class expertise in cutting-edge medical research and provides the basis for the further development of research and commercialisation opportunities.

→ Victoria's **agricultural sector**, which is the backbone of our regional economies, continues to underpin our state's food and fibre reputation – and is a key pillar of our merchandise exports. The sector continues to service growing domestic and global demand for our food and fibre, while maintaining stringent biosecurity measures to protect against agricultural pests and diseases.

→ Regional Victoria is at the heart of our state's **circular economy** future. And with world-class wind generation, established transmission infrastructure, a skilled workforce, a deep-water port for export, gas network infrastructure and research institutes, regional industry will play a vital role. That includes Victoria's Hydrogen Clusters (located in Gippsland, Mallee and Clayton), which are poised to accelerate the development, deployment and commercialisation of our nation's hydrogen industry. Globally significant critical mineral-bearing sand deposits in north-west Victoria, which could supply inputs for household products, medical devices and energy transition infrastructure, also present further opportunities for refinement and manufacturing in regional Victoria.

A NEW INDUSTRY POLICY

Since 2016, the Victorian Government's relationship with industry has been shaped by the *Future Industries Strategy*.

Now, aligning with these five priority sectors and our state's continued economic growth, the Government will release a new industry policy – aimed at shifting the dial on productivity, competitiveness and sustainability.

Victoria's new Industry Policy will drive innovation and conditions that benefit Victorian businesses and workers while leveraging opportunities from the Commonwealth's National Reconstruction Fund and Future Made in Australia investments.

The new industry policy will be released in early 2025.



ACTION ONE: OPEN DOORS

Backing business to invest, expand and innovate

As a state, we have so much to offer.

But as we heard from industry – we can do even more to attract new investment, and back new opportunity for existing business.

It's why we're opening the door and rolling out the welcome mat – giving businesses certainty that ours is a state where they can invest, expand and innovate.

Through new land, dedicated support, and increasing trade opportunities, the Government is sending a clear message:

Victoria is open for – and to – business.

Not only will these reforms back Victorian industries and businesses – it means backing more high-quality, well-paying Victorian jobs.



Initiatives

Turbocharge our five priority sectors, with a \$20 million Victorian Industry Development Fund

The Fund will build on our existing strengths across the Government's five priority sectors, **supporting eligible business with high growth potential** both through grants – leveraging matched funding provided by industry – and by partnering with commercial lenders to establish a loan facility for innovative Victorian start-ups and scale-ups. The fund will open in mid-2025.

A 10-year plan to unlock industrial land to give business more certainty – and more room – to grow

The Government will **deliver a 10-year plan to unlock industrial land**. This decade-long pipeline of work will give businesses certainty on how and when land will be released – enabling them to plan for the long-term.

We're also taking immediate action to increase available industrial land by:

- **Bringing forward planning of the Merrifield North precinct** with planning commencing this financial year and completed by the end of 2028, five years ahead of what was announced in the 10-year plan for Melbourne's greenfield. This precinct is close to the future Cloverton Metropolitan Activity Centre and comprises more than 900 hectares and with capacity for up to 4 700 jobs, with planning to commence this financial year.
- **Reviewing the zoning of up to 3 300 hectares at Altona North and Hastings** – currently restricted under Special Use Zoning – unlocking it for new and growing businesses.
- Tasking the **new dedicated greenfield land concierge** service to work with councils and industry to unlock land identified for industry and employment that is currently underutilised, identifying and addressing issues preventing development.

This is in addition to work already committed to and underway to unlock industrial and employment land including:

- The Northern Freight precinct, comprising 1 400 hectares of land for the new Beveridge Intermodal Freight Terminal and associated employment land, with capacity for 14 000 jobs. Planning work is underway and will be completed by 2028.
- Finalising the strategic planning in the coming months for more than 1 000 hectares of new land at Officer South in Melbourne's south-east, with capacity for 22 000 jobs.
- Continuing the work to bring land to market in some of our priority precincts including Arden which is expected to accommodate 34 000 jobs; the Fishermans Bend Innovation Precinct projected to support up to 30 000 STEM jobs; and the East Werribee Precinct.
- Boosting regional employment options by unlocking land for jobs at regional greenfield locations at Avalon, Bendigo and Parwan, and delivering the Ballarat West Employment Zone – transforming more than 400 hectares of surplus government land into industrial, wholesale, logistics, construction, commercial and residential areas and an Intermodal Freight Hub.

Investment front door

This includes a new one-stop shop for institutional housing investment, to prioritise and facilitate institutional investment at scale in housing

A streamlined, **single entry point for business** on all investment-related engagements within the Victorian Government. Invest Victoria will provide dedicated facilitation support to businesses looking to invest in Victoria, including:

- Business case and market entry support
- Client and partner introductions
- Support to identify suitable sites
- Support with identifying development approval pathways
- Access to financial and strategic assistance
- Skills assistance and talent acquisition
- Global investor support
- Digital innovation and investor engagement
- Strong coordination across government agencies

Establish a new Investment Coordinator-General

The Investment Coordinator-General will be an escalation point to **ensure agencies, regulators and statutory authorities meet all required approvals deadlines** for major projects of state significance. This new oversight will reduce delays, and enhance accountability across government departments and agencies. The Coordinator-General will begin in early 2025.

Extend the Resources Victoria Approval Coordinator (RVAC) and provide dedicated support to develop the critical minerals industry

The Coordinator-General is modelled on the success of RVAC, which, in its first year of operation, facilitated 93 million tonnes (\$2 billion in gross production value) of quarry materials. We're making sure that success continues, extending the RVAC until 2027, **bringing to market more concrete and other materials used in housing and vital infrastructure**.

We'll also support new critical minerals projects – including developing maps that identify areas that have the highest likelihood of developing successful critical minerals operations, and providing dedicated support to facilitate engagement with community and Traditional Owners.

Boost exports by Victorian SMEs with a \$10.9 million package

The new package will **help more small and medium-sized businesses take their products to global markets**, identify new markets, and diversify their customer base – including through one-to-one facilitation services.

Amplify cooperation and trade through Victoria's India Strategy and a refreshed China Strategy

In addition to delivering on the Victorian Government's commitments under the new India Strategy, we will also develop **a refreshed China Strategy** to guide engagement with one of our most important partners. The Strategy will be delivered in 2025.

Create a Yes to International Students Fund

Through the **establishment of a new fund**, we'll help our universities and TAFEs establish global partnerships, and find new ways to deliver international and transnational education both here in Victoria and with overseas partners.

Introduce additional pathways for Market-led Proposals

The Government will **unlock more Market-led Proposals**, with new alternative and flexible pathways.

This will help unleash the creativity and capital of the private and superannuation sectors for major residential development and other projects.

Establish the Boosting Business Skills Mentoring program

The program will provide up to 1 000 small business owners across the Government's five priority sectors with up to three 1-hour mentoring sessions with an experienced professional. This program will provide **dedicated support for businesses**, helping them navigate challenges, build capacity, and achieve measurable success.

Back Victoria's defence-oriented supply chain to win work, grow and support AUKUS

Defence activities represent a significant opportunity for Victoria. It's why we'll **make Victoria the natural choice for defence-related contracts**, with funding for:

- Investment and trade facilitation activities
- Small and medium-sized enterprises (SMEs) uplift programs that bolster SMEs' capability to participate in defence and ancillary supply chains
- Workforce development initiatives for Victorian businesses to build their defence readiness and secure work
- Mapping supply chains and market demand analysis for defence and ancillary sectors, and promote, advocate and match Victorian SME capabilities to primes and Tier 1s
- Continuing to support industry networks
- Bolstering innovation adoption and uplift
- A dedicated specialist team to maintain consistent relationships with major defence primes and supply-chain providers.

Unlock strategic redevelopment sites sooner

The Development Facilitation Program will be expanded to **rezone significant underutilised land holdings sooner**. For example, this will fast-track approvals on repurposing and redevelopment of former industrial or institutional sites, golf courses or racing tracks, and university-owned land that is surplus to educational needs.

To support the repurposing of underutilised university-owned land and investment in research, education and innovation, universities can access an exemption from windfall gains tax where the revenue from the land will be used for the university's charitable purpose.

Confirm Victoria's status as the Venture Capital capital

Breakthrough Victoria will boost its investment in Venture Capital funds to **crowd in more private capital** to the state to turbocharge investment in Victoria. This work will also see Breakthrough Victoria sharpen its alignment with priority sectors and ensure its complementary role along with LaunchVic in Victoria's growing innovation ecosystem.

Drive growth in Victorian clinical trial activity

Victoria will build on its biotech capabilities, enabling industry sponsored clinical trials via specialised networks and delivering a new statewide fellowship program to **support participation, awareness and capability building in clinical trials** across health services.

Expand the Recycled First policy to major government projects in non-transport sectors

The Recycled First policy will be expanded to major government projects in non-transport sector, where this can be done without increasing business costs.

This reform will reduce landfill and support businesses producing recycled materials. Government will consult with industry before the policy's extension into other sectors.

Opening the door to growth also means enabling the supporting infrastructure that businesses need to thrive. That includes access to cheap and reliable energy.

Victoria has the lowest power prices of any state in the nation and the most ambitious renewable energy agenda in the country.

Already we've accelerated approvals and assessments for renewable energy projects, established the Gas Substitution Roadmap to help our state navigate the path to net zero emissions, and released our holistic plan to transition the Victorian economy to renewable energy, *Cheaper, Cleaner, Renewable: Our Plan for Victoria's Electricity Future* plan.

While gas has a role to play in our energy transition, it's a dwindling resource.

Victoria produces more gas than it consumes and has been a net exporter to other states for many years – but gas supplies in the Gippsland and other legacy basins are depleting. As the Lead Scientist has also confirmed, there are currently no proven and probable onshore gas reserves in Victoria.

Eastern Australia now faces the potential for gas supply risk despite the approval of massive increases in LNG export from Queensland gas fields in the last 10 years. The Australian Energy Market Operator (AEMO) forecasts a growing risk of peak day supply shortfalls in the east-coast gas market with more significant risks from 2028.

New investment is needed if gas supply from 2028 is to keep up with demand from homes and businesses, and for gas-powered electricity generation.

Here in Victoria, we're taking strong and decisive action. Earlier this year, we approved the only application made for new gas extraction in Victoria since we came to government, and have passed new legislation that paves the way for offshore gas storage projects. And as we work to protect gas supply for the businesses who need it most, we're doing it in a commonsense way – supporting households to switch to electric appliances, while also ensuring Victorians can keep cooking with gas.

This builds on the existing supply and infrastructure proposals under development, spanning domestic offshore gas exploration, storage projects, pipeline infrastructure upgrades and gas import terminal projects.

Victoria is also working with AEMO, the Commonwealth and other relevant states to ensure a national, integrated response to this supply risk – that delivers certainty of supply to industry at a price that ensures businesses remain competitive. Several options to secure new supply are being considered, including import terminal proposals, where they meet planning and environmental requirements.

Victoria recognises existing Commonwealth controls on gas exports, the Australian Domestic Gas Security Mechanism and the Heads of Agreement with east-coast gas producers. In 2018, Victoria introduced a legislative framework that prevents any petroleum production licensee supplying petroleum to an LNG exporter unless the licensee has first taken all reasonable steps to supply that petroleum to a domestic customer. While the market operator has a role in forecasting and responding to gas supply security risks and Victoria has led reforms to ensure it can manage gas storage better, there is a need for stronger action – at every level of government.

As an issue that is impacting our national long-term energy security – we require national action. The Victorian Government is calling on, and committed to working with, the Commonwealth Government on a federal gas reserve – because **Australian gas should go to Australians first.**

We're taking action at a state-wide level too. To start building the capability and markets to support the long-term needs of its industrial gas users, Victoria is releasing a Renewable Gas Directions Paper, to test options for developing a thriving renewable gas sector through the new Victorian Industrial Renewable Gas Guarantee. Renewable gases like biomethane and renewable hydrogen are the most likely technologies to decarbonise Victorian industry gas consumption where electrification is not an option.

This will not replace gas in the short or medium term, and does not diminish the need for urgent, significant and national reforms to shore up our supply of gas. It will, however, be an important component in decarbonising Victoria's industrial sector in the longer term to support net zero emissions by 2045 and beyond.

Opening the door to growth also means enabling the supporting infrastructure that businesses need to thrive. That includes access to cheap and reliable energy.

Building on this work and the reforms outlined in *Cheaper, Cleaner, Greener: Our Plan for Victoria's Energy Future*, the Government's Economic Growth Statement will:

Enable faster planning approvals for projects in Victoria's renewable energy zones by incorporating them in the State Planning Policy Framework

To support more global investment in renewable energy to Victoria, we'll enable faster planning approvals. Not only will this make it easier to attract investment projects to our state – it can help deliver cheaper and more reliable energy for businesses, while also creating jobs across regional Victoria.

Fast-track new gas projects through the Development Facilitation Program

All new potential gas projects can access the accelerated assessment pathway for new planning permits, delivering faster decision-making and approvals for gas extraction, storage, transmission or importation projects, helping ensure reliable access to gas for Victorian businesses.

Increase the waste-to-energy cap to 2 million tonnes per annum to enable more municipal, commercial and industrial waste to be used to generate energy rather than go to landfill

This will provide a clear policy signal to industry that the Government welcomes investment in waste-to-energy infrastructure. In addition to the initial 2 million cap increase, the Government will begin work to raise the cap to 2.5 million tonnes per annum, subject to a regulatory impact statement being completed.

Release a new Renewable Gas Directions Paper, working towards developing a strong renewable gas sector to support the long-term needs of industrial gas users

The Directions Paper will set out the state's direction on renewable gas action, including biomethane and renewable hydrogen.

ACTION TWO: CUT RED TAPE

Making it simpler to do business in Victoria

Good regulation is good for both businesses and communities.

But as we heard from industry – onerous and outdated regulation creates headaches for business, stifles innovation and slows growth.

By removing unnecessary red tape and simplifying government processes, the Government will enable businesses to focus on what they do best: creating jobs, fostering innovation, and driving economic growth.



Initiatives

Halve the number of business regulators by 2030

We'll **cut the number of business regulators by half** – combining regulators and streamlining systems for industry. Victoria currently has 37 regulators – we'll reduce it to at least 18 meaning Victoria will have the lowest number of business regulators of any state. This will make it easier for businesses to interact with government by offering clearer points of contact, fewer processes and forms to deal with, and fewer interactions with regulators. The Government will start by focusing on regulators that businesses in the construction and food industries interact with. A roadmap showing the path to halving the number of business regulators by 2030 will be published next year.

Speed up Environmental Effects Statement (EES) processes, targeting assessment review of no longer than 18 months

More than half of all assessments exceed this timeframe, holding up projects and slowing down our state. It's why we'll **give investors certainty, with an answer in 18 months or less**. Our faster EES process will be achieved by sharper assessment scopes; better utilisation of Environmental Reports as a quicker alternative to a full EES process; providing extra support to proponents where they are responsible for delays; and speeding up the public engagement process by facilitating online engagement and more focused public inquiries and engagement phases. Together, these and other reforms will ensure that assessments are efficient, transparent and focused on supporting statutory decision making for projects in a timely way. Making the EES system faster, cheaper and more predictable will encourage investment and shorten development time for windfarms, mines, gas projects, water projects, road and rail, and other projects important to the Victorian economy, while continuing to protect Victoria's environment.

Deliver new priority assessment teams within key regulators to fast-track the assessment of priority projects

From early 2025, we'll **establish priority assessment teams within key regulators** to provide dedicated support for high value, higher complexity projects. These teams will chaperone applications – and applicants – through the assessment process. The placement of these assessment teams will be announced in the coming months.

Use digitisation and AI to speed up government

Victoria's digital regulatory system is fragmented, with more than 30 separate regulator portals, as well as individual portals for each of the 79 councils. It's why we'll launch a **new digitisation and AI program** with a focus on replacing paper-based or outdated digital processes, streamlining licensing and other approvals, and addressing regulatory pain points for business – making it easier, faster and cheaper for industry. Past digitisation investments delivered for every one-off \$1 invested by the government, a return of \$4 each and every year to business.

Streamline liquor and planning approvals for hospitality businesses

Right now, hospitality businesses are required to apply for both a planning permit and a liquor licence to serve alcohol. We'll **do away with the double-up, so they'll only need a liquor licence to serve alcohol**. This initiative will save businesses up to \$7 000 and allow them to open up to six months earlier.

Remove the need for a planning permit for outdoor dining on public land

Introduced temporarily as a measure during the pandemic, we will **permanently remove the need for a planning permit for outdoor dining on public land**.

This will make expanded outdoor dining a permanent fixture – and make it easier for cafes and restaurants to grow their businesses and attract foot traffic.

Slash the regulatory burden for businesses to the tune of \$500 million by 2030

This **\$500 million target** will be achieved by reducing regulatory duplication, speeding up and digitising application processes, removing unnecessary permits, and updating regulations to be smarter and simpler – all of which saves businesses time and money.



ACTION THREE: BUILD NEW SKILLS

Ensuring a workforce that's ready to go

The Victorian Government has already made huge progress in building our state's skilled workforce, with a near record number of Victorians in jobs.

Thanks to the success of Free TAFE, our Big Build Apprenticeships and the Major Project Skills Guarantee – which mandates at least 10 per cent of the work carried out on our major projects is undertaken by apprentices, trainees or cadets – we're skilling the next generation.

But as we heard from industry – we need to make sure we continue to have the right workers with the right skills.

By investing in education, training, and upskilling, the Government will help create a pipeline of skilled workers – making sure industry have the talent they need now and for the future.



Initiatives

Invest in a Future of Housing Construction Centre of Excellence at Melbourne Polytechnic to train workers in modern construction technologies, such as prefabricated and modular construction

These **skilled workers will help ensure Victoria remains at the forefront of this new approach to construction** – enabling faster, more cost-effective and sustainable solutions, while keeping up with our growing state’s housing and infrastructure needs.

Pilot the use of AI to improve recognition of prior learning in partnership with the Victorian TAFE network, led by Bendigo Kangan Institute

This improvement will assist employers and training providers to more rapidly and accurately understand where a worker's skill levels are at – **helping skilled workers avoid unnecessary training and fast-track learning for students.**

Create a First Peoples Leadership Academy to support the development of the next generation of leaders

The Academy, proposed by the Koori Caucus of the Yuma Yirramboi Council, will provide **support to future First Peoples leaders** in business, government and communities.

Help more Aboriginal businesses to compete locally and globally

We will provide more support for **domestic and overseas trade initiatives**, including hosting the World Indigenous Business Forum in 2025. Funding will also be provided to Kinaway Chamber of Commerce and Ngarrimili to help support more Aboriginal businesses.

Open up access to jobs in the Victorian Public Service (VPS)

This will encourage greater movement of people and ideas between the public service and business, by **removing existing barriers that stop VPS jobs being advertised externally.**

Rapidly upskill and reskill workers through the Digital Jobs program

Digital Jobs will offer **training in cutting-edge, in-demand, digital skills** that are critical for innovation and technology adoption in construction and advanced manufacturing.

Support the establishment of more Skills Solutions Partnerships

This will see **industry partner with TAFEs and universities to design and pilot new short courses and on-the-job training.** These courses are focused on quickly addressing skills gaps in priority sectors: one recent partnership is delivering rapid training for medical and medtech researchers to improve their commercialisation skills.

ACTION FOUR: REACH EVERY COMMUNITY

A strong Victoria underpinned by a strong regional Victoria

Regional Victorian businesses have the lowest payroll tax rate in the country.

And employment has grown by 22 per cent in regional communities since we came to government.

This growth hasn't happened by chance. It's been made possible through our record investment in regional Victoria.

That means building the transport, schools and hospitals regional communities need – and backing the jobs and opportunities that keep them strong.

But as we heard from industry – a strong Victoria relies on a strong regional Victoria.

It's why as we grow our economy, we need to make sure that success is shared – with every corner of our state.

The initiatives of the Economic Growth Statement deliver. From a faster Environmental Effects Statement process, unlocking more industrial land, extending the Resources Victoria Approvals Coordinator and the reduction of regulators and red tape – these reforms will reach every part of regional Victoria.

At the same time, we're making the targeted reforms that we know will make a difference for regional communities and regional economies.



Initiatives

Provide \$10 million to unlock trunk infrastructure in regional Victoria

By investing in trunk infrastructure – things like water supply, sewerage, roads and electricity – we will **open up more industrial land across regional Victoria**. This investment would be delivered through open and competitive funding rounds, in which co-investment and ‘ready to go’, viable projects will be key to the assessment criteria.

Boost destination marketing through a cooperative fund

This will be a shared investment – jointly funded by government and industry – with any funds raised by industry matched by the Government up to \$7 million. Focusing on international, intrastate and interstate audiences, **this investment will boost visitation and Victoria’s tourism sector**.

Develop agricultural applications of RNA technology, with new funding for research and manufacturing

This investment **leverages Victoria’s position as a leader in mRNA technology** – with Melbourne the only city in the world to host both BioNTech and Moderna facilities. RNA technology could increase the yield from broadacre and horticultural crops, reduce the need for insecticides by targeting Australian-specific pests, and reduce methane emissions from cattle.

Deliver simpler, smarter regulation in regional Victoria to make it easier for regional businesses to set up, operate and grow

Targeted investment will **address regulatory challenges faced by businesses in Victoria’s regional communities**. Opportunities could include streamlining regulation of regionally focused industries (for example, freight and logistics, or food production) and digitising regional council systems.

Pilot new Regional Launching Pads

These Launching Pads will offer **new shared collaboration spaces, enabling regional businesses, entrepreneurs and investors to meet, work and collaborate**. In addition to bringing together local businesses entrepreneurs and investors, these spaces will be situated within government offices, further supporting the opportunity for growth. The pilot will deliver five regional and one metro Launching Pad, anchored to the Regional Development Victoria office and GovHub network, in collaboration with the Geelong Chamber of Commerce, regional business chambers, and International Chamber House, Melbourne.

Provide a new web portal focused on regional Victoria’s economic opportunities

This will **highlight business investment opportunities in regional Victoria** for overseas and domestic businesses.

PREMIER'S BUSINESS COUNCIL

Working with – and listening to – industry

The Premier's Business Council

The Victorian Government will keep working with its partners in business and industry.

It's the approach that we took in the development of this Economic Growth Statement – and it's the approach we'll take as we deliver on it too.

To make sure our actions remain impactful and on-track, we'll continue to ensure a direct line of engagement with business – establishing the Premier's Business Council.

The Premier's Business Council will be made up of leading Victorian business people and will provide direct advice to the Premier.

The Premier's Business Forums

In addition to her Business Council, the Premier will also establish and lead new Forums for business and industry.

These Forums will be led by industry associations and unions, and will provide a platform for the Premier to hear directly from business on how government can continue to create a stronger Victorian economy.

The Forums will:

- Inform government about real-time opportunities and barriers facing business
- Ensure existing government policy responses are working
- Test new or prospective government policy responses
- Explore how business can contribute to broader government and societal objectives
- Communicate government's economic agenda.

Effective policy evolves as conditions change, and the Forums will provide the opportunity for businesses to give feedback on their experiences.

It'll also provide an opportunity for businesses to share their ideas and energy on the future direction of our state.

