



chamberupdate

2 May 2017

The 2017-18 State Budget was delivered today by Victorian Treasurer Tim Pallas with one of the key announcements for business being a further \$221 million cut to payroll tax.

The Treasurer's announcement includes \$48 million from bringing forward payroll tax cuts announced in last year's budget.

Increases in the payroll tax-free threshold will be brought forward by one year, meaning the \$575,000 payroll tax threshold will be increased to \$625,000 from July 1 2017 and \$650,000 from 1 July 2018. This will benefit approximately 38,000 businesses across the state.

Importantly, businesses in regional Victoria will receive a 25 per cent discount on their payroll tax. From July 1 payroll tax will decrease from 4.65 per cent to 3.65 per cent for businesses with a workforce of at least 85 per cent employees in regional areas.

The Geelong Chamber of Commerce welcomes this move to bring forward an increase in the payroll tax threshold. We have long lobbied, on behalf of our members, for reforms to payroll tax to ease the financial burden on business.

This is a move in the right direction and should help encourage further business and jobs growth but there is still more that can be done.

The Geelong Chamber, along with the Victorian Chamber of Commerce, believes that the payroll tax threshold should be raised to \$850,000 as soon as possible to ensure that Victorian businesses are competitive with businesses in other States.

Payroll tax continues to be one of the biggest and most inequitable imposts on business and we believe that lowering the cost of doing business will benefit many thousands of local businesses and help support business growth.

Highlights from the 2017-18 State Budget for the Geelong region include:

- **\$21.1 million** to upgrade and modernise 15 primary schools across the region including Ashby, Bellbrae, Ceres, Chilwell, Geelong East, Hamlyn Banks, Lara Lake, Leopold, Mount Duneed, Newcomb Park, Newtown and Oberon;

- **\$15 million** to expand the Future Industries Manufacturing program and the Local Industry Fund for Transition program, which supports businesses affected by the exit of the automotive industry, including those in Geelong;
- **\$15 million** to revitalise Central Geelong;
- **\$7.5 million** for the Geelong Regional Innovation and Investment Fund;
- **\$7 million** for extension of free Wi-Fi to Geelong waterfront and to enhance broadband in North Geelong;
- **\$6 million** for planning for the duplication of the train line between South Geelong and Waurn Ponds and new services to Armstrong Creek;
- **\$4.9 million** for Kardinia Park redevelopment stage 5 – project development funding;
- **\$4 million** towards planning an extension of the Geelong Ring Road to the Bellarine Peninsula.
- **\$1.3 million** simplifying the Great Ocean Road management arrangements.

Click [here](#) to access more detailed information about the 2017-18 Budget.

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