

DEPARTMENT OF ECONOMIC DEVELOPMENT,
JOBS, TRANSPORT AND RESOURCES

PAEC PRESENTATION

SMALL BUSINESS, INNOVATION AND TRADE

21 MAY 2015

Department of
Economic Development,
Jobs, Transport & Resources



PORTFOLIO KEY OBJECTIVES

Provide programs that support business and industry to innovate, encouraging businesses to grow through links into global trade supply chains

Promote business growth opportunities by connecting organisations to global business opportunities in priority markets

Work with priority industry sectors to encourage innovation and growth

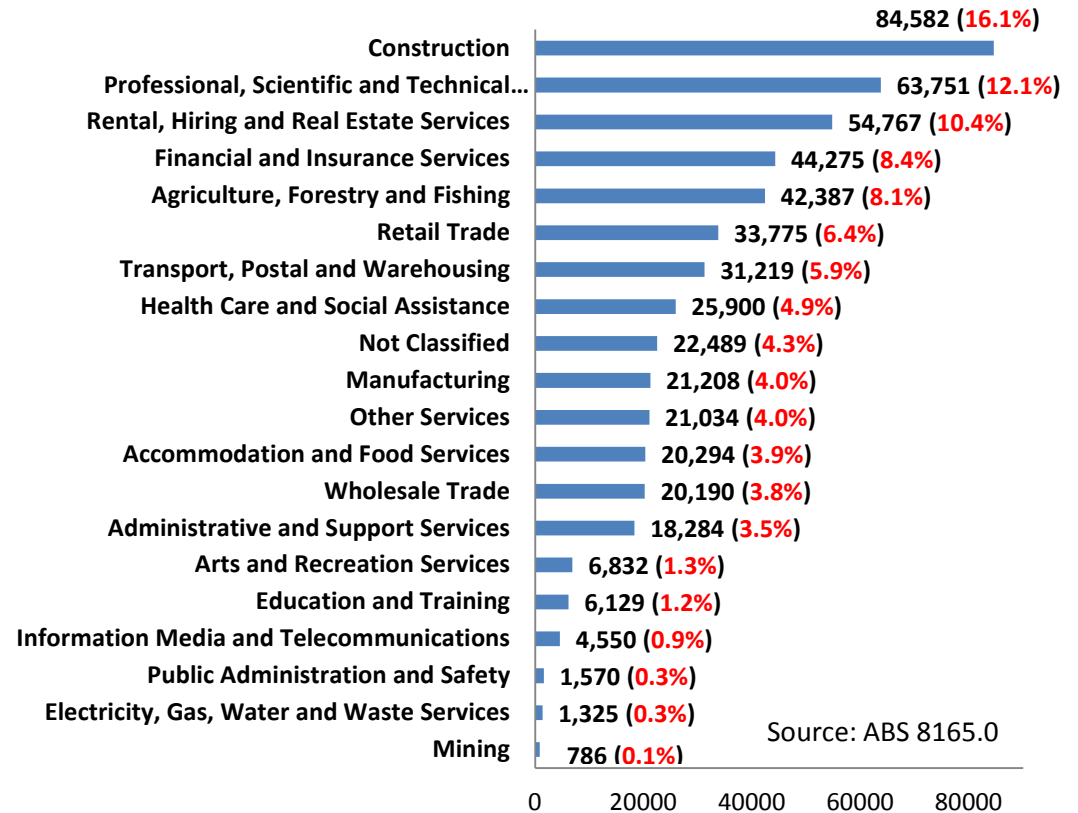
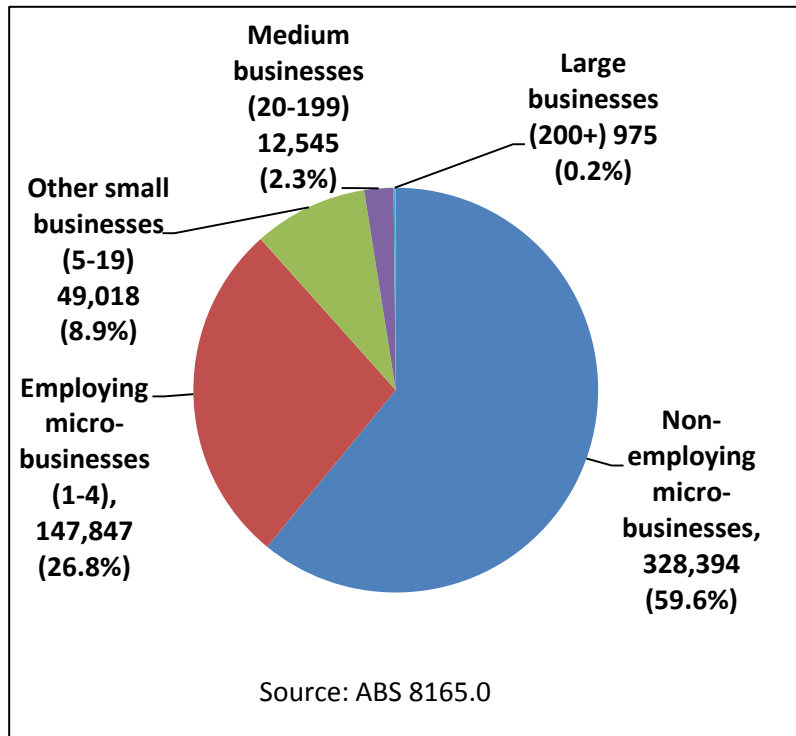
Provide Victorian small businesses with access to information and support services to plan, start and grow their business

Stimulate innovation by supporting the creation and application of new knowledge, technologies and practices

Support Victoria's digital economy

SMALL BUSINESS SECTOR IN VICTORIA

Number of Victorian businesses by size and industry, as at June 2013



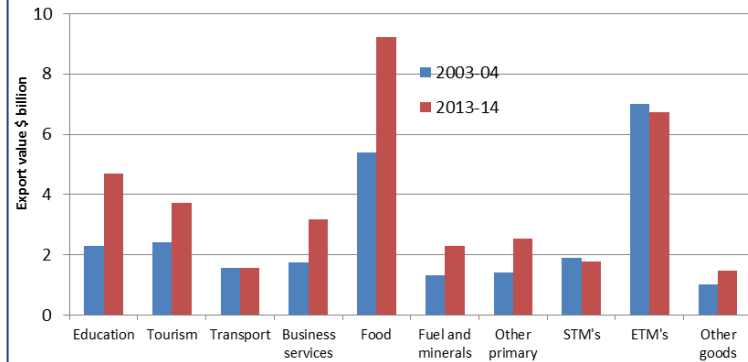
INNOVATION PORTFOLIO



- Victoria is home to high value jobs/skills
- ICT sectors generates annual revenues of ~\$34 billion and ~\$2.5 billion in exports annually
- The digital economy contributed an estimated \$20 billion (or 5.1%) to Victoria's GSP in 2013-14, rising to \$35 billion (7.3% of GSP) by 2020
- In 2015, Victoria's expenditure on telecommunications services is forecast to be around \$14 billion
- Victoria has secured 42.5% (\$2.8 billion) of total National Health and Medical Research Council (2005-14)
- Headquarters of the Medical Research Commercialisation Fund is based in Melbourne

TRADE PORTFOLIO

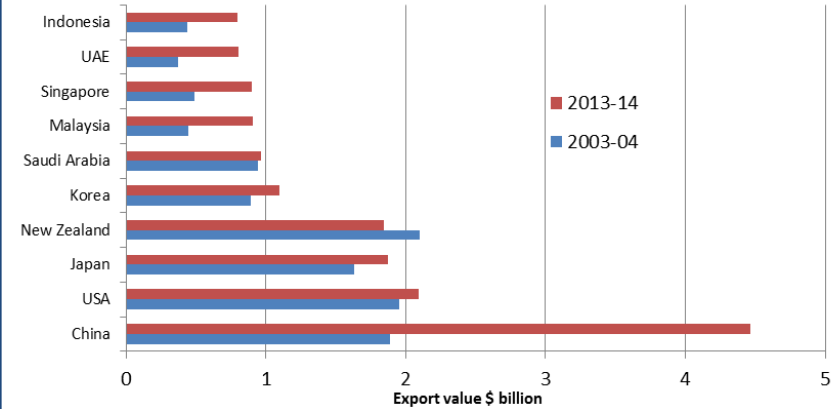
Composition of Victorian exports, 2003/4 vs. 2013/14



Source: DFAT TRIEC data 2012-13 and ABS 5368.0.55.003 International Trade in Services (Table 1)

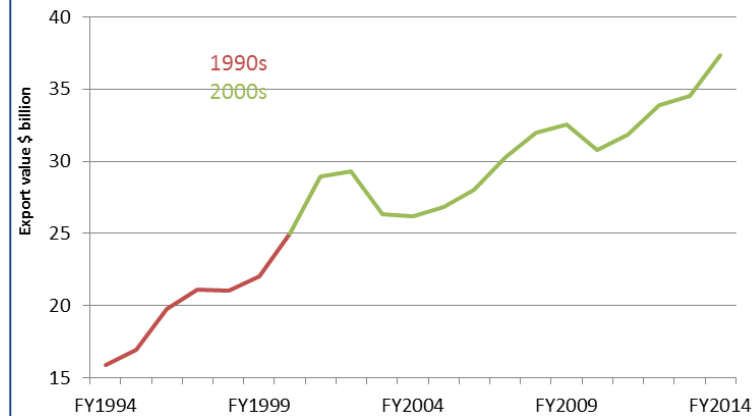
Note: STMs = Simply Transformed Manufacturing and ETMs = Elaborately Transformed Manufacturing

Victoria's top 10 markets for goods exports in 2013-14



Source: ABS 5388.0 International Trade in Goods and Services (Table 36b)

Value of Victorian exports, 1993/94 to 2013/14



Source: ABS 5368.0 International Trade in Goods and Services (Table 15a),

MAJOR ACHIEVEMENTS IN 2015

Small Business

- Launched the second Small Business Bus
- Taken preliminary steps to establish the Victorian Small Business Commission
- Invited Expressions of Interest for Ministerial Council positions

Innovation

- Reviewing Synchrotron arrangements
- Committed \$60 million for Start Up initiative
- Healthcare innovation trade mission to Japan and South Korea
- Hosted delegation of ICT, Life sciences and Health companies
- Signed MOU with Telstra for a joint bid to the Commonwealth Government's \$100 million *Mobile Black Spot Programme*

Trade

- Launched the first multi-sector inbound trade mission – the Victorian Invitation Program - staged in March 2015
- Second inbound trade mission specifically focused on wine starting next week
- In 2015 - delivered eight outbound trade missions to date

ELECTION COMMITMENTS

Small Business

- Victorian Small Business Commission
- Geelong member for Small Business Ministerial Council
- Payroll tax deductions as a part of the Back to Work plan
- Plan for Small Business

Innovation

- Startup Initiative
- Plan for Innovation
- Digital Economy Action Plan

Trade

- Develop an inbound trade mission program
- Establish new Victorian Government Business Offices (VGBOs) in South America, Turkey and Singapore
- Develop a VPS Scholarship Program

BUDGET 2015-16

Small Business

- Establishment of the Victorian Small Business Commission - \$10.4 million
- Stamp duty exemption on mobile plant registration
- Timely payments for Small Businesses by government departments and agencies

Innovation

- Startup Initiative - \$60 million total over 4 years

Trade

- Inbound trade mission program - \$12 million over 4 years
- Expand Victorian Government Business Offices (VGBOs) in South America, Turkey and Singapore – \$6 million over 4 years
- China and India scholarships Program - \$0.9 million over 3 years

LOOKING FORWARD: SMALL BUSINESS

Opportunities

Responding to business needs

- Crisis planning information – new workshop in 2015
- Continue small business advocacy activities with the Federal Government
- Continuing to advocate for anti-predatory legislation and strengthening of competition laws to bodies such as COAG

Challenges

- Small businesses barriers to skills and information
- Structural change in industries with significant numbers of small businesses eg retail and manufacturing sectors
- Business confidence and the economic climate
- Ageing population

LOOKING FORWARD: INNOVATION

Opportunities

- Startup Initiative
- Develop an ICT Industry Strategy, incorporating a Digital Economy Action Plan
- Establish the Innovation Expert Panel
- Improving Victoria's telecommunications infrastructure

Challenges

- Ensuring Victoria gets the best outcome from the rollout of National Broadband Network infrastructure and associated investment and employment opportunities
- Advocating for Victoria's representation and participation in current Commonwealth science innovation reviews, so that we are not disadvantaged by subsequent reforms
- Seeking Victorian benefits from the Commonwealth growth centres initiative and appropriate funding from associated innovation programs

LOOKING FORWARD: TRADE

Opportunities:

- Establishment of inbound trade mission program
- Focus on small and medium sized businesses
- Provide Victorian businesses with the information and skills needed to do business overseas

Challenges

- Boost international trade and attract foreign investment to Victoria
- Identify regulatory barriers to overseas trade

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SUMMARY

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