

The Hon Martin Pakula MP
Minister for Industry Support and Recovery

**INDUSTRY SUPPORT AND RECOVERY
PORTFOLIO**

Public Accounts and Estimates Committee

17 MAY 2022



State of the economy

Victoria's economy is rebounding although some businesses are experiencing higher costs and workforce challenges.



4% Unemployment

Employment increased by 168,000 people since October



4.5% Annual CPI

Consumer price index rose to its highest level since 2008

Economic growth is expected to continue in 2022-23 as a result of further increases in household spending and business investment.

Businesses continue to reinvest in Victoria

- **QANTAS** announced that Victoria would secure their largest engineering line maintenance hub and an expansion of Jetstar's engineering heavy maintenance at Melbourne Airport.
- **Hanwha** is delivering the Commonwealth's \$1 billion LAND 8116 program in Geelong creating 300 new jobs.
- **3D MediTech** will invest \$27 million in a 3D printing medical manufacturing facility in Port Melbourne.
- **Worldline**, Europe's largest financial institution technology provider, has chosen to set up its Australian headquarters in Docklands supporting 350 jobs.
- **Nissan Casting** is investing \$15.5 million in its Dandenong South electric vehicle component manufacturing export facility.
- These investments are supported through the Manufacturing and Industry Development Fund (MIDF) and the Industry Recovery and Growth Fund (IRGF).

Business stimulus package for industry

- **A \$200 million stimulus package** to stimulate economic activity and spending for impacted industries, including:
 - Melbourne Money (rebate) - **\$10 million**.
 - Victorian Dining & Entertainment Programs (rebate) - **\$60 million (\$30m each)**.
 - Travel voucher scheme (including seniors round) - **\$30 million**.
- Small business support initiatives:
 - Ventilation rebates and matched grants - **\$60 million**.
 - Small Business Digital Adaptation Program - **\$5 million**.
 - Business Recovery and Resilience Mentoring Program - **\$2 million**.
- The **\$200 million Melbourne City Revitalisation Fund**, supporting businesses in the city through initiatives to reinvigorate the Melbourne CBD.

Ongoing industry development policies and programs underpin local growth and opportunities

- Since 2014, the **Local Jobs First Policy** has set local content on 238 Strategic Projects worth \$114.92 billion.
- The **Defence Capture Plan** seeks to grow Victoria's defence industries sector and capitalise on the anticipated \$270 billion in Commonwealth new equipment defence spending.

This budget – key initiatives

- **\$40 million** to help fast-growing companies expand through the Victorian Industry Investment Fund.
- **\$19.9 million** to support Victorian manufacturers to create more high-value jobs, including:
 - Digital Jobs for Manufacturing.
 - Pilot of the Low Carbon Manufacturing Grant Program.
 - Defence Science Institute.
 - Defence Workforce Development.
 - Made in Victoria campaign.
 - Business case to co-locate CSIRO agri-food research and development capabilities with AgriBio at La Trobe University.