



**AUSTRALIAN
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DEALER BULLETIN

2018/19 Victorian Budget Briefing

2 May 2018

To: VICTORIAN AADA MEMBERS

On Tuesday 1 May, State Treasurer Tim Pallas handed down the Victorian State Budget for 2018/19.

Members of the AADA Secretariat attended a budget briefing session, organised by government relations specialists, Hawker Britton, at which Minister for Industry & Employment Ben Carroll MP presented a Budget overview.

The Minister reported that the Government is budgeting for a surplus of \$1.4 billion and a reduction in state debt to 4.6%. Economic growth in the state is expected to remain steady at a bit below 3% gross state product (GSP).

The Government has allocated an unprecedented amount of spending on infrastructure, averaging about \$10.1 billion per year over four years.

Highlights of this year's Budget are:

- From 1 January 2019, 30 priority TAFE courses and 18 pre-apprenticeship courses will be free. Among the courses chosen as high priority are Certificate II courses in Automotive AC, Automotive Body Repair, Automotive Servicing Technology and Automotive Vocational Preparation.
- Employment is forecast to grow by 2.0 per cent.
- The payroll tax threshold has been raised to \$650,000 from 1 July 2018 and in regional areas the payroll tax rate has been reduced from 3.65% to 2.425%
- Over \$13 billion on infrastructure this financial year, including expenditure on health (\$4.2b), regional Victoria (\$4.3b) and schools (\$1.25b).
- Regional Victoria is a big beneficiary with a total of \$4.3 billion being allocated to support its growth. This includes \$941 million on regional road networks and \$704 million on regional public transport.
- \$4.3 billion towards improving roads in metropolitan and regional areas across the state
- \$50 million will be spent to complete the planning for a high-speed rail link between Geelong and Melbourne.
- Metropolitan roads are set for upgrade with \$2.2 billion allocated to upgrading 13 arterial roads. Of this \$712 million has been allocated to the Monash Freeway and \$110 million to the planning of the North East Link.

Economic commentary on the budget reports that it is largely funded by the population growth that is occurring in the state, rather than through any increases in duty or tax rates. Victoria is currently the fastest growing state in Australia and the population grew by 2.3% in the last financial year. This increase in population is expected to generate more than \$7 billion in stamp duty over the coming financial year alone.

Further details of the budget can be found on the 2018/19 Victorian Government Budget Website [here](#).

If you have questions, please contact any of the team members listed below.

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