

Media Release

Mr Tim Pallas MP
Treasurer
Minister for Industrial Relations
Minister for Economic Growth



Monday, 1 July 2024

BACKING BUSINESS TO CREATE JOBS AND GROW OUR ECONOMY

The Allan Labor Government is backing Victorian businesses to innovate and expand with historic tax reforms and new investments.

Stamp duty on commercial and industrial properties will be replaced with a more efficient tax from today, helping Victorian businesses prosper. The reform will create 12,600 new jobs and boost the Victorian economy by up to \$50 billion over the next forty years.

To make things easier for small businesses, the payroll tax-free threshold will be lifted from \$700,000 to \$900,000 from today, and then to \$1 million from 1 July 2025. This will result in about 6,000 businesses no longer paying any payroll tax and a further 22,000 businesses paying a reduced amount – saving up to \$14,550 per year.

The payroll tax-free threshold will be phased out for larger businesses, to ensure this support is well targeted.

Victoria will be the first state to abolish business insurance duty, saving businesses more than \$516 million over the next four years. The duty will be abolished over a 10-year period, starting from today.

Together, these three reforms will save Victorian businesses around \$900 million over the next four years.

The *Victorian Budget 2024/25* is backing Victorian businesses, including \$555 million to build the workforces the state needs for the future, \$40 million for LaunchVic to support innovators and entrepreneurs and \$9.4 million to attract more international business events.

Almost 600,000 new jobs have been created in Victoria since September 2020, and Deloitte Access Economics data forecasts that the state will lead the nation in economic growth over the next five years.

Further Commercial and Industrial Property Tax reform details are available at dtf.vic.gov.au and sro.vic.gov.au, and transition loan information at tcv.vic.gov.au.

Quotes attributable to Treasurer Tim Pallas

"We are backing Victorian businesses with this historic tax reform to give them more opportunities to grow and prosper."

"This reform is a win-win for industry and the state that will cut tax by \$266 million in the first four years alone, create 12,600 Victorian jobs and deliver a \$50 billion boost to our economy over the next four decades."

Quote attributable to Victorian Chamber of Commerce and Industry CEO Paul Guerra

"The Victorian Chamber has proudly worked with the Treasurer on behalf of business to bring about these landmark tax reforms. We welcome all measures that reduce regulatory burdens, encourage growth and the creation of jobs."

Quote attributable to Minister for Small Business Natalie Suleyman

"Small businesses are the backbone of the local economy and support communities across Victoria. Through these reforms, the Allan Labor Government is cutting taxes for thousands of Victorian small businesses on payroll tax, insurance duty and commercial stamp duty."

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