

Sunday, 22 June 2025

CUTTING PAYROLL TAX AND SLASHING RED TAPE TO CREATE JOBS

Victoria is open for business – and the Allan Labor Government is creating jobs by cutting payroll tax for small businesses and slashing red tape for cafes, bars and restaurants.

Premier Jacinta Allan, Treasurer Jaclyn Symes and Minister for Planning Sonya Kilkenny visited the Terminus Hotel today to announce that, from 1 July 2025, the payroll tax-free threshold will lift from \$900,000 to \$1 million – meaning even more small businesses will pay no payroll tax.

It follows the lifting of the threshold from \$700,000 at the start of the financial year. The change will mean about 6,000 businesses no longer paying any payroll tax and a further 22,500 businesses paying a reduced amount – saving up to \$14,550 per year.

Also from 1 July, it will be faster and easier to open a restaurant to serve alcohol – and to expand dining outdoors.

Businesses applying for a liquor licence will no longer be required to obtain approval from *both* the local council and Liquor Control Victoria (LCV) – only the latter.

By removing the double up, this reform will slash the time it takes for pubs, cafes and restaurants to get a liquor licence, enabling businesses to open up to six months earlier and saving them up to \$7,000.

Currently around 600 businesses apply for a new application annually. A further 14,000 existing liquor license holders could also benefit from these changes if they're looking to vary their license.

Protections for amenity, noise and operating hours will remain in place, while zoning and planning permit requirements will continue to determine where restaurants and pubs can open their doors. Only now, businesses won't be asked to waste time proving the same things twice.

Additionally, the temporary changes made during the pandemic to remove the need for a planning permit for outdoor dining will become permanent.

The move will allow venues to serve customers in underutilised spaces including streets, footpaths and carparks without a planning permit – supporting more Victorians to enjoy dining outdoors at pubs, cafes, bars and restaurants without businesses facing unnecessary red tape.

These reforms build on our landmark tax reform to abolish the upfront cost of stamp duty and replace it with a more efficient Commercial and Industrial Property Tax.

This reform makes it easier for businesses to set up and move, creates 12,600 new jobs and boosts the Victorian economy by up to \$50 billion over the next forty years.

Victoria is also the first state to commit to abolishing business insurance duty, saving businesses around \$780 million over the next four years.

Since 1 July 2024, the duty on business insurance has been reduced and will be completely abolished over a 10-year period.

These changes to payroll tax, business insurance duty and the introduction of the Commercial and Industrial Property Tax reform will collectively save Victorian businesses around \$1.35 billion over the next four years.

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The *Victorian Budget 2025/26* invested \$627 million to support business and grow the Victorian economy, including delivering the Economic Growth Statement in full to make it easier to start or build a business in Victoria.

These investments will help continue powering Victoria's economy, which has grown faster than any other state, with real gross state product (GSP) estimated to be almost 14 per cent larger in 2024-25 than it was in 2018-19, prior to the pandemic – an increase of 4.7 per cent per capita.

Business investment in Victoria remains robust, growing by 1.6 per cent in the four quarters to March 2025. More than 113,000 businesses have been added since June 2020, the largest percentage growth of any state.

Quotes attributable to Premier Jacinta Allan

"This is about jobs, jobs, jobs."

"Behind every job is a worker, behind every small business is a family – and I'm on their side."

"Our cafes, bars and restaurants are what we're famous for. Let's give them a hand so they're not drowning in red tape."

Quote attributable to Treasurer Jaclyn Symes

"Victoria already has the strongest growth in business investment of the states over the last decade – we want to keep it that way."

Quote attributable to Minister for Planning Sonya Kilkenny

"These planning changes are all about saving our local pubs, cafes and restaurants time and money and letting them focus on what they do best – serving great food, creating local jobs, and bringing people together."