

# Media Release

**Mr Danny Pearson MP**

Minister for Economic Growth and Jobs

Minister for Finance

Acting Treasurer

Acting Minister for Regional Development



Tuesday, 1 July 2025

## BACKING BUSINESS AND CREATING JOBS

The Allan Labor Government is creating jobs and backing Victorian businesses, with new payroll tax cuts taking effect.

From today, 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.

Victoria's economy is strong and our world-leading capabilities, established industries, skilled workforce and outstanding liveability make the state one of the best places to live, work and invest.

Over the past decade Victoria's economy has grown faster than any other state and is 31 per cent larger than when Labor came to Government.

Business investment in Victoria remains robust, growing by 1.6 per cent in the four quarters to March 2025, compared to 1.2 per cent nationally.

More than 113,000 businesses have been added since June 2020, the largest percentage growth of any state.

The Labor Government is also making it easier and simpler for Victorian businesses to start or build a business – backed by a \$627 million investment in the *Victorian Budget 2025/26* to support business and grow the Victorian economy, including delivering the Economic Growth Statement in full.

### Quotes attributable to Acting Treasurer Danny Pearson

*"Every dollar not paid in payroll tax under this new threshold is a dollar that can be invested back into the business, into higher wages or employee training — it's a win for business and a win for workers."*

*"We know how important small businesses are to Victoria and we are on their side — This is all about creating and supporting jobs, which helps families and drives the economy."*