

# 2023-24 State Budget Snapshot

23 May 2023

# Key Budget Measures

## Tax reform

- The establishment of a COVID Debt Repayment Plan that includes two temporary levies over 10 years to 30 June 2033. From 1 July 2023, a temporary levy, with a rate of 0.5 per cent, with an additional payroll tax on large businesses with national payrolls of more than \$10 million per year. Businesses with national payrolls of more than \$100 million will pay an additional 0.5 per cent.
- The Government will increase the payroll tax-free threshold. From 1 July 2024, the payroll tax-free threshold will increase from \$700,000 to \$900,000, and further increase to \$1 million from 1 July 2025.
- The abolition of business insurance duties over 10 years by 2033. These will be reduced by one percentage point each year from 1 July 2024.
- The tax-free threshold for general land tax rates will decrease from \$300,000 to 50,000. A temporary fixed charge levy of \$500 will apply for taxpayers with landholdings between \$50,000 and \$100,000, and a temporary fixed charge levy of \$975 for taxpayers with landholdings between \$100,000 and \$300,000. For general taxpayers with property landholdings of more than \$300,000 (and trust taxpayers with property holdings above \$250,000) land tax rates will temporarily increase by \$975 plus 0.1 per cent of the value of their landholdings of more than \$300,000. Existing land tax exemptions, including for primary places of residence, primary production land and land used by charities, will continue to apply.

## Regulation

- \$34 million over four years from 2023-24 in regulatory reform to make Victoria an easier place to do business, through a Whole Government Approach across regulators and councils and further funding for the Business Acceleration Fund.

## Skills and training

- \$3.2 million over two years from 2023-24 to support the delivery of an expanded state nomination visa program. This will aim to attract a wider range of skills and talents to Victoria and increase Victoria's capacity to meet demand for skilled migrants.
- \$1.5 million in 2023-24 to establish an Apprenticeships Taskforce with employee, union, and industry representatives. The Taskforce will consider measures to improve safety and fairness and assess existing regulation and options for reform.
- \$170 million for 2023-24 to 2026-27 TAFE assets and infrastructure for five TAFE projects through the Building Better TAFE fund.
- \$143.7 million over two years from 2023-24 to 2024-25 for expanded free TAFE.

# Other key initiatives

## Manufacturing and industry development

- \$12.3 million over three years from 2023-24 to support the delivery of sovereign mRNA manufacturing facilities and the ecosystem in Victoria.
- \$21.2 million over two years from 2023-24 to establish a Manufacturing and Industry Sovereignty Fund to support the development, expansion, and retention of strategic sovereign manufacturing capability in Victoria.
- \$4 million over four years from 2023-24 to support Victoria's defence and space industry to secure major defence contracts through advocacy, advisory and capability development.

## Innovation and commercialisation

- \$15 million in 2023-24 to establish an Industry R&D Infrastructure Fund to incentive and leverage private industry investment in research and development.
- \$20 million over two years from 2023-24 to continue the International Investment Attraction Fund (IIAF). IIAF incentives target the world's most innovative companies and projects to Victoria.

## Clean energy and climate change

- \$44.5 million over two years from 2022-23 establish the State Electricity Commission to accelerate investment in renewable energy in partnership with industry, deliver benefits to households through lower energy bills and assist in meeting Victoria's renewable energy targets.
- \$20 million over four years from 2023-24 to deliver the climate action agenda, including legislating the 2030 and 2035 interim targets and net-zero emissions by 2045, delivery of the next Climate Change Strategy, sector pledges and Climate Science Report, as well as continued analysis and advice on Victoria's transition to net-zero by 2045.

- \$16 million over four years from 2023-24 for the establishment of two Clean Energy Worker Training Centres to support the emerging offshore and onshore wind industry, and the hydrogen industry.
- \$5.1 million over four years from 2023-24 for the continuation of the Government's Gas Substitution Roadmap to help lower energy bills for businesses and households to encourage electrification.

## Visitor economy

- \$32.5 million in 2023-24 for the rollout of the Victorian Masterbrand framework through Visit Victoria destination marketing activities and the development of an international tourism strategy.
- \$23 million in 2024-25 to boost the Major Events Fund to attract the best creative and sporting events to Victoria.

## Infrastructure

- \$620 million over four years for Flood Recovery, including \$54.0 million for small business relief and \$44.7 million for a range of business recovery support services.
- \$400 million over four years from 2023-24, and a total of \$1250 million in the next 10 years for road pavement work, including maintenance and renewal, across Metropolitan and Regional Victoria.
- \$50.2 million over four years from 2023-24 to deliver better local roads across Victoria for motorists, pedestrians, and cyclists.
- \$3.5 million in 2023-24 for the Mode Shift Incentive Scheme to be renewed for another year.



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