



**Endless
TAXES**

Immediate **TAX RELIEF**

Libertarian Party – Victorian Taxation Policy

libertarians.org.au





Table of Contents

3	Preamble	
4	Make Victoria the lowest taxing state	
5	Eliminate Emergency Services & Volunteer Fund levy	
5	Eliminate Stamp Duty	
5	Lower Payroll Tax	
6	Cut state government spending by at least 4% p.a.	
6	Cancel the Big Build Suburban Rail Loop	





You cannot tax an economy into prosperity

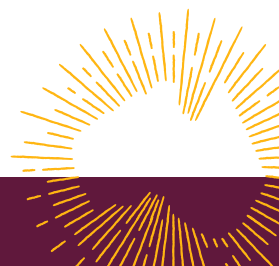
Arthur Laffer

Preamble

Victorians are the highest taxed people in Australia. According to the government's own data, Victoria's taxation revenue has doubled in the past decade from \$18 billion in 2014-15 to \$39 billion in 2024-25. Further, ABS data shows every **Victorian paid \$6,348 in state and local government taxes** in 2023-24.

This data also shows that in 2021-22 Victoria took top spot as the highest per person taxing state and maintained that record until 2023-24, the latest year reported by the ABS. Under the current government those taxes are set to explode because of the locked in debt binge spending committed to by the government. (See our 'Cancel Suburban Rail Loop' loop policy for details). This excessive and growing taxation raises the cost of living in Victoria and deters private business investment. In 2024, the Business Council of Australia ranked Victoria as the worst state or territory to do business in, partly because of its high property and payroll taxes.

CPA Australia warned 'Victoria is seen by most small and large businesses as the least attractive Australian state or territory in which to invest because of its high taxes. Victoria has an uncompetitive tax system and the government has given no clear direction to business and investors about its approach to taxation, leaving many uncertain about their futures in Victoria.' Victoria needs a clear plan to reduce its tax burden on individuals, families and businesses.



Policy

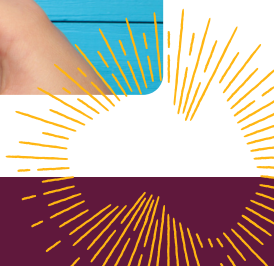
The Libertarian Party of Victoria advocates the following measures:

- 1 Make Victoria the lowest per person taxing state or territory in Australia.** To ease the burden on every Victorian, Victorian taxes should be reduced over time to make Victoria the lowest per person taxing jurisdiction in Australia. This is achievable by immediately abolishing the Emergency Services and Volunteer Fund levy, progressively reducing land transfer duties, stamp duty until it is abolished and reducing payroll taxes until the goal of making Victoria the lowest taxing per person state and territory has been achieved.

To pay for these reductions, government spending will need to be reduced by at least a similar amount, plus some, so the state can also pay down its debts. A responsible government has no choice but to halt the debt explosion set to occur by building the Suburban Rail Loop. ([See our 'Cancel Suburban Rail Loop' loop policy for details.](#)) The Libertarian Party will cancel the Suburban Rail Loop construction.

Cuts to recurring government spending are achievable but will need to be implemented over time to avoid economic disruption and to be fiscally responsible.

Eliminating and reducing these taxes would significantly ease the tax burden on Victorians and drive economic prosperity.



2 Eliminate the Emergency Services and Volunteer Fund levy. The Emergency Services and Volunteer Fund levy was introduced in July 2025 to replace the Fire Services Property Levy. The money collected by this levy is paid into the Emergency Services and Volunteer Fund, which is used to fund various emergency services.

This levy isn't required to fund these services, as they can be funded directly by the government without needing a special fund. This fund is essentially a contrivance to justify higher taxes dressed up as emergency services reforms. The Government expects this new tax to generate \$1.8 billion per year, which is less than 2% of the Government's annual revenue, which means abolishing this levy will have only a small impact on the budget.

3 Eliminate stamp duty over ten years. While Victoria is subject to a range of taxes, some are more harmful than others, and stamp duty is one of the most harmful, as it imposes substantial costs on real estate transactions and makes buying a home and other properties more expensive. Stamp duty is expected to raise \$9.6 billion in 2025-26, which is 9% of government spending for that year. Eliminating stamp duty over 10 years would require reducing spending by around 1% per year. This will ease the tax burden on Victorians and make it easier for them to buy and sell properties.

4 Lower payroll tax to make Victoria the lowest per person taxing state. Payroll taxes are imposed on businesses with an annual national wages bill exceeding \$1 million and are taxes on employment.

Eliminating the Emergency Services and Volunteer Fund levy and stamp duty is unlikely to be enough to make Victoria the lowest per person taxing state, so payroll taxes (including the COVID debt and Mental Health and Wellbeing levies), as the most significant taxes imposed on Victorians, should be reduced until Victoria is the lowest per person taxing state.

The Libertarian Party of Victoria will reduce payroll tax so that Victoria becomes the lowest per person taxing state. This will encourage employment, support wage growth, and reduce the tax burden on Victorian businesses.



- 5 Pay for these tax cuts by cutting state government spending by at least 4% per year.** Immediately eliminating the Emergency Services and Volunteer Fund levy (2% of annual revenue) and eliminating stamp duty over 10 years (1% of annual revenue) would reduce government revenue by around 3% per year, which would require a similar reduction in government spending to be fiscally responsible. This is achievable without cutting spending on frontline services by cutting back on back-office staff, waste and inefficiencies.

Larger reductions in government spending by eliminating more wasteful spending would allow even larger fiscally responsible tax cuts. The Libertarian Party of Victoria advocates an ongoing program to identify wasteful government spending with the aim of achieving at least a 4% per year reduction in wasteful spending so taxes can be lowered until Victoria is the lowest per person taxing state.

- 6 Help pay for these tax cuts and stop future tax rises by cancelling the Big Build Suburban Rail Loop.** Construction of the Suburban Rail Loop is projected to cost at least \$223 Billion. Add inflation and debt charges and the cost will soar towards \$400 Billion. ([See our 'Cancel Suburban Rail Loop' loop policy for details](#)). No responsible government can impose this soaring debt and tax burden on Victoria and Victorians.

The Libertarian Party will cancel the Suburban Rail Loop construction.



Current as of November 2025

<https://vic.libertarians.org.au/policies>

Our Policies



Libertarian
VICTORIA

