



SEMMA

SOUTH EAST MELBOURNE MANUFACTURERS ALLIANCE

SEMMA members seething at government's Land Tax gouging of manufacturers to cover COVID debt

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MELBOURNE, AUSTRALIA - The South East Melbourne Manufacturers Alliance (SEMMA) is seething at the unjustified cash grab by the Victorian state government on Land Tax of local manufacturers.

In a survey to SEMMA members, 100% of respondents said they were facing extreme increases in Land Tax from last year.

SEMMA's survey revealed one member's tax bill in 2023 with the Land Value in Dandenong at \$3.75m and Land Tax was \$47,100. In 2024 Land Value increased to \$4.3m and Land Tax now jumped to \$66,100.

Another Member located in Hallam was valued at \$4.2m in 2023 with a Land Tax of \$58,575 and in 2024 it jumped a staggering 55% in valuation to \$8.5m with a Land Tax of \$177,400. Another member example: in 2023 Land Value was \$4.1m and Land Tax was \$56,407. In 2024 the Land Value is now \$6.35m with a Land Tax of \$120,425. That's over 50% increase.

SEMMA CEO Honi Walker said, "These increases have been felt across our entire membership base and the effects will be felt at the consumer level when we are forced to increase our prices to cover these tax hikes".

"There is no justification for these increases in Land Value. How can the state government substantiate exorbitant increases of 50% and above in Land Value within twelve months and then charge Land Tax on that new value?"

"Manufacturers are being gouged by the state government. We kept the state's economy ticking over during COVID as manufacturing was designated an "Essential Service". We continued to pay ever-increasing taxes – (land, payroll, FBT, PAYG, Capital Gains Tax, GST and Company Income Tax) plus an increase in Work Cover premiums in some cases over 70% – you name it we paid it. And we did not receive any government hand-outs to keep our doors open, unlike other industries that are now closing for a range of reasons.

Now we are being asked to cover a debt that we did not contribute to. There is no justification for this Land Tax increase on manufacturers," she said.

SEMMA is calling for an enquiry into the process of calculation of Land Value and Land Tax on Victorian manufacturers.

"Manufacturing cannot continue to absorb Victoria's COVID debt burden. Manufacturers are being penalized for running profitable businesses – businesses that are the engine room of our state's economy.

Our members, if forced to pay these unwarranted taxes have said it will impact their ability to employ more people, invest in capital equipment and may even be forced to close, causing huge job losses. Companies may even reconsider establishing new businesses in Victoria with taxes this high. We are the most taxed state in Australia".

SEMMA believes manufacturers should be exempt from this Land Tax increase. SEMMA is encouraging all our members to appeal their assessments.

SEMMA is asking the government to respond to these five questions:

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1. Can the government provide transparent reasoning and evidence behind the substantial increases in land values and consequent land tax burdens on local manufacturers, particularly those exceeding 50% within a year?
2. How does the government justify imposing such significant tax hikes on manufacturers, who have been essential to the state's economy during the COVID-19 pandemic, especially considering they did not receive government support while continuing to operate and contribute to economic stability?
 3. What measures has the government taken to ensure fairness and accuracy in the calculation of land values and land tax, particularly for manufacturers who may be disproportionately affected by sudden and steep increases?
4. In light of concerns raised by SEMMA about the potential negative impacts of these tax increases on employment, investment, and the viability of manufacturing businesses, what strategies does the government have in place to mitigate these effects and support the sustainability of the manufacturing sector?
5. Given SEMMA's call for an inquiry into the calculation process of land value and land tax specifically for Victorian manufacturers, what steps is the government willing to take to address these concerns and restore confidence among manufacturers regarding tax policies and their impact on business operations?

For more information on SEMMA and our activities, please visit www.semma.com.au

ABOUT SEMMA

SEMMA, the South East Melbourne Manufacturers Alliance, is a membership-based organization that represents the interests of manufacturing businesses in the South East Melbourne region. The South East region of Melbourne generates \$43b in gross regional product, hosts 50% of Melbourne's manufacturing jobs employing 267,500 people and provides 30% of the nation's manufacturing output.

SEMMA aims to create a vibrant manufacturing ecosystem that supports local businesses, promotes growth, and contributes to the overall economic prosperity of the region.

For more information, visit the SEMMA website at www.semma.com.au.

NOTE TO EDITORS

Interviewees are available for comment on request.

For more information, news, and perspectives from SEMMA, please visit:

The SEMMA Newsroom <https://www.semma.com.au/news/>

Our official LinkedIn Page <https://au.linkedin.com/company/semma-au>

Our YouTube channel <https://www.youtube.com/channel/UC771dKQqxfmdXV7fEdSvMXA>

Web links, telephone numbers, and titles were correct at time of publication, but may have changed.

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