

Media Release

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Treasurer
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WHAT THE MYEFO? VICTORIA DUDDERED BY CANBERRA – AGAIN

Victorians have been burnt by the Albanese Government in a summer shocker released under the guise of a run-of-the-mill budget update.

The Commonwealth's mid-year economic and fiscal outlook (MYEFO) reveals the national government's bottom line has improved by tens of billions of dollars since May as tax receipts have ballooned – but somehow, there will still be less money for crucial Victorian projects.

The slap in the face comes despite the Allan Labor Government's good faith endeavours to help the Albanese Government complete its protracted infrastructure review, and ongoing participation in National Cabinet to find solutions to federal problems like the NDIS and primary healthcare.

The fine print of MYEFO reveals the partnership is a one-way street. The Commonwealth has consistently said Victorians would not be left worse off, but we have and it's plain to see.

MYEFO shows Victoria's share of total infrastructure funding has dropped to 19.2 per cent over five years, compared with 23.5 per cent set at the May Budget.

Given Victoria's population share is 26 per cent, the original percentage share was unfair. The updated proportion is nothing short of a slap in the face.

The Commonwealth has allocated \$11 billion over 10 years for priority infrastructure projects. Out of this total investment, Victoria will receive just \$101.8 million, including \$99.1 million for the Western Highway – Ballarat to Stawell Duplication. That's a guarantee of less than 1 per cent of the national total.

Further, the Commonwealth has cut payments to Victoria for critical services like healthcare by \$1.5 billion in 2023-24. Victoria will now receive \$18.4 billion in tied grants – down from \$19.9 billion since the 2023-24 Budget.

MYEFO shows Canberra has upgraded its revenue estimates by \$77.7 billion over 2023-24 and the forward estimates alone. The total annual revenue of the Victorian Government in 2023-24 is expected to be \$89 billion.

Effectively, Federal Treasurer Jim Chalmers has found almost what Victoria spends in a year down the back of the couch, and rather than sharing some of his good fortune, he's perversely making Victorians pay for it.

Despite the Commonwealth's actions, Victoria continues to drive the national economy.

CommSec's State of the States report rates Victoria as the nation's top performing economy and ABS figures show Victoria's economy has grown by a cumulative 8.9 per cent in two years – ahead of NSW, Queensland, Western Australia and Tasmania.

The Deloitte Access Economics (DAE) Business Outlook report forecasts Victoria's economic growth will outpace all other states over the next five years and annual average jobs growth will lead the nation over the same period.

Quotes attributable to Treasurer Tim Pallas

"Victoria has been a stand-up national citizen and helped out the Commonwealth in very substantial ways – and this budget update is a total slap in the face."

"The Commonwealth is treating Victoria with contempt, and we won't take it lying down. We'll fight for what's fair because that's what Victorians expect."

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