

Media Release

Mr Tim Pallas MP
Acting Premier



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INTERNATIONAL CREDIT RATING REAFFIRMS STRONG ECONOMY

The Allan Labor Government today welcomed Victoria's AA+ credit rating by international credit agency, Fitch Ratings.

The Fitch rating affirms a stable outlook for Victoria and states our 'strong and diverse economy' will support a continued recovery in the state's fiscal position, following the challenges of the COVID-19 pandemic.

This positive news follows a report last week from another international credit ratings agency – Moody's – that affirmed Victoria's current Aa2 credit rating with a 'stable outlook'.

Moody's report said the *"stable outlook reflects our expectation that the state's large and diverse economy will remain resilient"*.

The positive outlook from both Moody's and Fitch is an endorsement of the Government's strong and sustainable financial management.

Economic indicators show our plan is working – our economy is now 11 per cent larger than before the pandemic and 50 per cent larger than when we came to government.

That growth is predicted to continue, with Deloitte Access Economics forecasting that the Victorian economy will grow faster than the national average over the next five years.

In 2022, Treasury obtained a private credit rating from Fitch to provide further perspective on the credit market in the pandemic.

Fitch assessed Victoria as being rated AA+ in this earlier rating and has now affirmed that rating today. This private rating will be tabled shortly.

The *Victorian Budget 2024/25* confirmed the strengthening of Victoria's fiscal position and we have created with the addition of a fifth step to the fiscal strategy: the reduction of net debt as a proportion of the state's economy.

Due to our sensible and disciplined approach, debt is now reducing as a share of the economy for the first time since 2017. more than 850,000 new jobs have been created in Victoria since the Labor Government was elected in 2014, with total employment in the state now at a record 3.78 million.

Quotes attributable to Treasurer Tim Pallas

"Our economic strategy is right for the times, and we are focused on driving growth and reducing debt."

"We are focused on things that matter to Victorians, helping with the cost of living and making sure that we are supporting families, jobs, businesses and local communities."

"This positive credit rating shows that our strong and stable financial management is working"