

Media Release

Mr Tim Pallas MP
Treasurer
Minister for Industrial Relations
Minister for Economic Growth



Friday, 13 December 2024

BUDGET UPDATE CONFIRMS RECORD JOBS AND INVESTMENT

Victoria's economy is strong – with the *Budget Update* released today showing strong economic growth and business investment while the number of Victorians in a job is at a record high.

Today's update confirms the Government is on-track to meet our five-step fiscal strategy to deliver surpluses and drive down debt.

Net debt as a proportion of the economy is forecast to fall to 25 per cent by June 2028 – lower than what was forecast in May. In fact, net debt and net debt as a proportion of the economy have improved in every year when compared to *Victorian Budget 2024/25*.

Victoria is the only state seeing net debt as a proportion of the economy fall within the estimates period.

Today's update also forecasts improved operating cash and operating results across each year of the forward estimates, with an estimated operating surplus of \$1.6 billion in 2025-26 increasing to \$2 billion in 2027-28.

In the *Victorian Budget 2020/21*, net debt in 2023/24 was projected to be 28.9 per cent of the economy – compared to a result of 21.9 per cent in June. This means net debt is \$21.5 billion lower than originally forecast.

Despite high inflation and interest rates challenging economies around the world, the Victorian economy continues to grow with the strongest number of jobs created of any state over the past two years – and business investment is at record levels.

Over the past decade Victoria has had the strongest jobs growth of all the states – with 3.8 million Victorians now employed. Victoria's strong labour market is also delivering higher wages, which grew by 3.6 per cent – the fastest rate of nominal wages growth in over a decade.

Our economy is now 11.5 per cent larger in real terms than pre-pandemic levels in 2018-19 and is forecast to grow by 2.5 per cent in both 2024-25 and 2025-26.

Victorian business investment jumped by over 6 per cent in 2023-24, the second highest of any state, and has surged by 62 per cent in the ten years to 2023-24 – the fastest growth of any state. As a share of Victoria's overall economic activity, this is the highest level of business investment on record.

Since June 2020, more than 100,000 new businesses have set-up in Victoria – a 17 per cent rise and the highest growth rate of any state.

Today's update reaffirms the Government's focus on creating jobs, supporting families, encouraging investment and building the infrastructure, housing and services Victorians need now and for the future.

Quotes attributable to Treasurer Tim Pallas

"The economy is strong and this will continue to create more opportunities for families, businesses and workers."

"Our sensible and disciplined approach is working, and our Economic Growth Statement sets out our plan for an even stronger economy."

Media contact: Rhys Devine 0432 621 118 | rhys.devine@minstaff.vic.gov.au