

Media Release

Mr Tim Pallas MP

Treasurer

Minister for Economic Development

Minister for Industrial Relations



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STRONG REBOUND FORECAST FOR VICTORIA'S ECONOMY

Victoria's economy is forecast to be the fastest growing in Australia in 2021, according to the Deloitte Access Economics Business Outlook Report released today.

The report estimates Victoria's economic growth will hit 5.4 per cent this year, leading Queensland (4.7 per cent), New South Wales (4.2 per cent), Western Australia (3.5 per cent), South Australia (3.4 per cent) and Tasmania (3.4 per cent).

Treasurer Tim Pallas said the assessment is welcome news and supports recent economic indicators showing Victoria's economy is rebounding, with strong growth in employment and retail spending. Mr Pallas said the report reinforces the Labor Government's strategy of suppressing coronavirus (COVID-19) and rebuilding the economy.

The report comments: "Overall, Victoria's recovery to date has been remarkable. Few at the height of the second wave could have envisaged Victoria would begin 2021 in such a favourable position."

The report also supports the government strategy of increasing debt when borrowing is relatively cheap to support Victorians, rebuild the economy and create jobs.

Victoria's labour market has bounced back faster than Deloitte first anticipated. Employment increased by 4.8 per cent in the two months to November.

The latest data from the Australian Bureau of Statistics also shows positive signs of recovery, with over 150,000 Victorians finding work in the last quarter of 2020. According to the data, employment increased by 74,000 in November on the back of an increase of 82,000 in October.

The forecast of a strong recovery after the pandemic restrictions follows the broad range of stimulus measures outlined in November's State Budget.

Victorian businesses and families were supported with further infrastructure spending, tax cuts, public housing, free kinder in 2021 and measures to increase female participation in the workforce.

The centrepiece of the *Victorian Budget 2020/21* was the Labor Government's Jobs Plan, with a target to create 400,000 jobs by 2025 and half of those by 2022.

This includes Jobs for Victoria, a \$619 million investment that will help those most impacted by the pandemic – women, young people and Victorians without a formal qualification.

There's a further \$250 million to help employers subsidise the wages of at least 10,000 new workers and \$1.5 billion in new tax relief to support businesses that create jobs and help Victorians into the housing market.

Today's Deloitte Access Economics Business Outlook Report suggests we're on the right track.

Quotes attributable to Treasurer Tim Pallas

"The early positive results of the hard work of all Victorians in contributing to our economic recovery are encouraging – and shows our strategy is working."

Media contact: Julia Donovan 0466 898 777 | julia.donovan@minstaff.vic.gov.au

“It shows how important our strategy of driving case numbers down and opening up has been to getting our economy going again.”

“Jobs will remain front and centre in our recovery plans as we continue to invest in employment support across Victoria, together with our record pipeline of infrastructure projects.”