

Media Release

Mr Tim Pallas MP

Treasurer

Minister for Economic Development

Minister for Industrial Relations



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POSITIVE ECONOMIC SIGNS FOR VICTORIA

The Victorian economy is showing further positive signs of a strong recovery as we continue to safely reopen.

Treasurer Tim Pallas today released the State's Mid-Year Financial Report, which shows that more than 170,000 people found employment between September and December 2020 – the highest increase in the nation.

The boost in employment shows Victoria is well on the path to reach a target of creating 400 000 jobs by 2025, with half of these by 2022, as part of the Government's Jobs Plan announced in the the 2020-21 Budget.

The unemployment rate declined to 6.5 per cent in December compared with a peak of 7.5 per cent in June 2020.

Australian Bureau of Statistics data released last week shows Victoria is bouncing back strongly as state final demand grew by a staggering 6.8 per cent in the December quarter 2020. By comparison, national demand growth was 3.3 per cent.

Victoria's exceptional growth was fuelled by consumer spending, business investment and dwelling investment.

By using the strength of the state's balance sheet, we have been able to protect the budgets of households and businesses across Victoria. We know that driving economic recovery and growth is not only vital for business, workers and their families, it's the surest way to reduce deficits and pay down debt.

These results follow the Andrews Labor Government's recent commitment of almost \$49 billion in the 20/21 Budget to create jobs, grow the economy, and continue delivering services and infrastructure.

The Government's major infrastructure projects that are transforming the State include the Metro Tunnel, removing 75 level crossings across metropolitan Melbourne and Suburban Roads Upgrade.

The 2020-21 Mid-Year Financial Report presents the financial results for the State of Victoria, including the general government sector, for the six months to 31 December 2020.

Despite the challenges posed by the pandemic, the Government has invested more than \$13 billion to respond to the global pandemic, providing unprecedented support to households and businesses to make sure they see it to the other side.

As a result of our increase expenditure, combined with the pandemic's impact on the state's taxation revenue, Victoria recorded a deficit for the six months to 31 December of \$10.1bn.

Quotes attributable to Treasurer Tim Pallas

"After all the sacrifices Victorians have made to get this virus under control, we are seeing the rewards in a rebounding economy offering more jobs, more investment and more opportunity."

"Victoria was the fastest growing economy in the nation before the pandemic and our strong fundamentals are on show now as we surge towards a healthy recovery."

"We've backed workers, families and businesses with big investments to help get them through this pandemic and Victorians can be confident that we are on the road to recovery."

Media contact: Rania Spooner | rania.spooner@mstaff.vic.gov.au | 0436 019 993