

Media Release

Mr Tim Pallas MP

Treasurer

Minister for Economic Development

Minister for Industrial Relations



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A STRONG BASE TO BUILD VICTORIA'S ECONOMIC RECOVERY

The Victorian Government's work to bolster the economy, support workers and protect businesses against the devastating effects of the coronavirus has put Victoria in a strong position to rebuild as the state reopens.

New figures released today show more jobs were created than lost over the course of the past financial year.

While 238,600 Victorians lost work between March and September 2020, 240,200 Victorians found work between September 2020 and June 2021.

Despite the effects of the pandemic on the labour market, between November 2014 and June 2021 520,800 jobs were created in Victoria, including 97,800 in regional Victoria, showing we are in a position to bounce back strongly again as restrictions ease

The report presents the consolidated financial outcomes for Victoria, including the general government sector, the public non-financial corporations sector and the public financial corporations sector.

The deficit was \$14.6 billion, an improvement of \$2.9 billion from the revised estimate in the *Victorian Budget 2021/22*. As of 30 June 2021, net debt sits at \$72.7 billion, which is \$4.8 billion less than the *Revised Budget* estimate and \$14 billion less than the original Budget estimate.

This is consistent with our four step fiscal strategy of creating jobs, returning to an operating cash surplus, returning to operating surpluses then stabilising debt levels.

A stronger than anticipated recovery in Victoria's property market contributed to state taxation revenue being \$145 million higher than initially estimated. This included the effect of property tax relief provided as part of the Government's response to the pandemic.

Victoria had a record capital spend in 2020-21 of \$15 billion, \$2.9 billion higher than last year, due to the state's strong pipeline of public infrastructure projects, which have driven job creation and economic growth.

Consumer spending fell 3.6 per cent but was offset by increased government spending and the Government's support measures. Public consumption was up 7.6 per cent and public investment up 10.4 per cent.

Total general government sector expenses increased to \$87.2 billion in 2020-21, including measures to support jobs and business and to deliver the public health response, including hotel quarantine. These total expenses were \$1.7 billion lower than the revised estimate in the *2021-22 Victorian State Budget*.

Quotes attributable to Treasurer Tim Pallas

"Despite a pandemic that has swept through the world, Victoria's strong economic fundamentals have helped us weather this storm and put us in a strong position to rebuild as we open up."

"While we know the pandemic has had, and continues to have, an impact on many businesses and families, these figures show how resilient our economy is. We bounced back after previous lockdowns and we will again."