

# Media Release

**Mr Tim Pallas MP**

Treasurer

Minister for Industrial Relations

Minister for Economic Development

Minister for Trade



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## **VICTORIA ON THE MOVE AS OUR ECONOMY BOUNCES BACK**

Jobs and investment have bounced back to be above pre-pandemic levels as Victoria's *Annual Financial Report* reveals a resilient economy and a rapid recovery from the impact of a one-in-100-year event.

More than 600,000 jobs have been created in Victoria since the Andrews Labor Government was elected in November 2014, including more than 80,000 in regional Victoria.

Growth in state final demand, a key measure of the economy that combines public and private investment and spending, was 40 per cent higher than the national average in 2021/22.

The Australian Bureau of Statistics has reported that Victoria's population grew by 0.6 per cent in the year to March, to a total of 6.59 million people, while the Commonwealth Budget forecasts that the state will grow faster than any other jurisdiction over the next four years.

The Labor Government used the strength of the state's balance sheet to respond to the health crisis and shield Victorians from the economic impact of the pandemic, at the same time developing a medium-term fiscal plan to return the Budget to surplus and stabilise pandemic debt.

The *2021/22 Annual Financial Report* published today shows an improvement of \$3.8 billion in the State's operating deficit compared with the estimate in the May Budget – the final deficit was \$13.8 billion – in part due to lower than expected spending.

This included lower consumption of rapid antigen tests and PPE across the health sector, and lower than forecast demand for COVID-19 testing as vaccination rates increased and the impact of the pandemic lessened. Overall, operational health spending was up 15 per cent year-on-year to get more Victorians the care they need.

Revenue was \$1.2 billion higher than forecast as the economy bounced back and the labour market hit record highs.

Victoria had a record capital expenditure in 2021/22 of \$18.7 billion, with the state's pipeline of public infrastructure projects a major contributor to jobs growth and economic activity.

The value of the state's net assets increased by \$31.6 billion, to \$219.8 billion. Net debt was just under \$100 billion, \$2 billion lower than the revised Budget estimate.

Victoria was rated the nation's number one performer in the most recent CommSec State of the States quarterly report, which highlighted the state's jobs success and growth in construction activity.

The NAB Monthly Business Survey released this week showed business confidence in Victoria was the highest among all the states while business conditions improved strongly and were well above the national average.

## **Quotes attributable to Treasurer Tim Pallas**

*“Record support provided for families and businesses meant we were in the best shape possible to really bounce back after the worst of the pandemic had passed – and that’s exactly what has happened.”*

*“The jobs market is strong, businesses are confident and the state’s financial results have improved from the forecasts that were updated just five months ago. We’re moving ahead, which is a credit to all Victorians.”*