

Media Release

The Hon Tim Pallas MP

Treasurer

Minister for Industrial Relations

Minister for Trade and Investment



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STEADY HAND KEEPS VICTORIA'S ECONOMY STRONG

A snapshot of the state's finances shows Victoria is in sound shape as the economy continues a sustained recovery from the effects of the global pandemic that is growing jobs and underpinning confidence.

Victoria's *Mid-Year Financial Report*, published today, reveals a resilient state that recorded a nation-leading 4.1 per cent gain in state final demand – a key measure of economic activity – in the year to December 2022.

The results for the first half of the 2022/23 financial year show that the Budget delivered last May is on track.

The Government is facing the same challenges as households with rising interest rates and inflation and the coming Budget will reflect prevailing economic conditions and forecasts as Victoria continues on its deliberate and assured path out of the pandemic.

The Andrews Labor Government invested more than \$44 billion during the pandemic to protect Victorian lives, jobs and businesses – providing the foundations for the rebound being experienced across the state.

Using the state's strong balance sheet to support household budgets was the first step in the Government's four-step fiscal plan that is on track to return Victoria's budget to surplus.

The *Mid-Year Financial Report* shows Victorian employment rose by 2.2 per cent over 2022 with more than 100,000 Victorians finding full-time work. By the end of 2022, almost 600,000 new jobs had been generated since the Labor Government was elected in 2014.

The report shows Victoria's unemployment rate was 3.5 per cent at the end of the year – a near historical low and almost half of the 6.7 per cent rate inherited from the former Coalition government.

More than 360,000 Victorian jobs were created between September 2020 and December 2022, comfortably achieving the 200,000 interim target of the Government's ambitious Jobs Plan en route to a target of creating 400,000 new jobs in the state by 2025.

The mid-year report produced by the Department of Treasury and Finance found the general outlook was positive, with families supported by a strong jobs market and accumulated savings.

Victoria had a general government sector operating deficit of \$4.2 billion in the six months to 31 December – an improvement of \$5.8 billion compared to the previous year.

Total revenue was \$39.9 billion – \$1.2 billion higher than in the same period a year earlier, reflecting the strength of the economy – while spending was lower as some pandemic-related business and community support measures ended.

Net debt was \$104.2 billion, or 18.2 per cent of gross state product compared with 19.4 per cent in June 2022, "reflecting the strong growth in the Victorian economy".

Quotes attributable to Treasurer Tim Pallas

"These results show the investments we made to protect lives and livelihoods during the pandemic have paid off for workers and businesses across the state."

"Our economy is robust and resilient, and the fiscal recovery plan in place for more than two years now is working. Victorians have every reason to be confident about the future."

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