

Focused On What Matters Most

Victorian Budget 2025/26

Jaclyn Symes MP
Treasurer

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A RESPONSIBLE BUDGET FOCUSED ON WHAT MATTERS MOST

The Allan Labor Government is focused on what matters most: delivering a responsible Budget that provides real help with the cost of living, more investment in frontline services and continues building on our strong economy.

Right now, families across the world are feeling the cost of living – and Victorian households are no exception.

As that pressure continues, we're firmly on the side of Victorian families – with the *Victorian Budget 2025/26* delivering real help – from free public transport for under 18s, to food relief for those doing it hardest.

This Budget also continues investing in frontline services – ensuring families have access to the quality healthcare, education, road and rail they deserve.

Importantly, we've been able to deliver these things responsibly – achieving each of our fiscal strategy targets.

By carefully managing our state's finances – and ending government spending on inefficient and non-priority programs – we've been able to use our Budget to invest more in what really matters to Victorian families.

This work is consistent with independent Silver Review objectives, helping to ensure Victoria's Public Service remains focused on meeting the needs of Victorian families.

By zeroing in on inefficiency and non-priority programs, we've been able to continue investing where it matters most: the frontline.

It means with this Budget, we're continuing to deliver the biggest investment in frontline staff and services as a share of workforce investment since 2019.

It's also a Budget that continues our commitment to strong fiscal discipline, keeping us on-track to meet our five-step fiscal strategy.

It means we will deliver an operating surplus in 2025-26 for the first time since before the pandemic, with an average surplus of \$1.9 billion over the forward estimates.

This year's Budget also shows that, despite global challenges, Victoria's economy remains strong – with record employment, a growing economy and strong business investment.

Victoria's economy has grown faster than any other state, with real gross state product (GSP) estimated to be almost 14 per cent larger than prior to the pandemic – an increase of 4.7 per cent per capita.

Business investment in Victoria is also strong and last year it grew faster than any other state – and ABS data shows that since June 2020 more than 113,000 new businesses have been created in Victoria.

The proportion of Victorians in employment and workforce participation continues to exceed national levels – with the most recent data showing over 680,000 Victorians finding employment since September 2020.

Victoria's economy is expected to grow even faster over the next few years – driven by a rebound in household consumption supported by wages growing faster than inflation, and strong business investment.

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This year's Budget turns up the dial on that growth – with a \$627 million investment to support business and grow the Victorian economy.

That includes delivering the Economic Growth Statement – in full – with \$240 million to back Victorian businesses and provide Victorians with the skills they need for the jobs of tomorrow.

The budget also includes \$150 million to launch the new Victorian Investment Fund, which will expand priority sectors and deliver additional grants for businesses and industries – while capitalising on our strengths to boost innovation and economic development.

A dedicated \$50 million regional stream will make sure that our economic growth reaches every community.

Funding of \$34.9 million will help small businesses to grow and find new markets, including one-to-one trade facilitation support for businesses scaling up their exports, and a new skills mentoring program that will provide small business owners in priority sectors with free mentoring sessions with an experienced professional.

A further \$459 million will ensure Victorian workers have the skills they need in a rapidly changing economy, so they can move into higher paid and more secure jobs that our state needs.

These initiatives will make it even easier to start or build a business in Victoria – so they can grow the economy and create well-paying jobs.

Our Big Build has delivered new road and rail projects, built and upgraded hundreds of schools, delivered dozens of modern health facilities – all the while creating thousands of jobs and delivering long-term benefits for future generations.

This year construction will finish on West Gate Tunnel, Metro Tunnel, and the new Footscray and redeveloped Frankston Hospitals.

An investment of \$634.3 million will bring the new Footscray, Frankston and Maryborough Hospitals and six other health services online – ensuring they can hire more staff and fit their new facilities out with modern equipment.

We're providing \$727 million to open and run services through the Metro Tunnel, which is the biggest upgrade of Melbourne's train network in over 40 years – delivering five new underground stations, freeing up capacity in the City Loop and better connecting Victorians to jobs, health and education.

We're also continuing our landmark school building program with \$1.5 billion for school infrastructure, with 35 school upgrades and funding for a further two new schools in Melbourne's fast growing outer suburbs – bringing the total number of new schools since 2019 to 102, with 19 set to open next year.

The Budget adds \$8.1 billion to the Government's infrastructure program, targeted to critical investment across transport, hospitals and schools, including the partnership with the Commonwealth Government to upgrade Sunshine Station – a major step to Airport Rail.

\$976 million in 2025-26 alone will deliver a Better Roads Blitz – fixing potholes and resurfacing roads across our state.

Together, and building on existing Big Build projects, these investments are expected to support thousands of Victorian jobs.

This Budget is focused on what matters most – delivering real help with the cost of living, more frontline investment and responsible economic management.

Quotes attributable to Treasurer Jaclyn Symes

“This is a responsible Budget defined by responsible choices.”

“By ending inefficiency, we can invest more in what matters most to Victorian families. That means real cost of living relief, and more investment in frontline services.”

“My first Budget demonstrates the commitment to fiscal responsibility I have as Treasurer. That means for the first time since before the pandemic – this Budget delivers an operating surplus over the budget and forward estimates and sees relative net debt reducing.”

“With a growing economy, higher wages and strong business investment – we’re focused on creating secure jobs and more opportunities for Victorians wherever they live.”