

Media Release

Jaclyn Symes MLC

Leader of the Government in the Legislative Council

Treasurer

Minister for Industrial Relations

Minister for Regional Development



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A STRONG ECONOMY, INVESTING IN WHAT MATTERS MOST

Victoria's economy is strong which ensures we can continue investing in the things that matter to Victorians – good schools, good hospitals, safe communities, and helping families with the cost of living.

Today's Budget Update confirms the Allan Labor Government is on-track to meet our five-step fiscal strategy to deliver surpluses and drive down debt as a proportion of the economy.

An operating surplus of \$0.7 billion is forecast for 2025-26, an improvement of about \$100 million from the *Victorian Budget 2025/26*.

Net debt to Gross State Product (GSP) is forecast to fall to 24.9 per cent by the end of the forward estimates, consistent with the outlook from the Budget.

The update also confirms that the net debt is forecast to be \$1.4 billion lower by the end of the forward estimates compared to the Budget handed down in May.

The Government has achieved an operating cash surplus for the past three years, including a surplus of \$3.2 billion in 2024-25. Operating cash surpluses are forecast across the forward estimates, reaching \$6.1 billion in 2028-29.

As part of the update, the Government also announced changes to the Emergency Services and Volunteers Fund – including no increase to the variable rate for Primary Production Land, an increase to the volunteer rebate cap for farmland from \$5 million of \$10 million of CIV and a delay to the change for investment properties by 12 months.

The Government's response to the Silver Review, published yesterday, will deliver \$4 billion of savings without affecting frontline workers and services, so we can keep investing where it matters most.

Our economy is forecast to grow by 2.25 per cent this financial year – backed by business investment that has grown faster than any other state over the past three years and is expected to remain at elevated levels.

Business investment was confirmed by the National Accounts this week, which showed growth of 3.6% for the September quarter – the fastest quarterly growth in over two years.

Over the past three years, Victoria has had the largest jobs growth of all the states – with more than 300,000 jobs added to the economy. Employment is forecast to grow by 1.25 per cent this year, higher than the 0.5 per cent forecast in the budget.

The state's unemployment rate remains historically low at 4.7 per cent, and both the share of working age Victorians in employment and the participation rate are near record high levels and well above national averages.

Today's update reaffirms the Labor Government's economic plan is on track to deliver a budget surplus and reduce net debt as a share of the economy – while at the same time helping with the cost of living, delivering the healthcare and education Victorians need, and building the infrastructure Victorians need across the state.

Quotes attributable to Treasurer Jaclyn Symes

"Victoria's economy is backed by our fiscal strategy, which is delivering a larger surplus, reducing debt as a share of the economy and investing in the things that matter most."

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“As our economy grows, we are focused on the things that matter most to Victorians – helping with the cost of living and supporting families, jobs, and businesses while we open up major projects like the Metro Tunnel and West Gate Tunnel.”