

Easier. Safer. More Affordable.

Victorian Budget 2026/27

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Treasurer

The Hon Steve Dimopoulos
Minister for Economic Growth and Jobs

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LABOR DELIVERS COST OF LIVING HELP AND A SURPLUS

With household budgets under pressure, the *Victorian Budget 2026/27* delivers real help for Victorians – and a surplus.

From half-price public transport to new schools and more police where they're needed – this is a Budget focused on Victorians' priorities.

A strong economy

Victoria is delivering the only operating surplus on the east coast – while growing our economy faster than any other state over the last decade.

This Budget delivers a surplus of \$700 million in 2025-26, \$1 billion in 2026-27, and increasing to \$2 billion by the end of the forward estimates.

Net debt as a share of the economy will be lower in four years' time than it is today.

Our Budget management is addressing inefficiencies and delivering an operating surplus, while investing in the cost of living relief Victorians need and the frontline services they rely on.

Despite global economic pressures, the Allan Labor Government has kept Victoria's economy resilient – with consistent economic growth, meaning the economy is now estimated to be almost 15 per cent larger in real terms than in 2018-19.

Our focus on jobs for everyday Victorians is supporting a strong labour market with historically low unemployment and high participation.

More than 26,000 Victorians found work over the past year. Since the peak impacts of the pandemic in September 2020, more than 646,000 Victorians have found jobs – the strongest growth in the nation.

The Government's implementation of savings and recommendations arising from the Independent Review conducted by Helen Silver, which zeroed in on inefficiency and non-priority programs, continues to deliver savings over the budget and forward estimates period of more than \$4 billion.

A growing economy, more jobs

Victoria's economy is resilient and growing, despite rising interest rates and the Middle East conflict.

More than 123,000 new businesses have set up in Victoria since June 2020 – a 20 per cent increase, the highest growth rate of any state in the nation.

And we are making it easier and more attractive to do business in – and with – Victoria.

We're cutting red tape, training workers in the right skills and connecting business owners with global opportunities.

Business investment rose 2.2 per cent in the December quarter 2025 – well above the national average.

We are also planning for the next generation by investing in the industries of tomorrow – data centres, mRNA manufacturing facilities, and critical minerals.

This Budget invests \$12 million to attract global talent to Victoria's priority industries – from clean energy to critical minerals.

We're also backing local jobs by making sure more money spent in Victoria stays here.

\$1.7 million will back Labor's Fair Jobs Code, to ensure companies that benefit from government contracts treat their workers fairly.

Making life easier, safer and more affordable

This Budget invests to make life easier, safer and more affordable for Victorians – with massive investment in health, education and community safety.

Fuel prices are rising and putting household budgets under pressure.

That's why Labor will deliver immediate cost of living relief with half-price public transport for the rest of 2026.

That means trains, trams and buses – metro and V/Line – will be half-price every day until the end of the year, for every Victorian.

Labor always invests in health

We have delivered 11 new hospitals and upgraded 40 more, and we have hired 40,000 more doctors, nurses, midwives and healthcare professionals to deliver the best possible healthcare.

A \$1.6 billion injection will give every public hospital funding certainty to continue providing the high-quality care Victorians count on.

This Budget is also backed by new solutions which are making healthcare easier to access and more affordable with Urgent Care Clinics, the Virtual ED and Chemist Care Now.

\$109 million will deliver 45,000 more specialist paediatric appointments and 4,000 additional planned surgeries for children.

From Free Kinder to Free TAFE – and everything in between – Labor invests in education

Labor will invest a further \$5.5 billion into education.

This Labor Government has opened 121 new schools since 2017.

This year we opened a record 19 new schools, with two more to come in 2027.

This Budget is making sure growing communities across the state have access to the best schools close to home.

We're building schools in the areas that need them most – with three new schools to open in 2028, a new school campus in 2029 and additional stages at three recently opened schools.

We will also invest more than \$295 million to upgrade 31 government schools.

And we're helping families with our Affordable School Uniforms program, expanding our leading Glasses for Kids program, and funding our School Breakfast Clubs.

Our nation-leading investment in early childhood education is saving families time and money.

Free Kinder is continuing to save families \$2,700 per child.

We're continuing to back Victoria's early childhood education system and deliver Free Kinder with almost \$552 million.

Labor is investing to keep Victoria safe

We have the largest police force in Australia, the nation's toughest bail laws and a nation-first Violence Reduction Unit.

Building on Labor's strong record, the *Victorian Budget 2026/27* continues to back police, the justice system and emergency services with more than \$1 billion.

This will support the nation-leading Violence Reduction Unit which is stopping crime before it starts.

It will free up frontline police by recruiting police reservists for administrative work – putting more police back in the community.

With bail refusals and revocations at record highs, the Budget is also strengthening our justice system.

Building more homes

Victoria is approving and building more homes annually than any other state – and this Budget goes further.

A new \$860 million investment in the Social Housing Growth Fund will deliver more than 7,000 social housing homes for Victorians who need them most.

We are already delivering more than 16,000 social and affordable homes across Victoria – with more than 12,000 homes already complete or underway.

To help slash up-front costs, we are extending stamp duty concessions for buying off-the-plan units, townhouses and apartments until 21 April 2027.

This Budget is focused on making life easier, safer and more affordable – while delivering a surplus and growing our economy.

It's a responsible Budget, delivering real help with the cost of living and backing our frontline services.

Quotes attributable to Treasurer Jaclyn Symes

"We're delivering real cost of living help right now and a surplus every year."

"This is a responsible Budget that is able to afford real cost of living relief for Victorians now."

"We are delivering the only operating surplus on the east coast – while growing faster than any other state over the decade."

Quotes attributable to Minister for Economic Growth and Jobs Steve Dimopoulos

"Victoria is growing faster than any other state and 300,000 more Victorians are in jobs over the past three years alone, a higher percentage increase than the rest of Australia. That doesn't happen by accident."

"By targeting priority sectors and the industries of tomorrow like data centres, mRNA manufacturing facilities, and critical minerals, our economy continues to grow."

"We are setting up Victorians for the future – backing industries that will create jobs for the next generation of Victorians."

Quotes attributable to Minister for Small and Family Business Natalie Suleyman

"Small and family businesses are the backbone of our economy, and more of them are opening their doors in Victoria every year."

"They drive local economies, create jobs for Victorian workers, and in this Budget the Allan Labor Government is backing them to grow and succeed."