

# 2025/26 State Budget

**Public Accounts and Estimates Committee**

Hon Jacinta Allan MP  
Premier of Victoria

## Focused on what matters most

Our economy is strong and growing, but cost of living pressures are still hurting Victorian families

As a government, we're on their side. This is a budget that is focused on what matters most. We are:

- Delivering new and expanded cost of living help for working people and their families
- Investing more in the frontline services we know matter most to Victorian families

We can deliver these investments because of our responsible approach to financial management. We are:

- Delivering an operating surplus in the budget year
- Commissioning an independent review of Victoria's Public Service
- Delivering on Victoria's Economic Growth Statement
- Backing Victorian businesses and Victorian jobs
- Moderating infrastructure investment over the forward years



## Help with the cost of living

This Budget delivers \$2.3 billion in cost-of-living help – the biggest investment of its kind in Victoria’s history

**\$156 million** in cost-of-living help to save money at home, including:

- A new \$100 Power Saving Bonus for eligible Victorian households with a concession card
- 27,000 more rebates for electric heat pumps and solar hot water systems

**\$320 million** to save on transport costs, including:

- Free public transport for kids and teens under 18
- Free statewide public transport for seniors on weekends

**\$529 million** to make care more affordable and accessible, incl. through:

- Saving money on GP appointments by enabling pharmacists to provide medications that would usually require a doctor’s script

**\$1.3 billion** to help families with kids at school or kinder, and students at TAFE:

- Free Kinder, saving families up to \$2,600 per child, per year
- More than 65,000 extra Get Active Kids vouchers



## A growing economy

Victoria's economy is growing – and is being propelled by strong jobs growth and record business investment

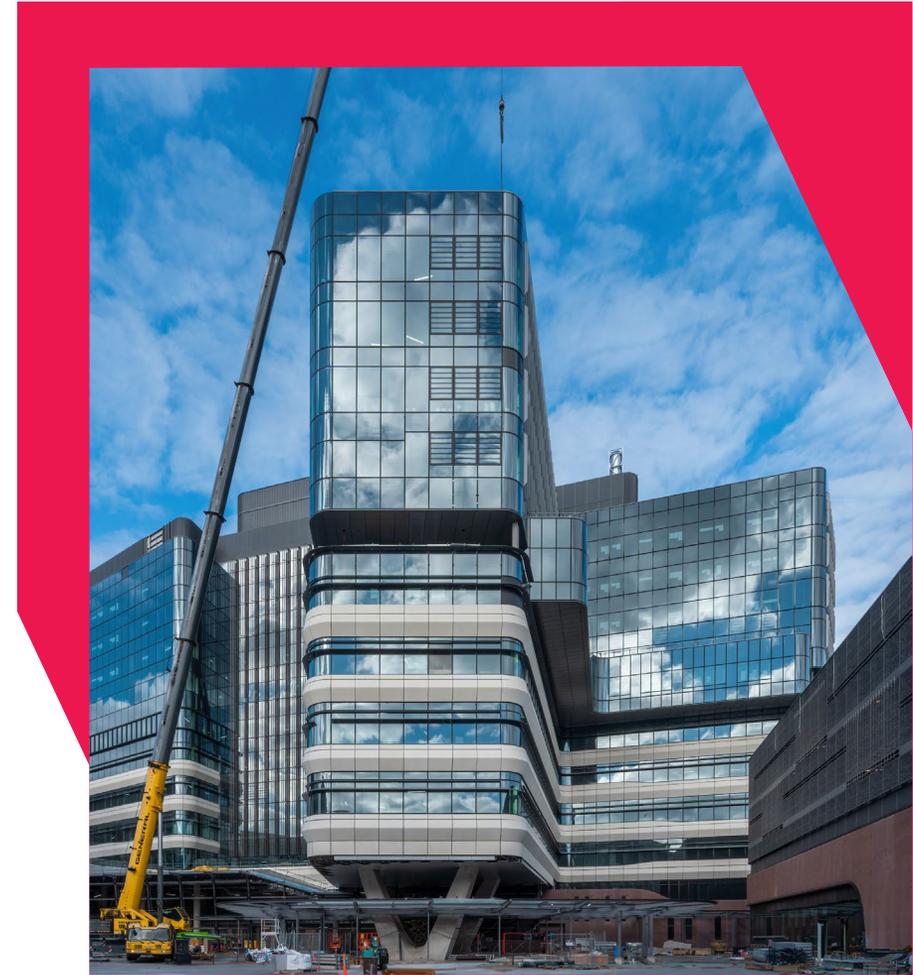
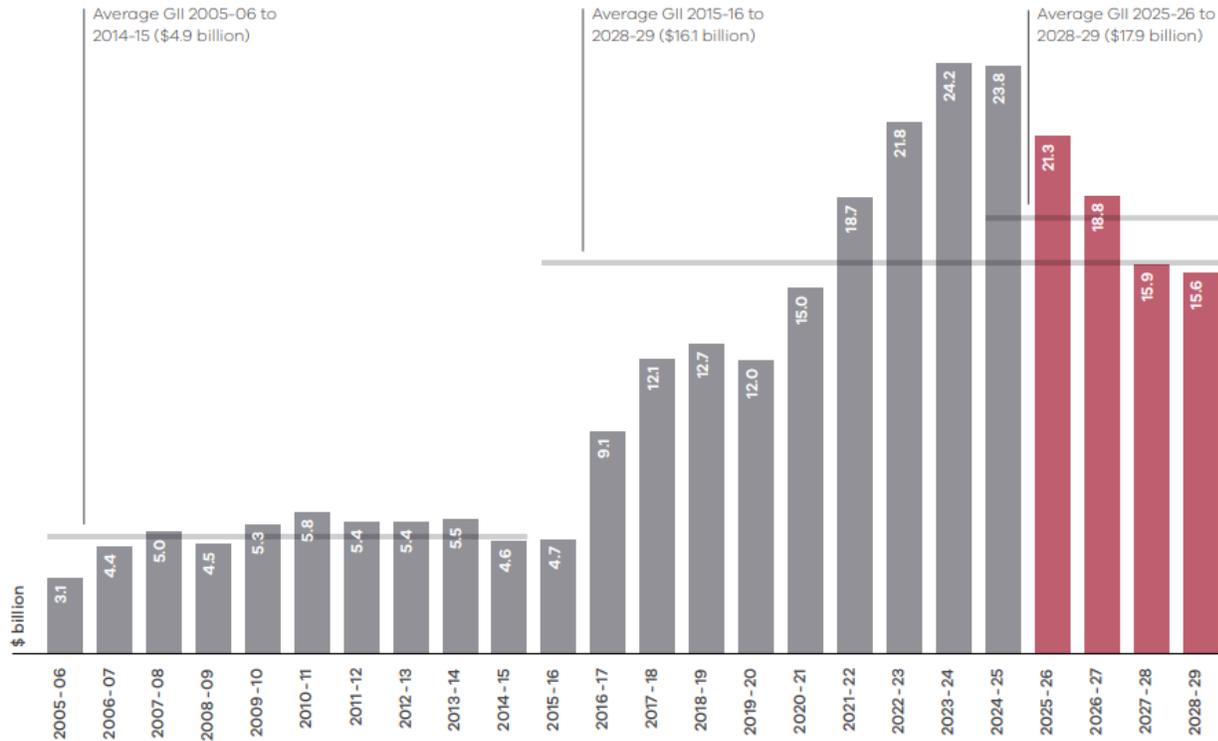
- The Victorian economy is estimated to be almost 14 per cent larger in real terms in 2024-25 than it was in 2018-19 before the COVID-19 pandemic
- Over the past year alone, investment grew by 3.7 per cent, compared to a 1.3 per cent fall across the rest of Australia
- Since the peak impacts of the pandemic in 2020, Victorian business investment has increased by 46 per cent, compared with 28 per cent in the rest of the country



# Government infrastructure investment

We are continuing to progressively return Victoria's capital program to pre-pandemic levels

GOVERNMENT INFRASTRUCTURE INVESTMENT



# Delivering our world-class transport network

By investing in public transport and roads, we're connecting Victorians – to work, school and each other

- **\$4.1 billion** to build a superhub at Sunshine Station, taking a crucial first step towards Airport Rail, in partnership with the Commonwealth
- **\$727 million** to switch on the Metro Tunnel, delivering more trains more often on the Sunbury, Cranbourne, and Pakenham lines
- **\$976 million** in 2025-26 alone to deliver a Better Road Blitz – fixing potholes and resurfacing roads across our state
- **\$46 million** to deliver more services on the Craigieburn, Sandringham, Upfield and Werribee lines



## More funding for frontline care

### Investing in our hospitals means peace of mind for Victorian families

- **\$9.3 billion** for hospital care, including opening and operationalising nine new or expanded hospitals, including the new Footscray, redeveloped Frankston and Maryborough and District Hospitals
- **\$497 million** to support Victoria's mental health and wellbeing system, including \$319 million to support and improve mental health infrastructure
- **\$437 million** to expand the Victorian Virtual Emergency Department – and make it permanent – supporting three times as many Victorians to access free, 24/7 urgent care
- **\$230 million** to boost performance in emergency departments and ambulance response times



## Investing in our kids and their classrooms

Every family wants their kids to have the best start in life – and that begins with a great education

- **\$1.5 billion** to deliver new schools, school upgrades and maintenance, because every family deserves a great local school
- **\$133 million** to drive excellence in reading, writing and maths at every level, because we want every Victorian child to reach their full potential
- **\$320 million** to complete the statewide rollout of the Disability Inclusion reform in schools, because children with disability deserve the same opportunities as every other young Victorian
- **\$159 million** to attract, retain and support teachers, because great classrooms depend on great teachers



# More homes for a growing Victoria

Unlocking planning, reducing the cost of purchasing, and building new homes faster

- Unlocking planning for another **50 activity centres** around train and tram stops that will help an extra 300,000 homes be delivered in metropolitan Melbourne by 2051
- **\$249 million** to enable infrastructure works – such as roads, sewerage and water – that increase housing supply across the state, in partnership with the Commonwealth
- **\$61 million** to extend the stamp duty concession announced in October 2024, slashing stamp duty on eligible off-the-plan apartments, units and townhouses
- **\$61 million** to continue funding to help people experiencing homelessness find a permanent place to live



## Keeping communities safe

We've introduced tough new laws – to hold offenders to account, and keep communities safe

- **\$1.6 billion** to back in Victoria's new bail laws, with funding to support our police and justice workforces, speed up our courts, deliver Australia's first machete ban and keep communities safe
- **\$727 million** to ramp up capacity in Victoria's prisons and youth justice centres, including bringing almost 1,000 additional adult beds online, and 88 youth justice beds
- **\$206 million** to ensure we continue to keep communities safe, supporting the operational capacity and firefighting capability of the state's emergency service organisations
- **\$176 million** to break the cycle of reoffending and stop crime before it begins



# A strong regional Victoria

Wherever you live, every Victorian deserves to be connected, supported and cared for

- **\$777 million** for regional roads and transport, connecting people to jobs, services and opportunities
- **\$216 million** for regional healthcare, including \$84 million for regional and rural ambulances
- **\$117 million** to improve regional education facilities and services
- **\$50 million** regional stream in the new Victorian Investment Fund, dedicated to supporting fast growing businesses to enhance economic development, generating capital investment and new jobs in regional cities and towns



# Self-determination for First Peoples

## Continuing Victoria's commitment to self-determination, including through Truth and Treaty

A further **\$167 million** will support self-determined and culturally responsive services, including:

- **\$25 million** to empower ACCOs to support and advocate for First Nations children and young people in the child protection and family services system
- **\$18 million** to pilot Aboriginal Community Controlled vocational education and training models, and grow the First Nations VET workforce

We're also investing **\$24 million** to improve economic participation and prosperity for First Peoples, including:

- **\$5.6 million** to support First Nations businesses to compete locally and globally, and funding to host the World Indigenous Business Forum
- **\$4.9 million** to create a First Peoples Leadership Academy, which will grow emerging leaders across business, government and communities

