

**NOVEMBER 2025**  
Chris Barrett | Secretary

# Public Accounts and Estimates Committee

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**Inquiry into the 2024–25 financial and  
performance outcomes**

*'lim-ba nindee thana warn-ga-ilee'*  
(Preserve our Dreaming Lore) – Gunnai Language

*Bitja (Dixon Patten Jnr) Yorta Yorta, Gunnai,  
Gunditjmara and Dhudhuroa of Bayila Creative*

# Acknowledgement of Country

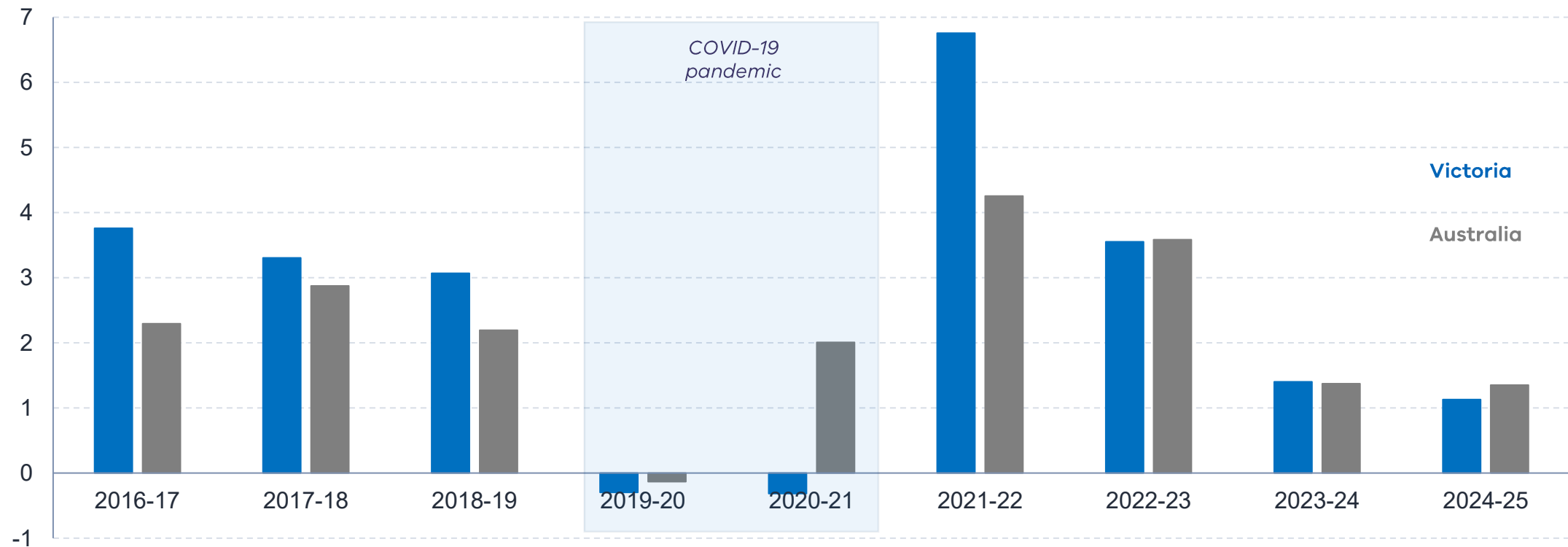




# Victoria's economy

# The Victorian economy continues to grow, despite cost-of-living pressures and elevated interest rates

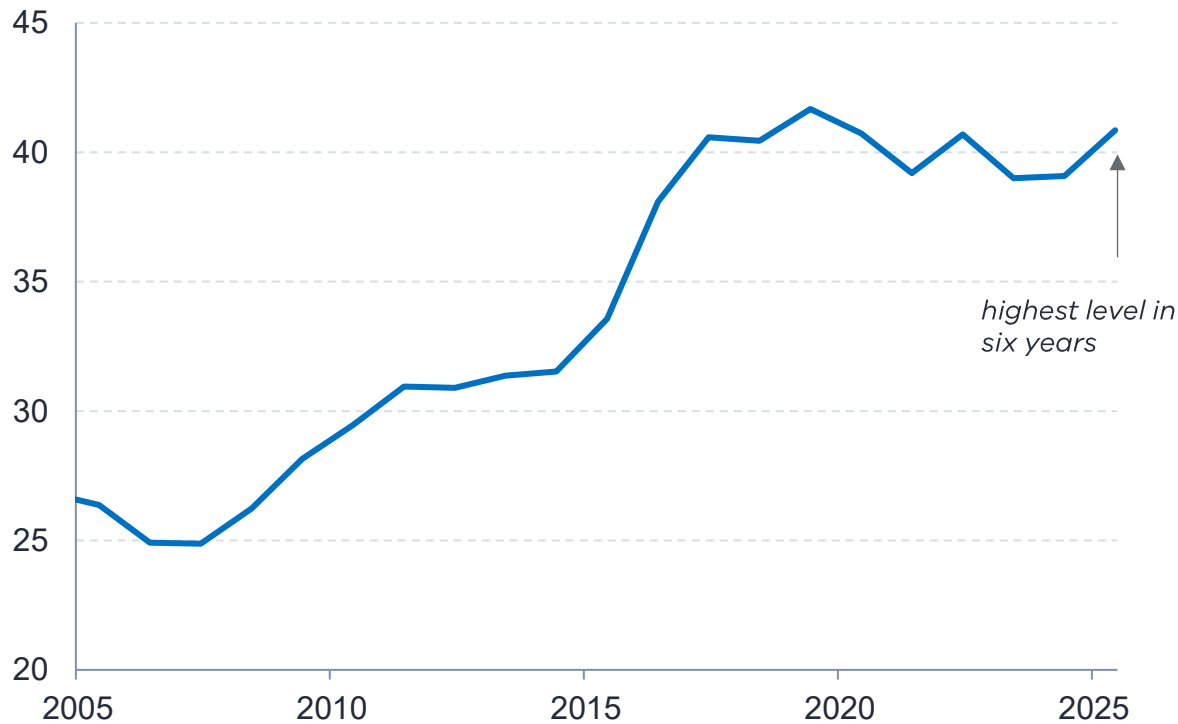
Real economic growth, Victoria and Australia, %



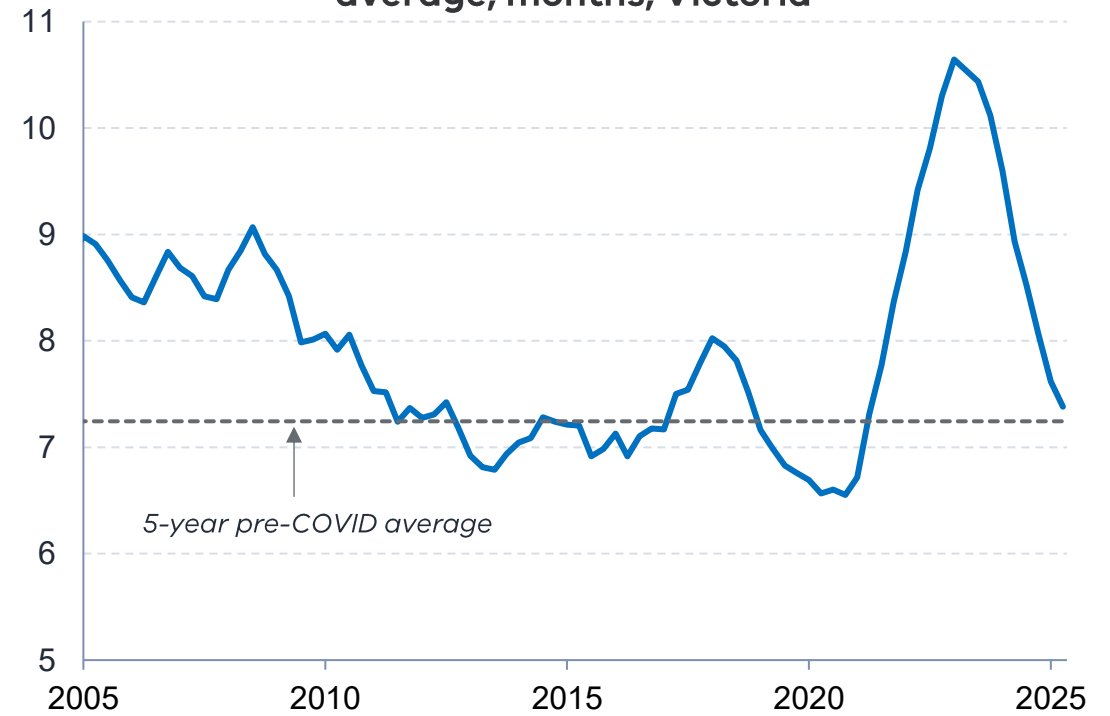
Sources: Australian Bureau of Statistics

# Dwelling investment rose in 2024–25, driven by an easing in construction labour constraints

Dwelling investment, Victoria, \$ billion

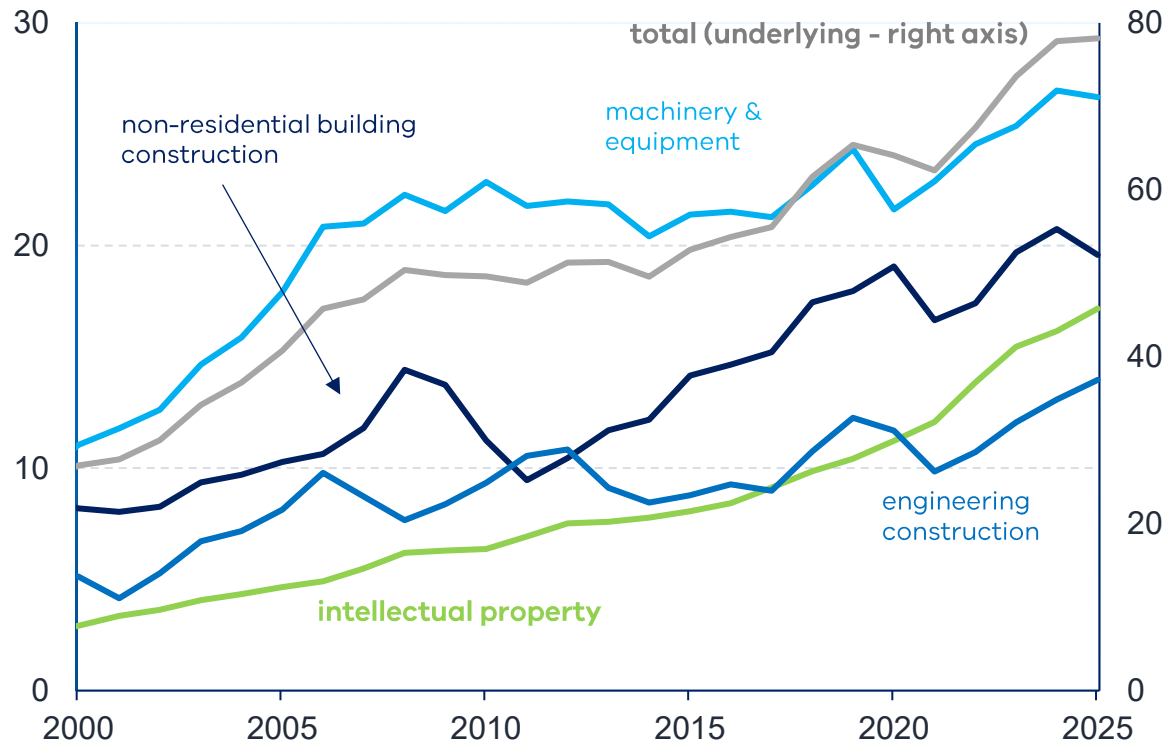


Average completion time of new houses, 4-quarter average, months, Victoria

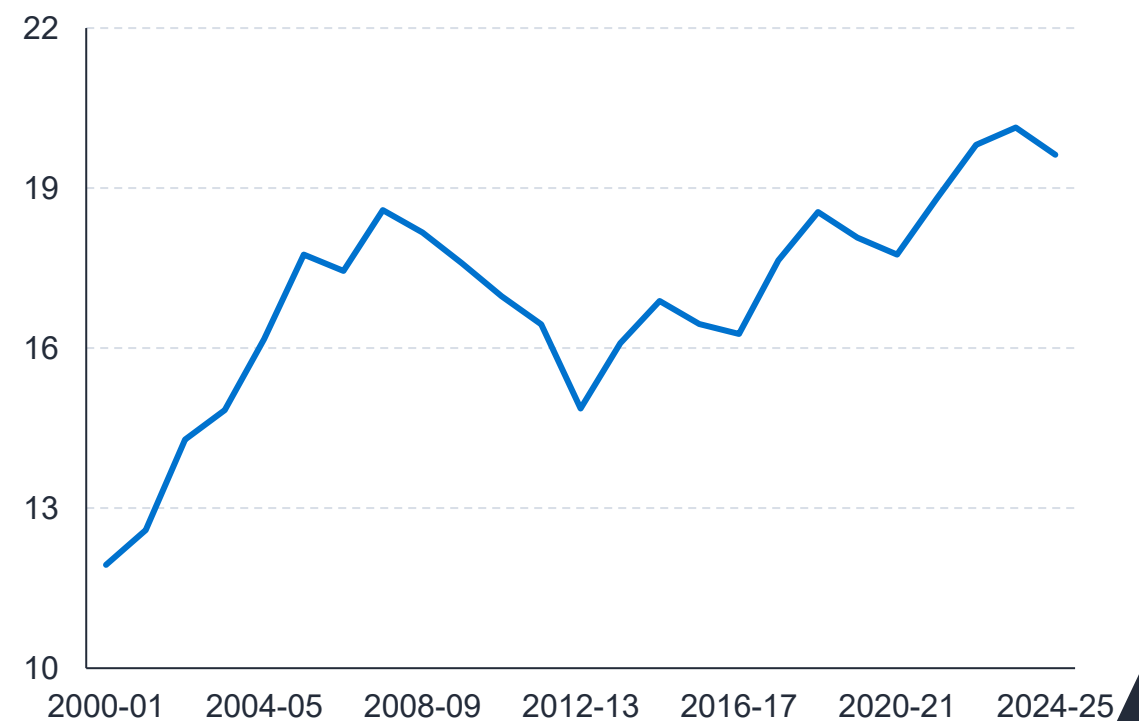


# Business investment remained elevated in 2024–25

Real business investment, Victoria, \$ billion  
(constant 2023-24 dollars)



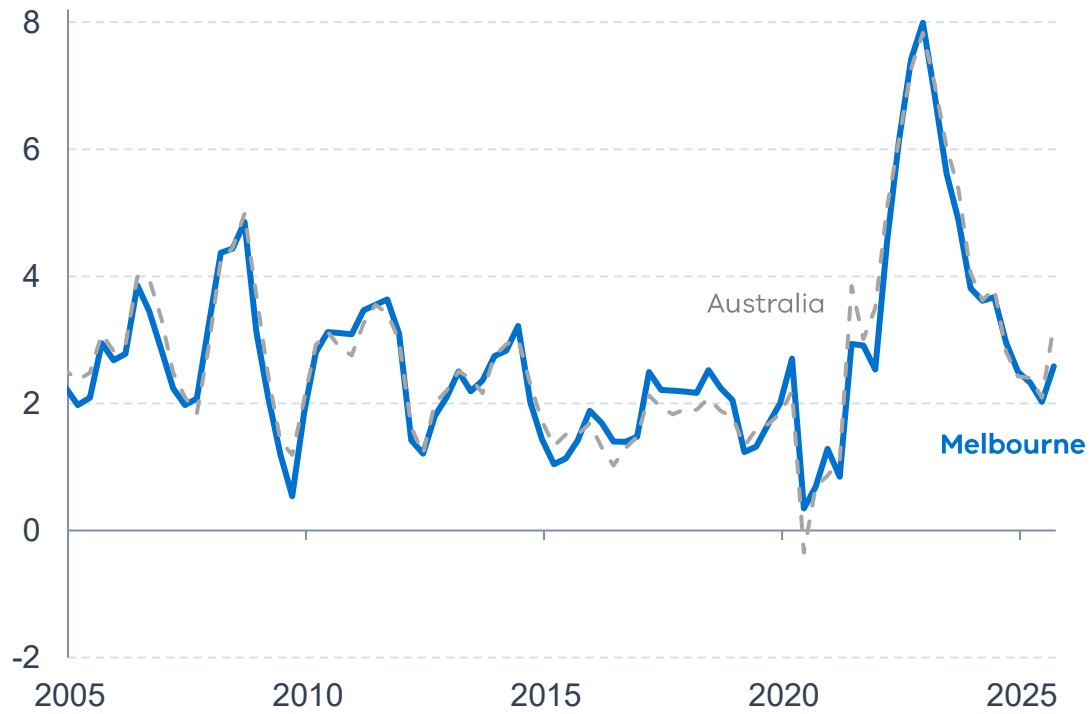
Real business investment per worker, Victoria, \$'000  
(constant 2023-24 dollars)



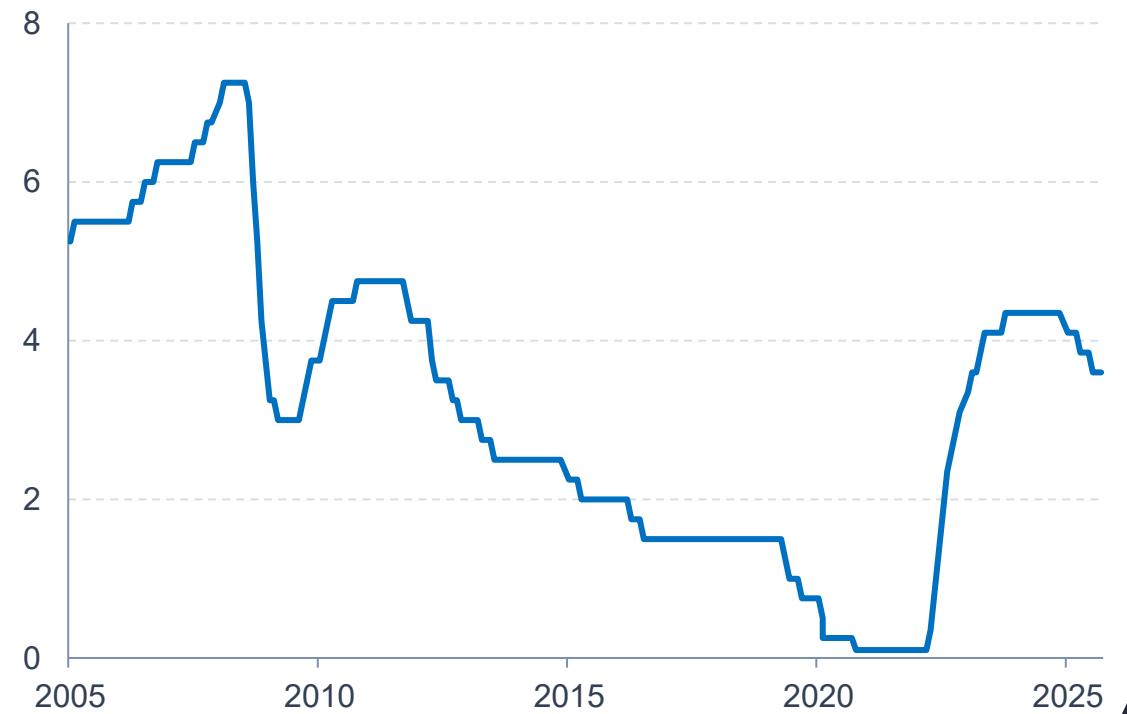
Sources: Australian Bureau of Statistics; Department of Treasury and Finance

# Inflation continued to ease in 2024-25, prompting the RBA to cut the cash rate three times this year

Year-ended inflation, Melbourne and Australia, %



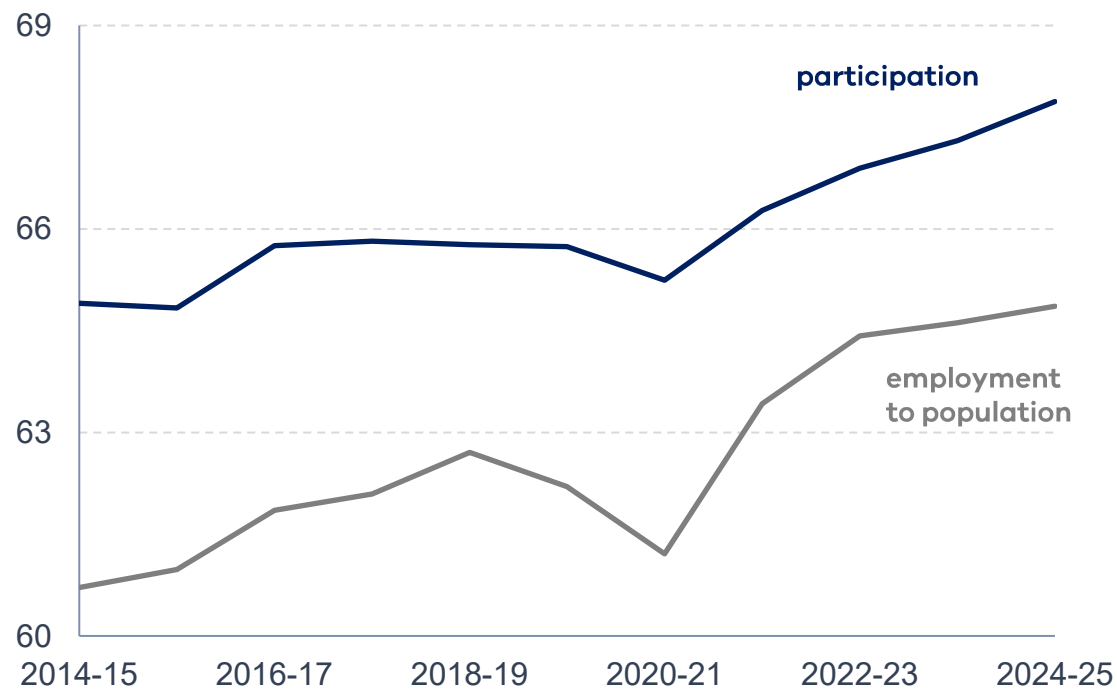
RBA cash rate, %



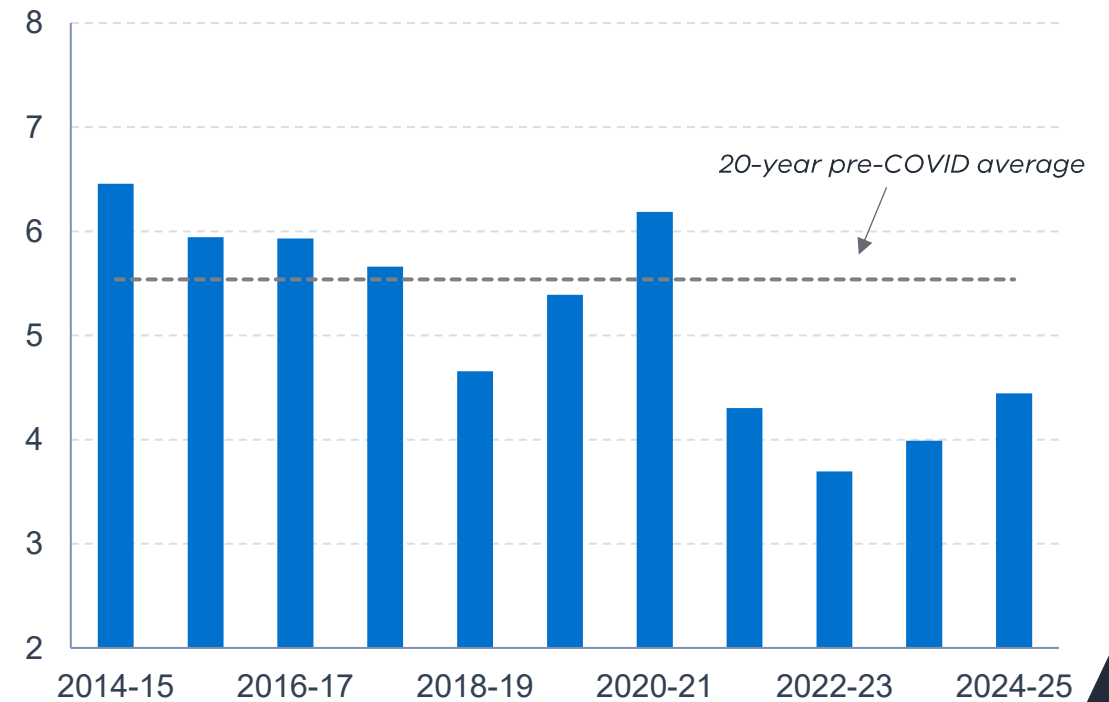
Sources: Australian Bureau of Statistics; Reserve Bank of Australia

# The share of Victorians in work reached a new record high and unemployment remained low

Employment to population ratio and participation rate, financial year averages, Victoria %



Unemployment rate, financial year averages, Victoria %



Source: Australian Bureau of Statistics

# **The State's Finances**

# The Government has publicly committed to a medium-term fiscal strategy

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## Five-step plan

**Step 1:** creating jobs, reducing unemployment and restoring economic growth

**Step 2:** returning to an operating cash surplus

**Step 3:** returning to operating surpluses

**Step 4:** stabilising net debt levels as a proportion of gross state product (GSP)

**Step 5:** reducing net debt as a proportion of GSP.

# General government fiscal aggregates

|  | Unit of measure | 2023-24 actual | 2024-25 actual | 2025-26 budget | 2026-27 estimate | 2027-28 estimate | 2028-29 estimate |
|--|-----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Net result of transactions                             | \$ billion      | (4.2)          | (2.6)          | 0.6            | 1.9              | 2.4              | 1.5              |
| Net cash flows from operating activities               | \$ billion      | 2.6            | 3.2            | 6.2            | 7.9              | 6.6              | 5.8              |
| Government infrastructure investment <sup>(a)(b)</sup> | \$ billion      | 24.2           | 23.5           | 21.3           | 18.8             | 15.9             | 15.6             |
| Net debt   | \$ billion      | 133.2          | 150.9          | 167.6          | 177.4            | 185.2            | 194.0            |
| Net debt to GSP <sup>(c)</sup>                         | per cent        | 22.0           | 23.7           | 25.1           | 25.2             | 25.0             | 24.9             |

Notes:

(a) Includes general government net infrastructure investment and the estimated cash flows for public private partnership projects.

(b) Includes the estimated private sector construction-related expenditure associated with the North East Link held in the public non-financial corporations (PNFC) sector.

(c) The ratios to gross state product (GSP) may vary from publication year to year due to revisions to the Australian Bureau of Statistics GSP data.



# **2024-25 highlights**

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- The 2025-26 Budget and operating surplus
- Helping develop the Government's Economic Growth Statement
- Supporting the development and introduction of the FMA Bill 2025
- Contributing to an integrated building regulator and insurer
- Supporting the procurement and delivery of high-value infrastructure projects
- Providing robust public reporting on Victoria's infrastructure projects through the Capital Investment Dashboard and Major Projects Pipeline
- Managing approval of 29 public sector enterprise agreements
- Leading the delivery of the Victorian Homebuyer Fund

*Thank you*

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