

NOVEMBER 2024
Chris Barrett | Secretary

Public Accounts and Estimates Committee

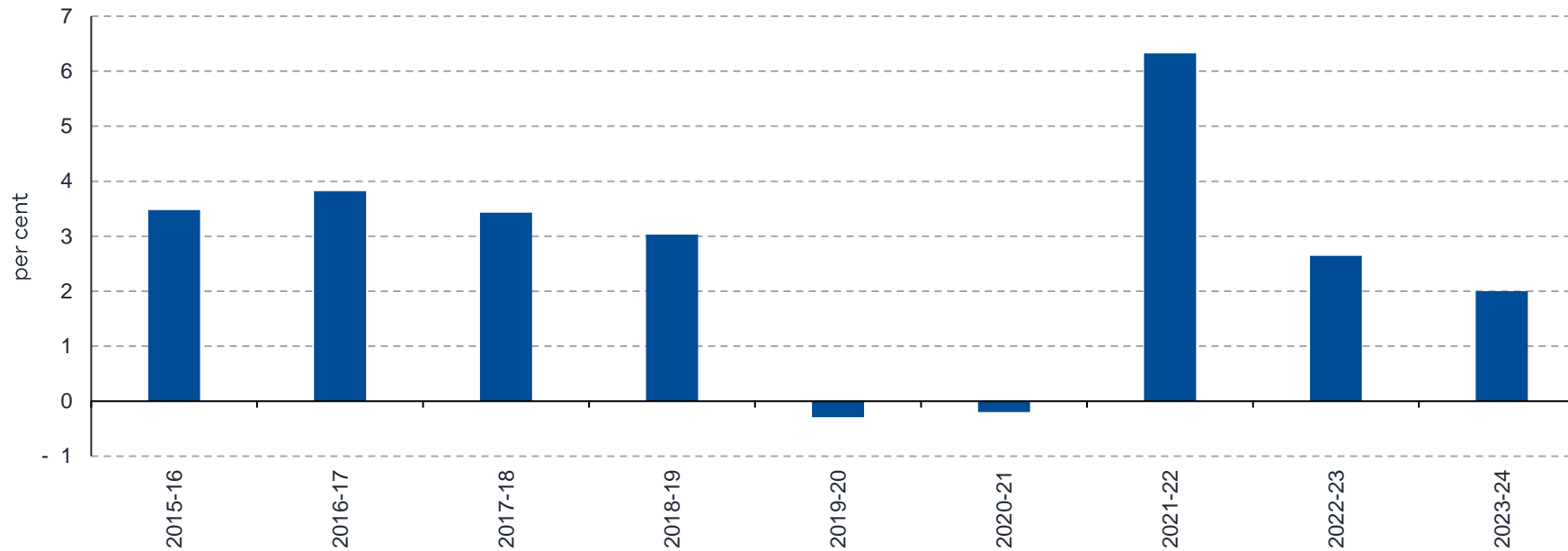
**Inquiry into the 2023–24 Financial
and Performance Outcomes**



Victoria's economy

The Victorian economy grew in 2023-24 despite high inflation and elevated interest rates

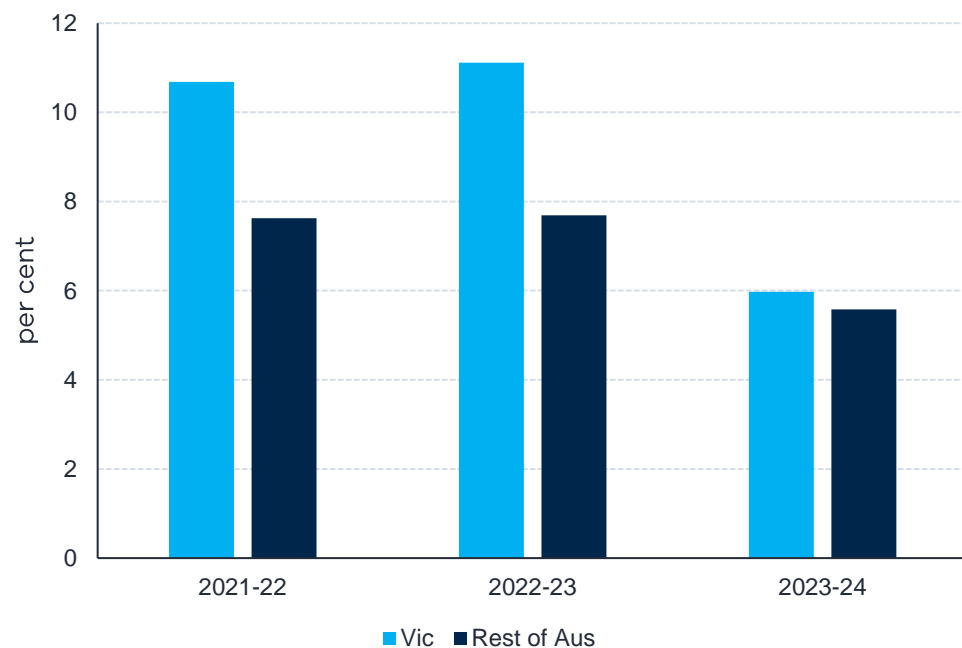
Real economic growth, Victoria*



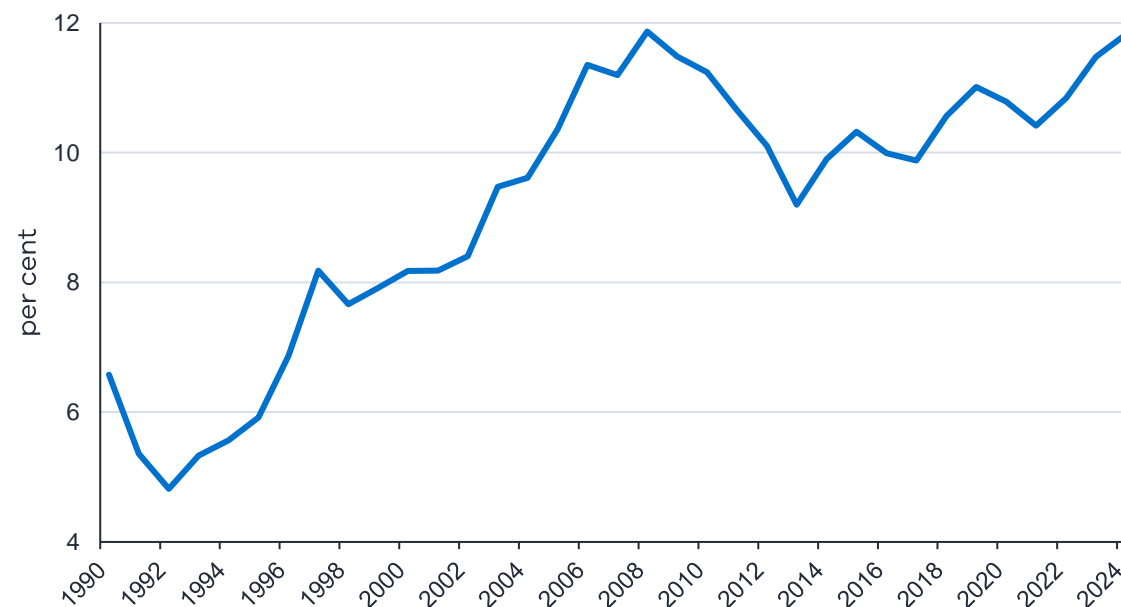
Sources: Australian Bureau of Statistics; Department of Treasury and Finance
*2023-24 figure is a DTF estimate. The ABS State Accounts will be released on Wednesday 20 November

Business investment has grown

Real business investment growth, year-average, Victoria and rest of Australia



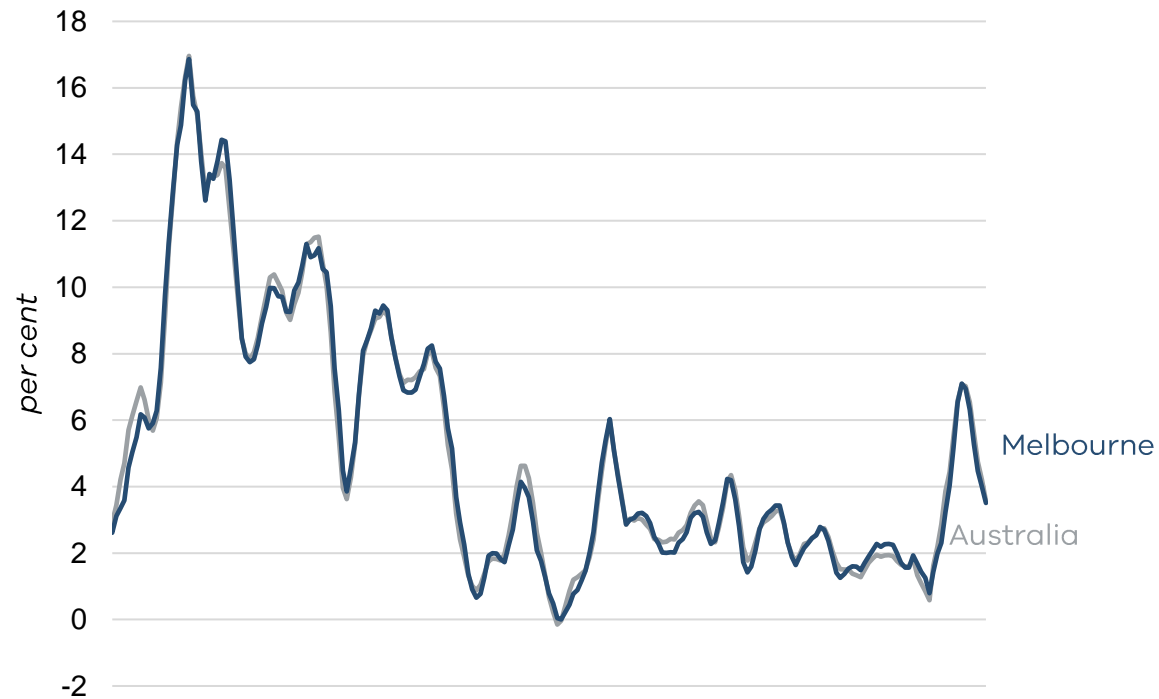
Real business investment as a share of GSP, Victoria*



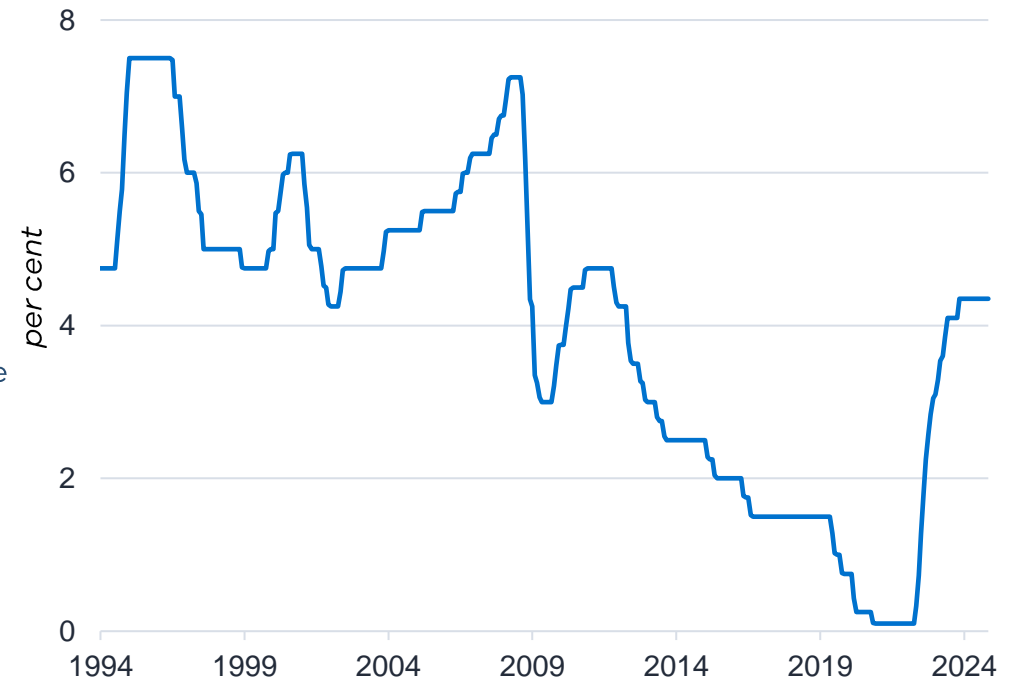
Sources: Australian Bureau of Statistics; Department of Treasury and Finance
*2023-24 gross state product (GSP) is a DTF estimate

Inflation remains high but has eased considerably from its peak

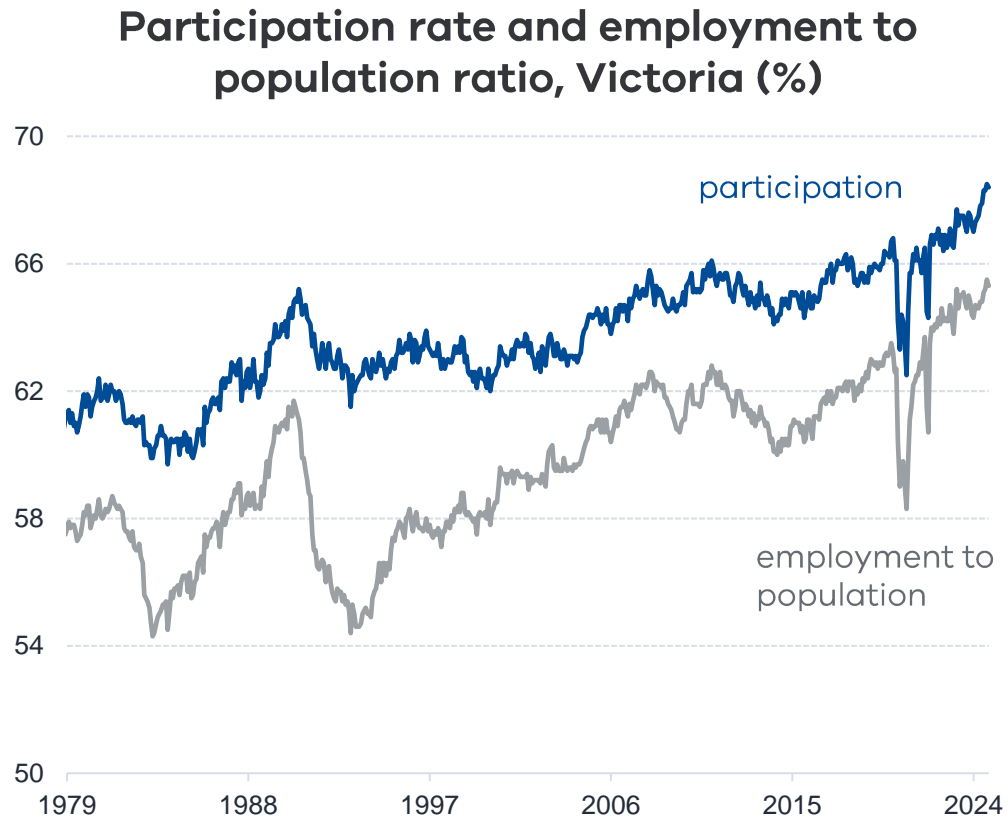
Year-average inflation, Melbourne and Australia



RBA cash rate



The share of Victorians in work around a record high; the unemployment rate remains low



Source: Australian Bureau of Statistics

The State's Finances

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

Four-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 debt levels

New fifth step

Step 5: reducing net debt to gross state product (GSP) levels

General government fiscal aggregates

	Unit of measure	2022-23 actual	2023-24 actual	2024-25 budget	2025-26 estimate	2026-27 estimate	2027-28 estimate
Net result of transactions	\$ billion	(8.8)	(4.2)	(2.2)	1.5	1.6	1.9
Net cash flows from operating activities	\$ billion	4.2	2.6	1.8	6.9	6.8	6.1
Government infrastructure investment ^{(a)(b)}	\$ billion	21.8	24.2	23.3	20.7	17.8	15.6
Net debt	\$ billion	115.0	133.2	156.2	169.2	179.2	187.8
Net debt to GSP ^(c)	per cent	20.2	21.9	24.4	25.1	25.2	25.1

Notes:

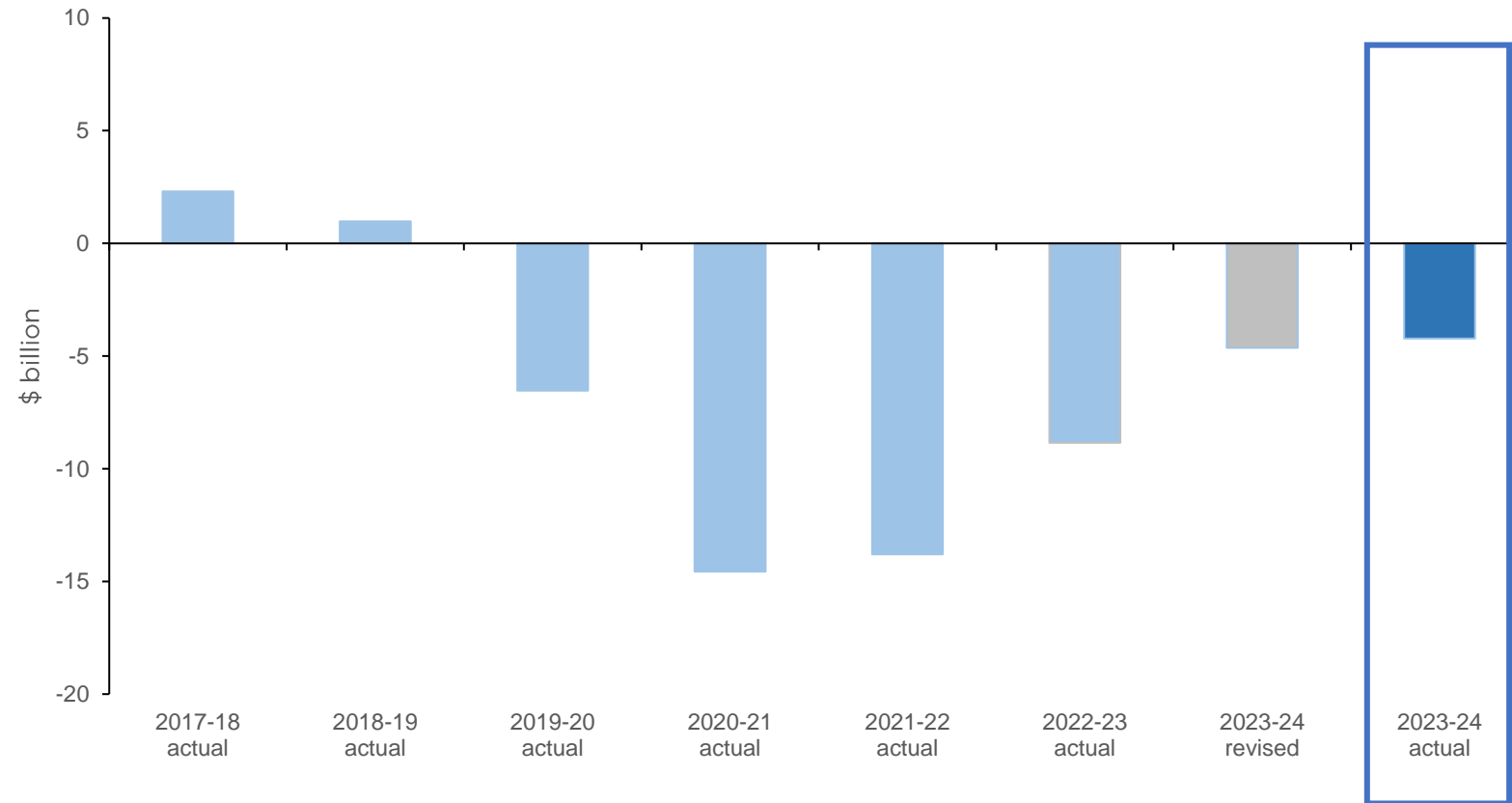
(a) Includes general government net infrastructure investment and the estimated construction costs of public private partnership projects.

(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 publications year to year due to revisions to the Australian Bureau of Statistics GSP data

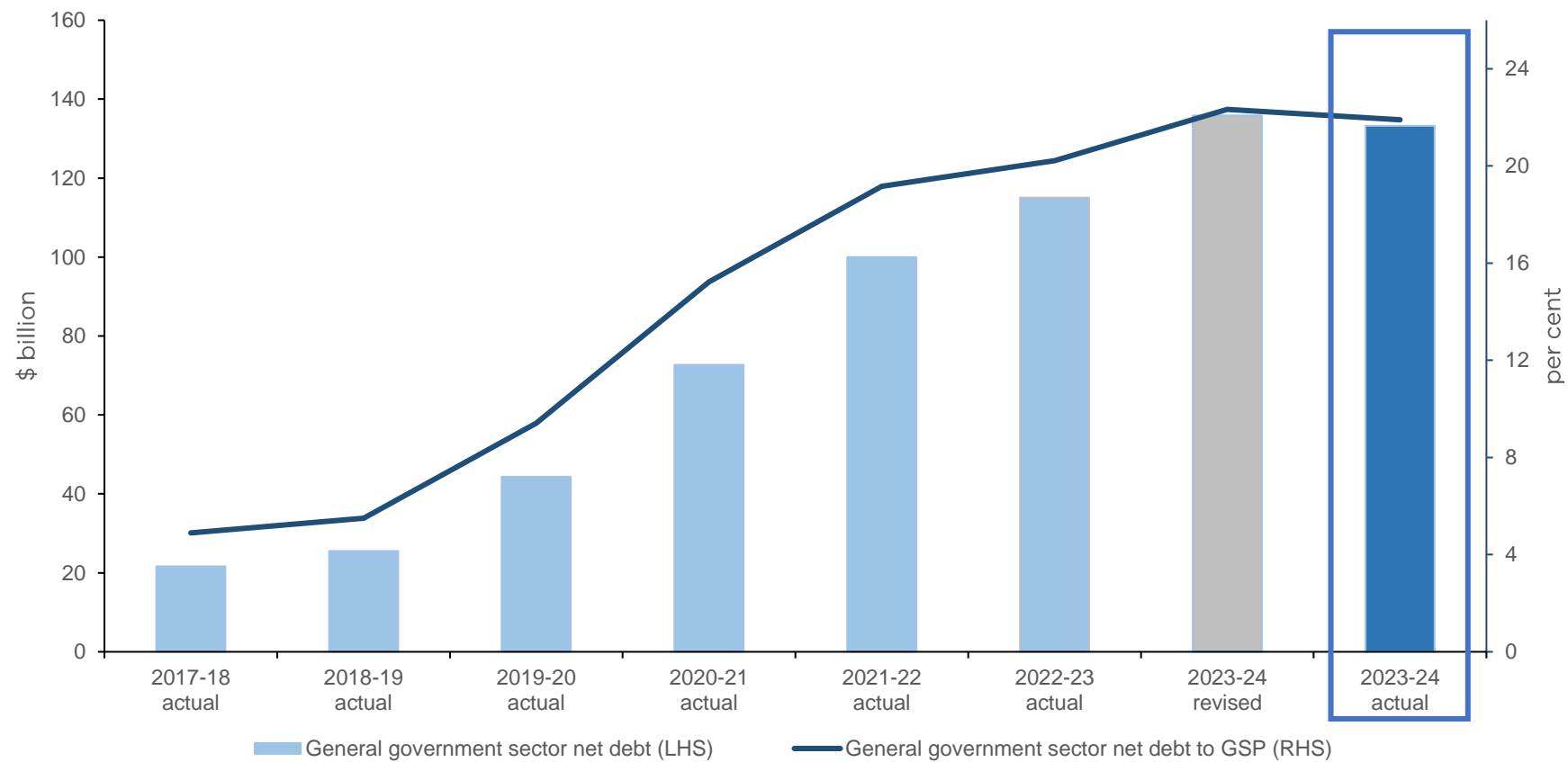
Operating result

General government operating result, 2017-18 to 2023-24



Net debt to GSP

General government net debt to GSP, 2017-18 to 2023-24



The slide features a dark blue background on the left side, which transitions into a light gray area on the right. A bright blue diagonal shape is positioned at the bottom left corner. The text "2023-24 highlights" is centered in the light gray area.

2023-24 highlights

2023-24 highlights

Ongoing economic and financial advice

Early Intervention Investment Framework (EIIF)

Commercial and industrial property tax reform

Housing Statement

Improved infrastructure policies and procedures

Workplace injury compensation scheme reform

Thank you