

**NOVEMBER 2023**

David Martine | Secretary

# Public Accounts and Estimates Committee

---

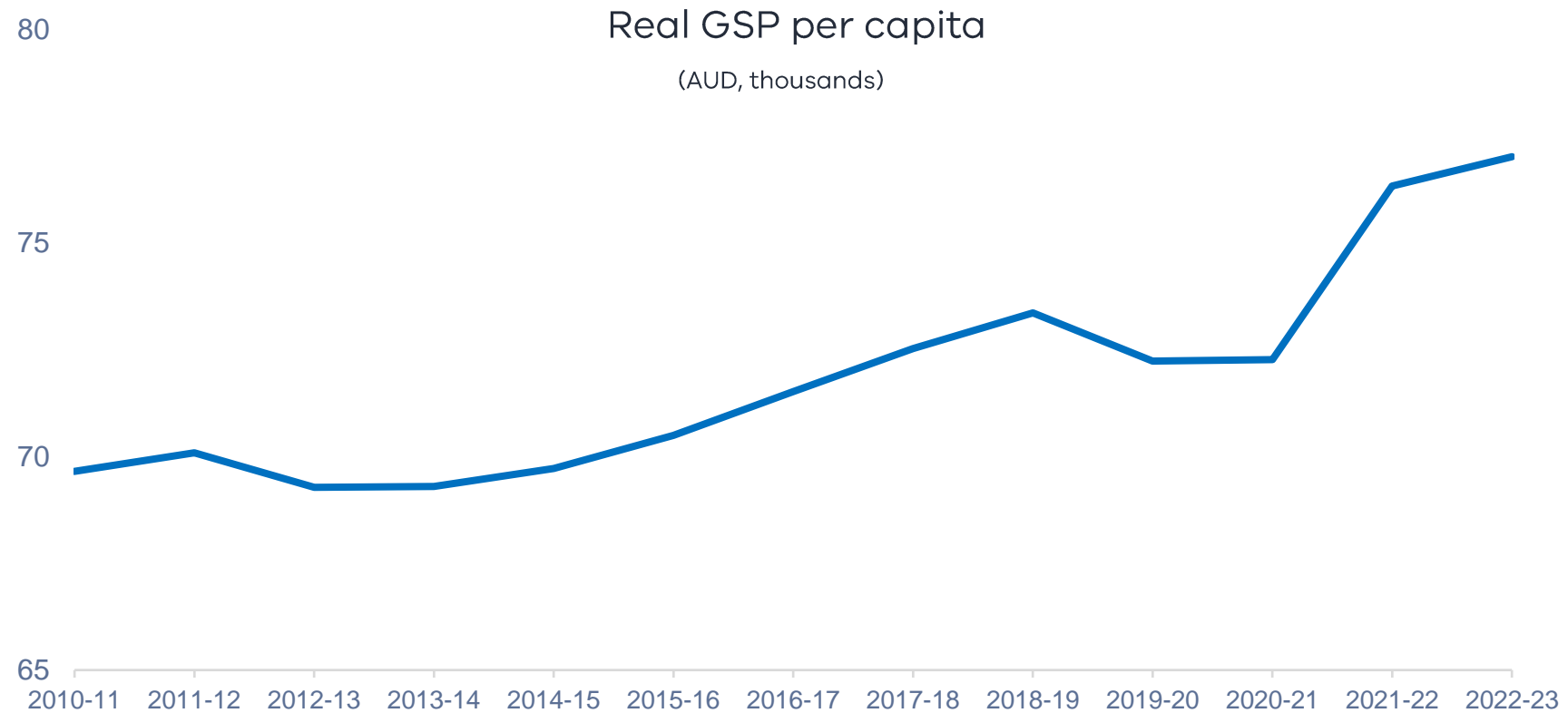
**Inquiry into the 2021-22 and 2022-23  
Financial and Performance  
Outcomes**

**VICTORIA**  
State  
Government

Treasury  
and Finance

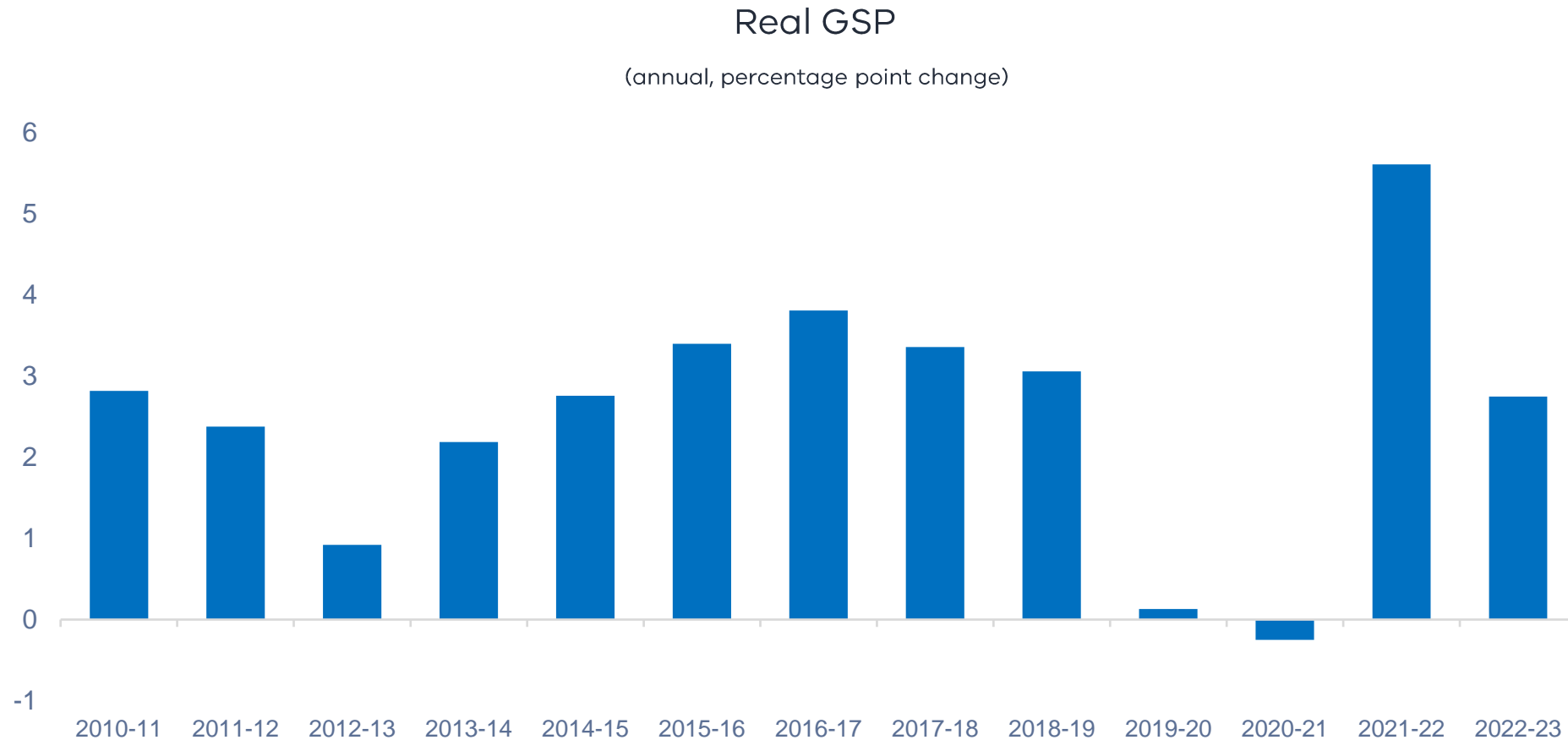
# **Victoria's economy**

# GSP per capita is well above pre-pandemic levels



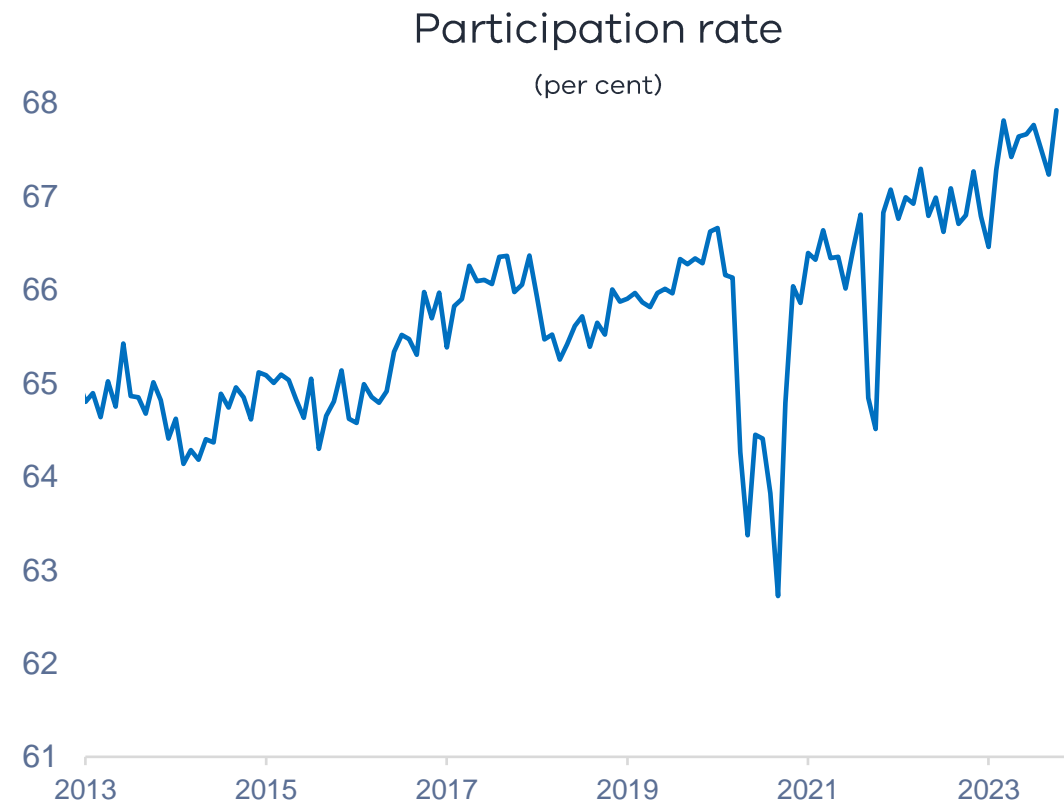
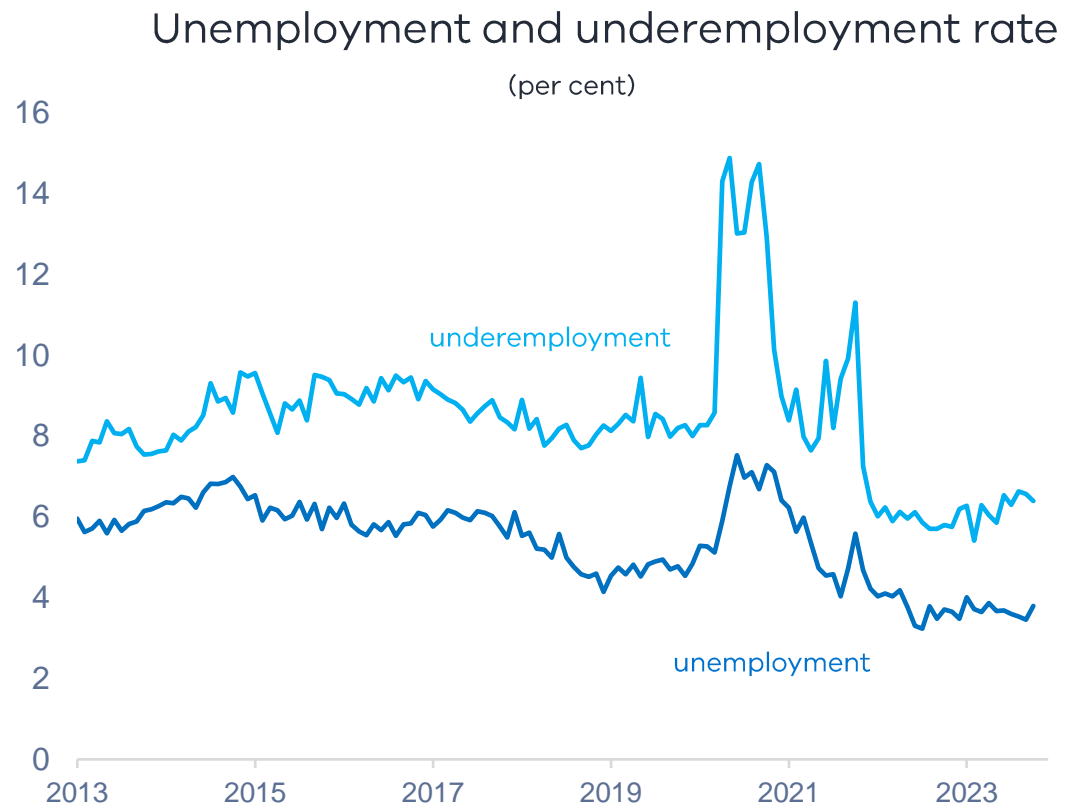
Sources: Department of Treasury and Finance; Australian Bureau of Statistics. 2022-23 figures are DTF estimates.

# Solid GSP growth is estimated for 2022-23, following very strong growth in 2021-22



Sources: Department of Treasury and Finance; Australian Bureau of Statistics. 2022-23 figures are DTF estimates.

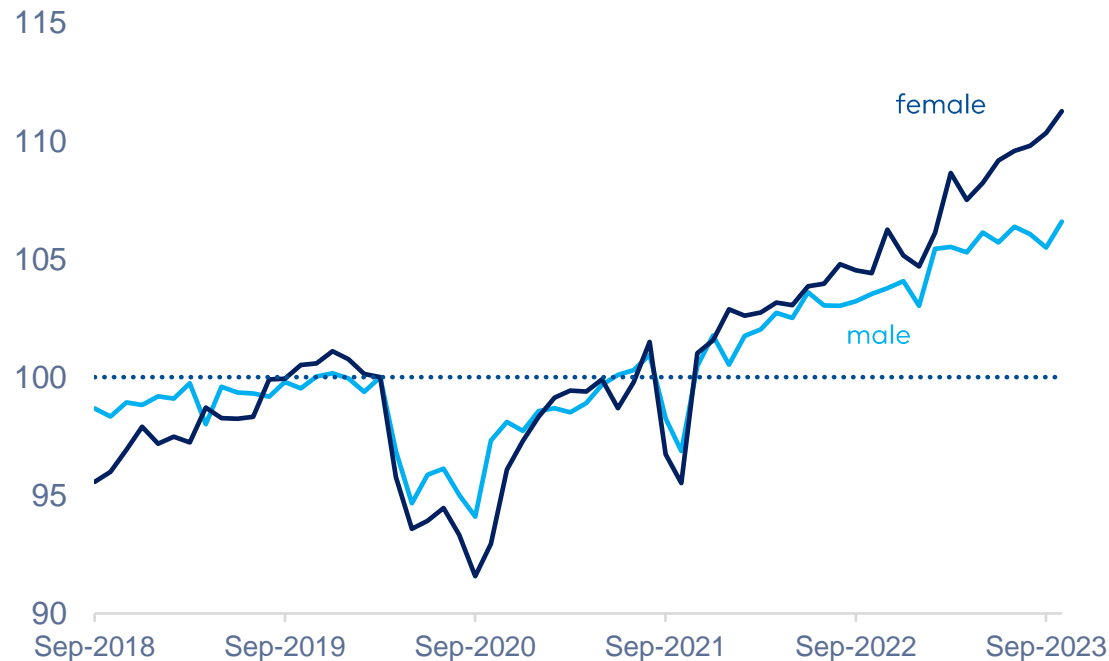
# Victoria faces these challenges with the strongest labour market in nearly 50 years



# The benefits of a strong labour market have been widely shared across worker cohorts

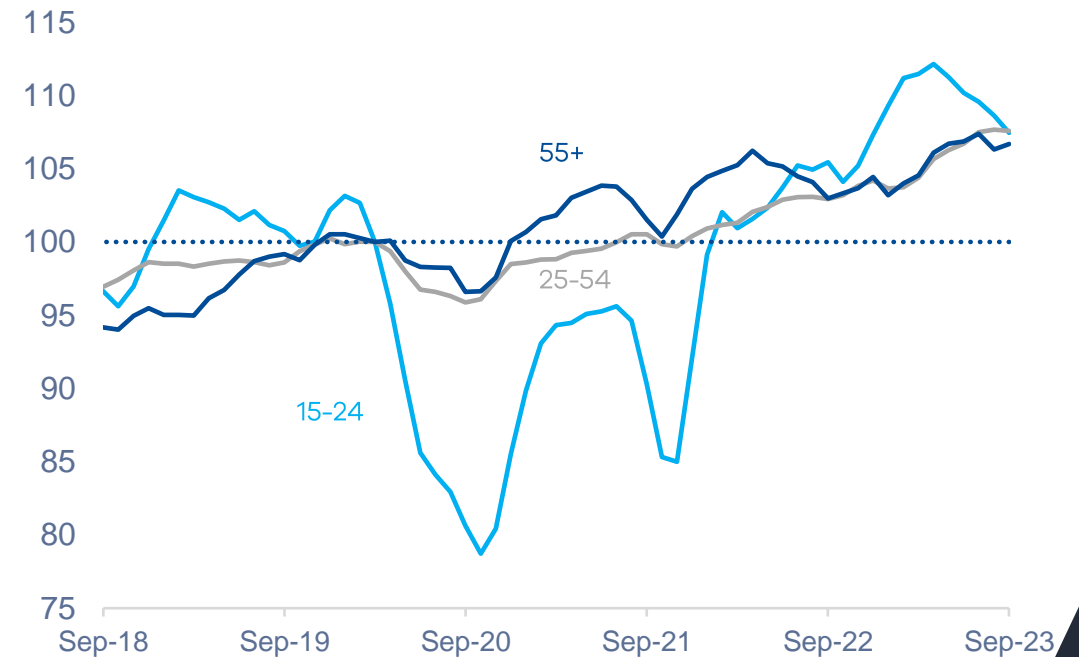
## Employment by gender

(Victoria, index, March 2020=100)

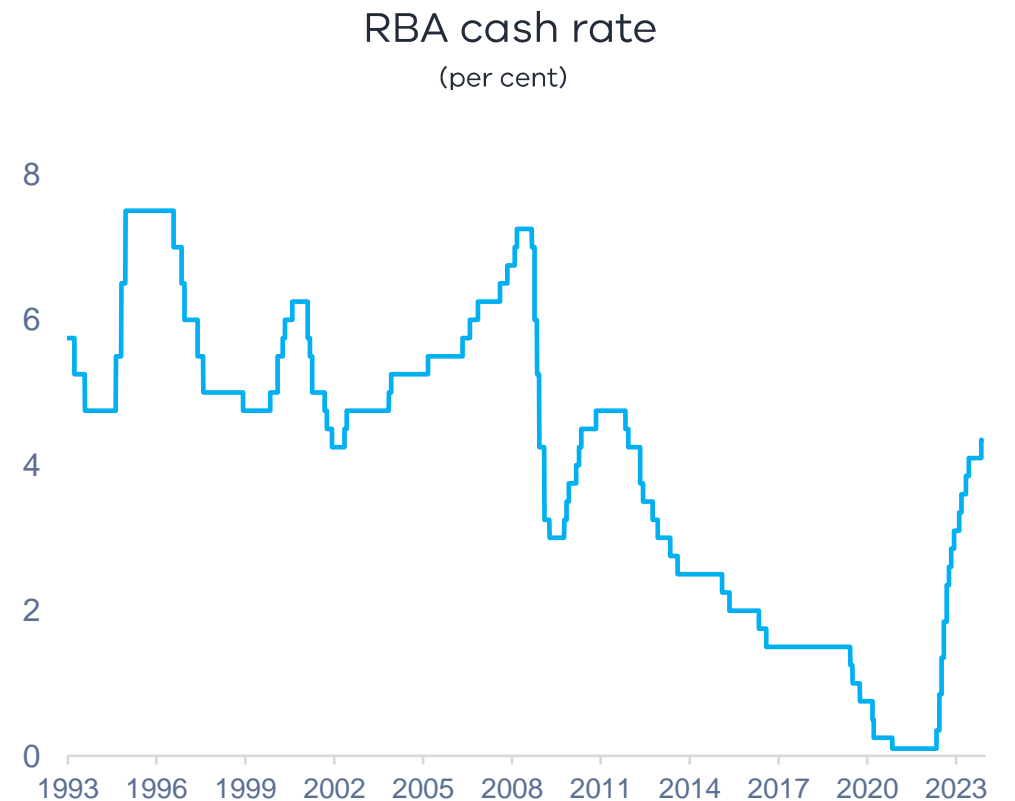
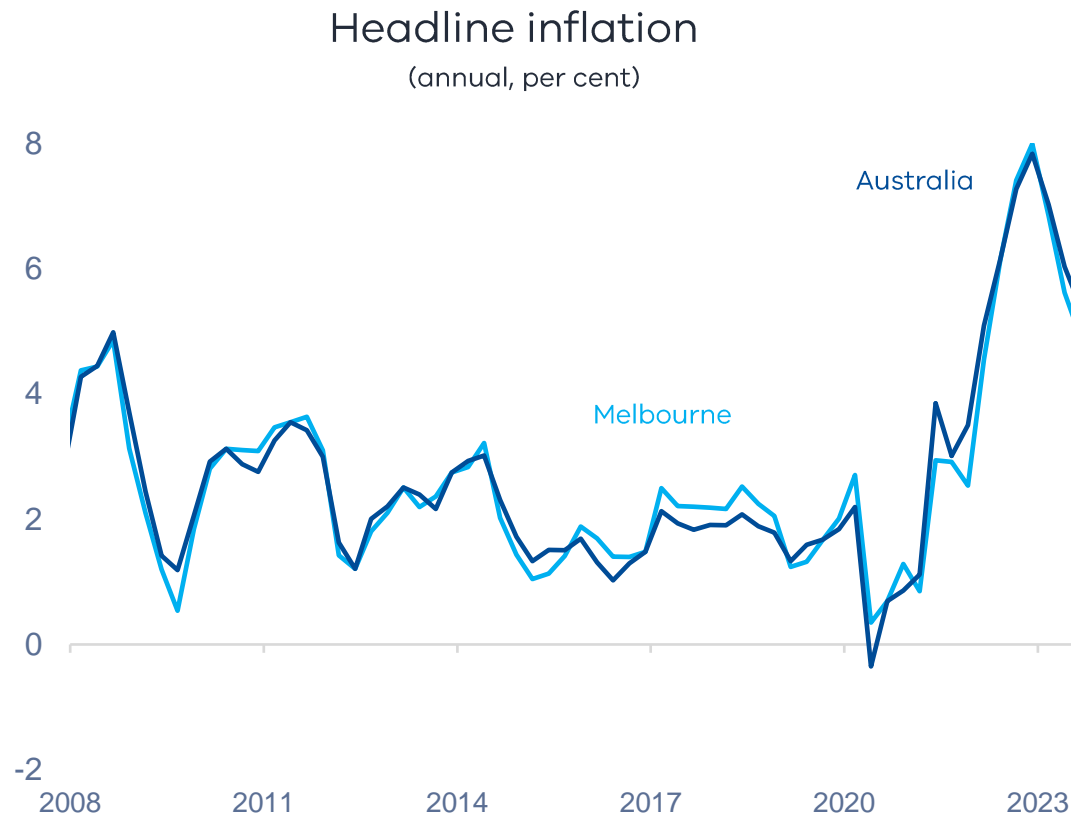


## Employment by age

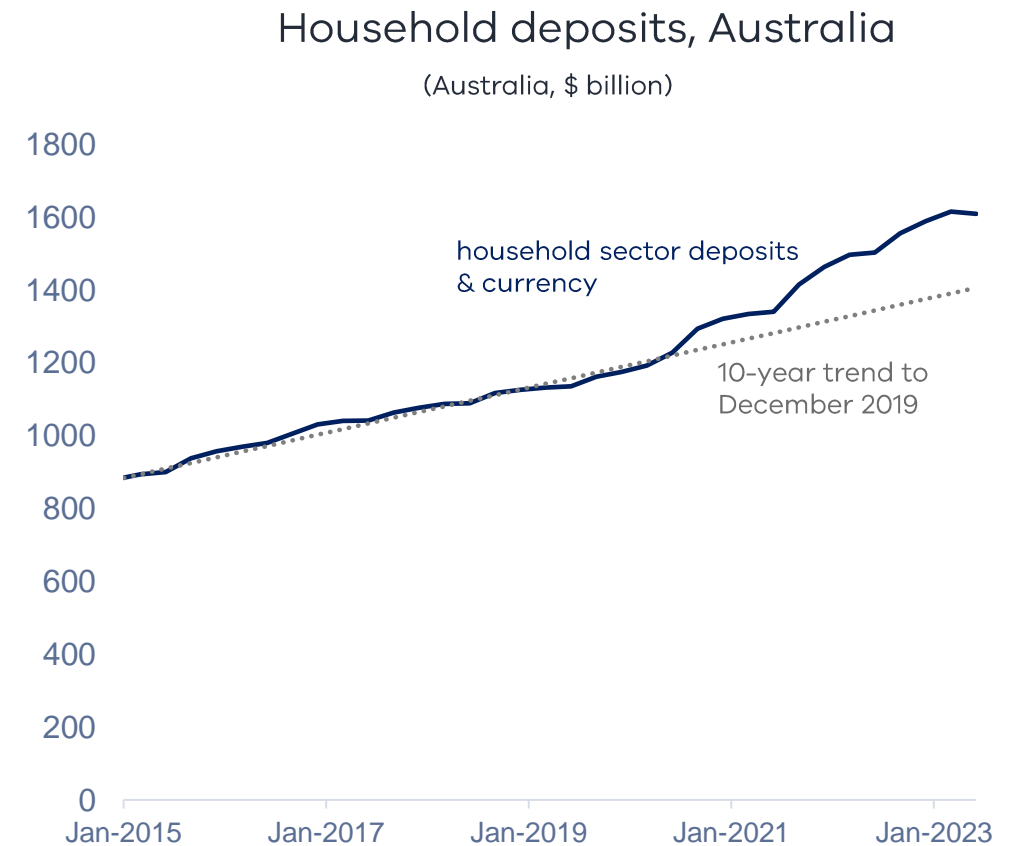
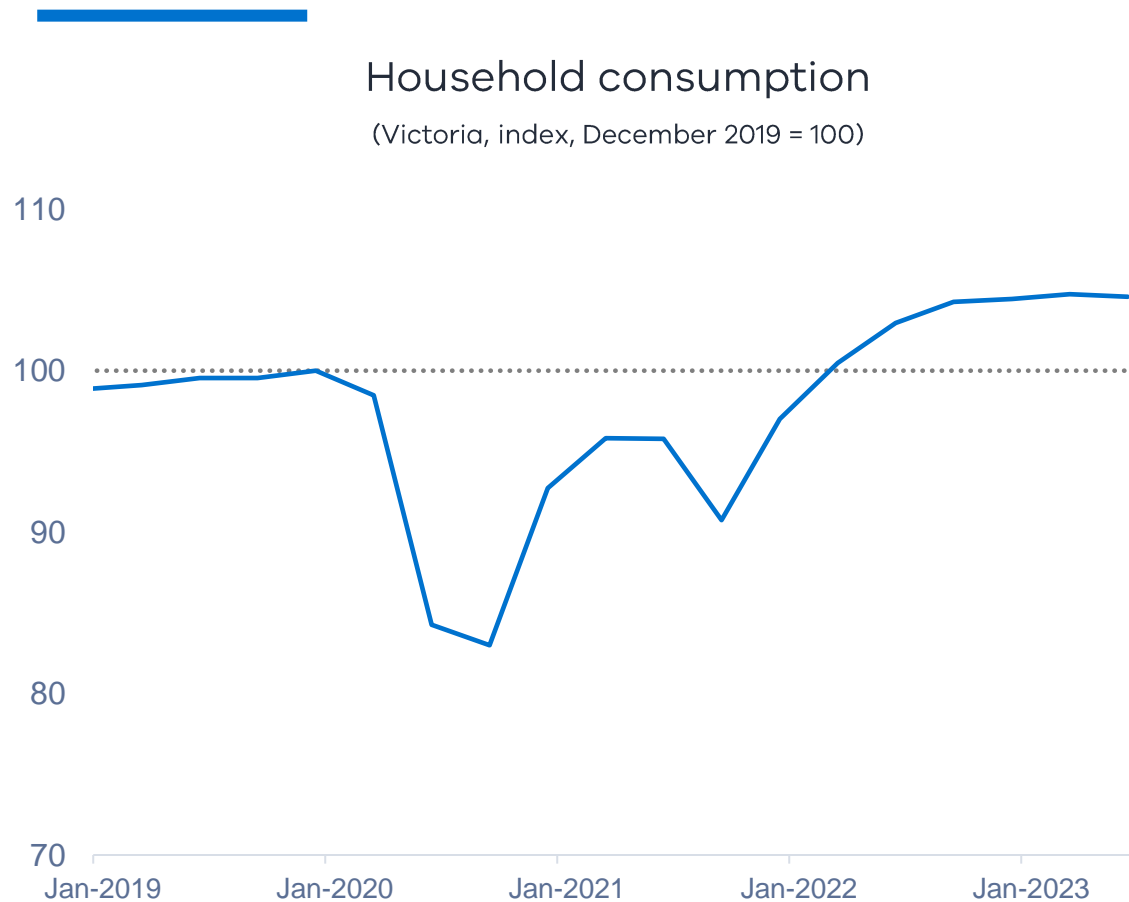
(Victoria, index, March 2020=100, three-month rolling averages)



# High inflation and rising interest rates are a key challenge



# Households: overall spending has recovered from the pandemic, and aggregate savings remain elevated



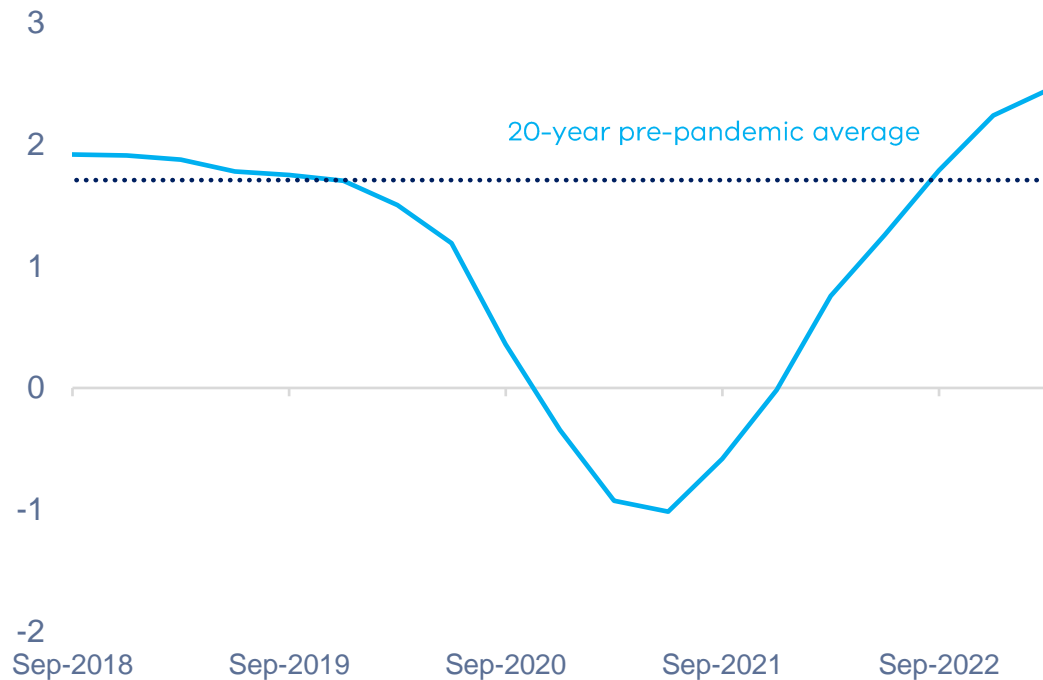
Source: Australian Bureau of Statistics, Department of Treasury and Finance



# Population growth has recovered and now exceeds pre-pandemic rates

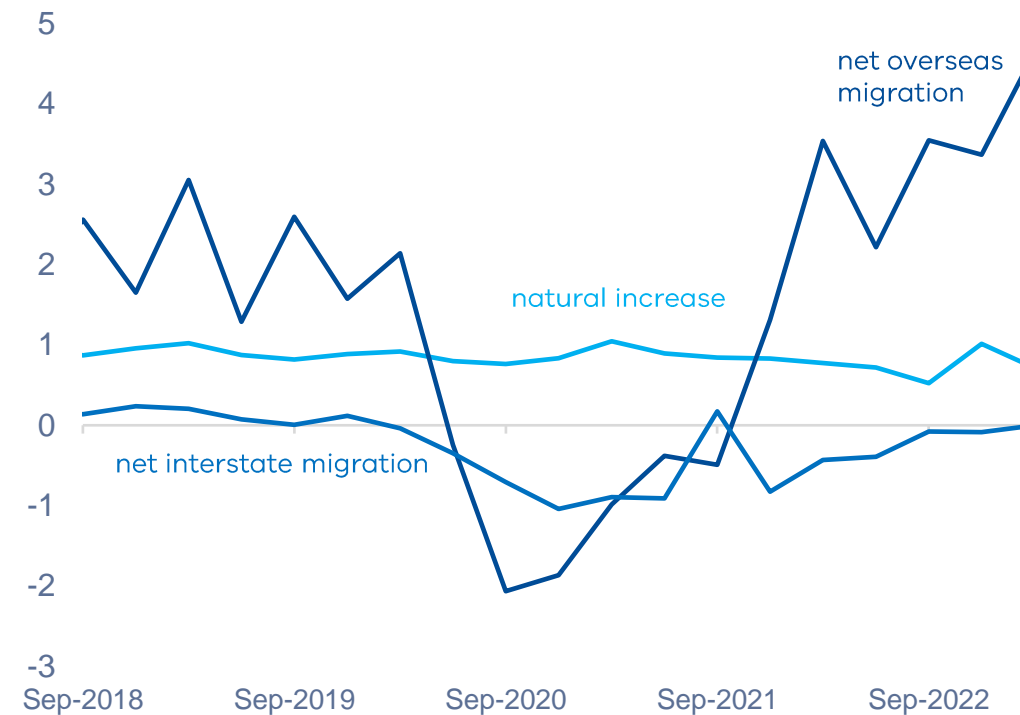
## Population growth

(Victoria, annual, per cent)



## Components of population growth

(Victoria, quarterly, persons, tens of thousands)



Source: Australian Bureau of Statistics

# **The State's Finances**

# General government fiscal aggregates

	Unit of measure	2021-22 actual	2022-23 actual	2023-24 budget	2024-25 estimate	2025-26 estimate	2026-27 estimate
Net result of transactions	\$ billion	(13.8)	(8.8)	(4.0)	(1.1)	1.0	1.2
Net cash flows from operating activities	\$ billion	(8.9)	4.3	0.8	4.3	6.5	6.5
Government infrastructure investment <sup>(a)(b)</sup>	\$ billion	18.7	21.8	22.4	20.6	18.6	16.9
Net debt	\$ billion	100.0	115.0	135.4	151.2	162.2	171.4
Net debt to GSP <sup>(c)</sup>	per cent	19.4	20.3	22.6	23.9	24.4	24.5

*Notes:*

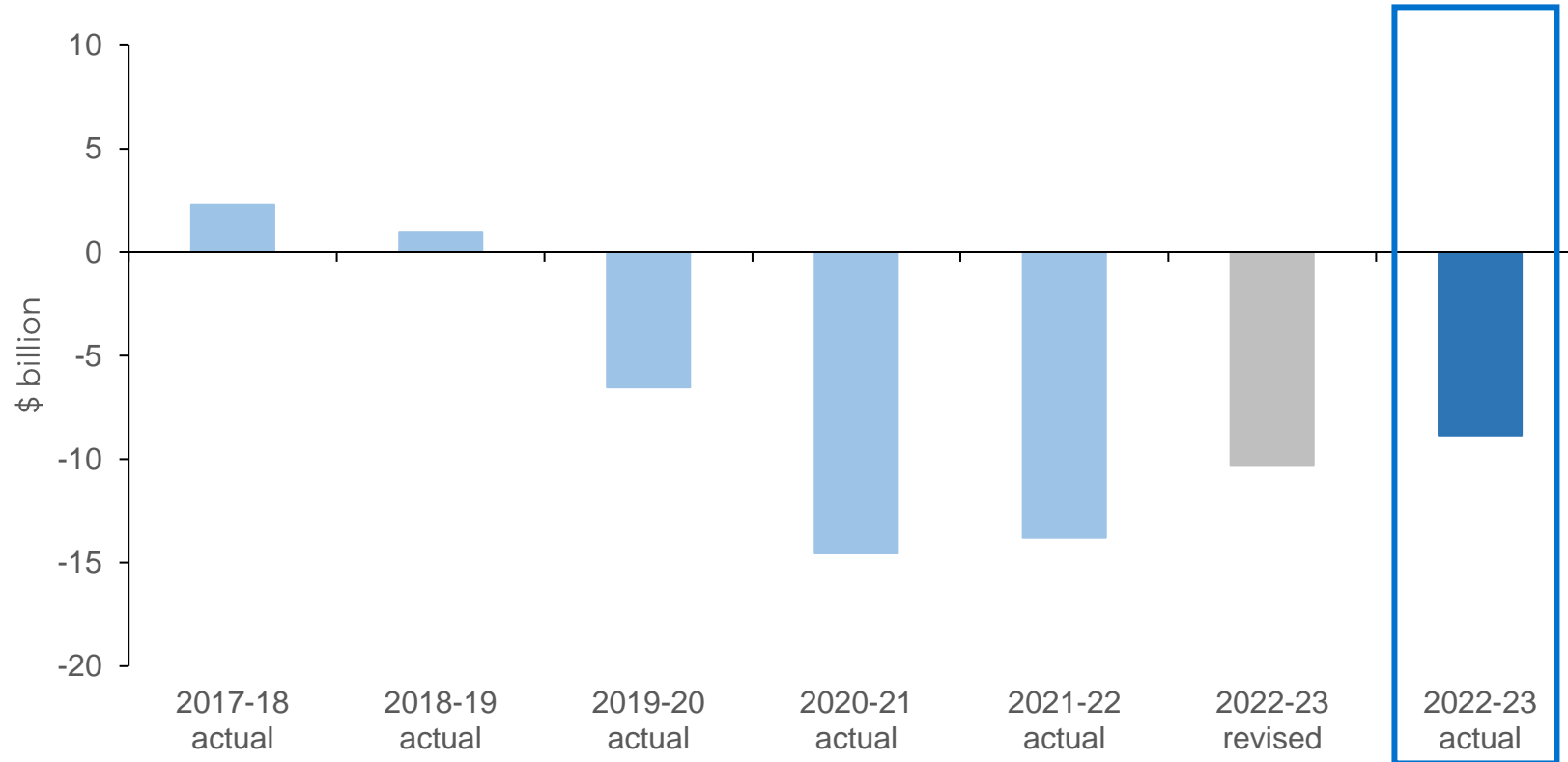
*(a) Includes general government net infrastructure investment and the estimated construction costs of public private partnership projects.*

*(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*

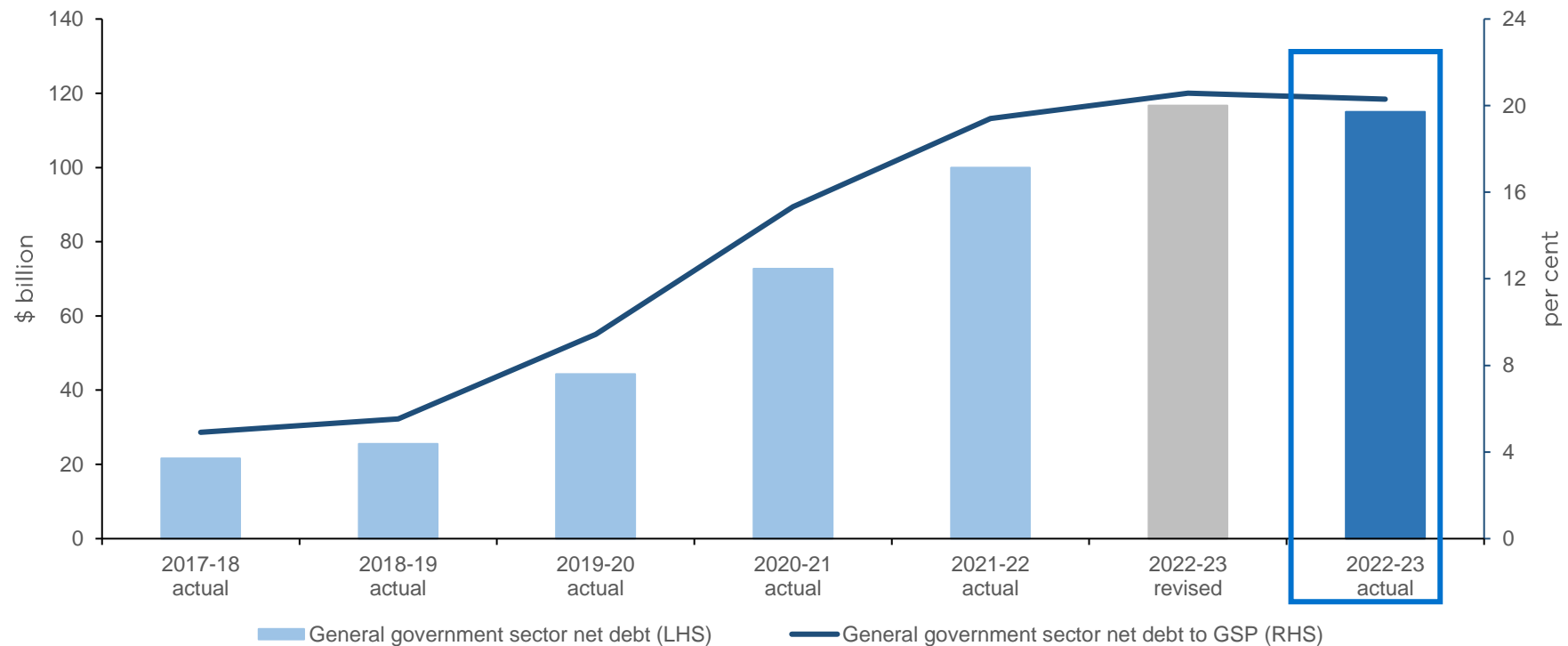
# Operating result

General government operating result, 2017-18 to 2022-23



# Net debt to GSP

## General government net debt to GSP, 2017-18 to 2022-23





**2021-22 & 2022-23  
highlights**

# Department of Treasury and Finance

---

To provide leading financial and economic advice to the Government on the allocation of resources to improve the living standards of all Victorians.

To support the ministerial portfolios of the Treasurer, the Assistant Treasurer, and the Minister for WorkSafe and the TAC.

# 2021-22 and 2022-23 highlights

---

Ongoing economic and financial advice

Delivering two State Budgets

Progressing major tax reforms

Victorian Future Fund

Victorian Homebuyer Fund

VicRoads Modernisation



**Thank you**