



# VICTORIAN BUDGET 2024-25

The 2024-25 Victorian Budget was delivered on 7 May 2024 by Tim Pallas MP - Treasurer of the State of Victoria

The 2024-25 Budget Papers as released by the Treasury can be accessed via [www.budget.vic.gov.au/](http://www.budget.vic.gov.au/)

If you have any questions relating to how the budget impacts you and your business, please contact us on 1300 300 031 or via email at [advocacy.vic@neca.asn.au](mailto:advocacy.vic@neca.asn.au)

NECA welcomes suggestions and feedback as it continues to advocate on issues that affect and shape the electrotechnology sector in Victoria.

## Overview

NECA has monitored the announcements made in the 2024-25 Victorian budget, and the government's intended investments and policies for the state. The Victorian Government's has stated that its Budget for the fiscal year 2024-25 is squarely aimed at supporting families.

From the perspective of the industry and construction sector, the Budget promises significant infrastructure development, including the completion of 100 schools by 2026, with funding allocated for the final 16 schools and additional classroom upgrades. Moreover, substantial investments in healthcare infrastructure feature prominently, with a focus on enhancing hospital facilities.

The budget has also set strict local content requirements on more than 333 Strategic Projects with a combined total value of more than \$170.4 billion, engaging Victorian businesses and supporting Victorian jobs.

The Budget also acknowledges the challenges posed by inflation and workforce constraints, emphasizing the need for disciplined responses and modest adjustments to project timelines. This approach aims to ensure sustainable economic growth while supporting the residential construction sector and addressing skill shortages.

In a broader context, the Budget addresses key cost-of-living concerns for families, offering initiatives such as the \$400 School Saving Bonus, free Glasses for Kids program, and increased food relief measures.

For regional communities, the Budget outlines substantial investments in essential services, including healthcare, education, and emergency management.

## Education, Skills and Training

This Budget highlights skills and training spending forecasts for future workforces, including:

- \$394 million to boost access to vocational training and Free TAFE, which now offers more than 80 courses.
- \$113 million for TAFEs, including funding to provide support services, training delivery, and help students get the most out of their training.
- \$32 million to support workers to quickly retrain or upskill with subsidised training and short courses.
- \$18 million for Jobs, Skills and Pathways Coordinators, who provide dedicated support to vocational students in our schools.
- \$11 million to continue support for apprentices, trainees and their employers to meet Victoria's workforce priorities.
- \$4.4 million investment in the Digital Jobs Program.

## Infrastructure

The Victorian Government's commitment to infrastructure is highlighted within the budget papers. The Key Points the Government has identified are:

- The Big Build initiative, comprising projects such as the Metro Tunnel (\$233 million).
- Rail network maintenance (\$214 million).
- Regional rail upgrades (\$133 million), Road Safety Measures.
- Road maintenance and repair (\$964 million).
- The Big Housing Build initiative with

thousands of homes already under construction or complete (\$5.3 billion).

- Funding for housing agenda progression (\$107 million), including strengthening regulatory bodies, improving building inspections, and promoting modern construction methods.
- Investments in domestic building insurance, public housing repairs, and maintenance, as well as infrastructure development in key growth areas like East Werribee (\$20 million).
- Support for Home Ownership through the extension of the Victorian Homebuyer Fund to facilitate home ownership for more Victorians (\$700 million).
- Of note in infrastructure is within this year's Budget \$1 billion is highlighted to build a remaining 16 new schools and also cover planned additional stages at two recently opened schools.

## Women

The Victorian Government is directly investing in ways that improve gender equality through:

- \$657 million for health services including addressing the 'pain gap' in women's health.
- \$1.8 billion to increase women's economic security by supporting workers in women-dominated sectors and helping women to reskill and retrain.
- \$292 million to assist with cost-of-living pressures that disproportionately impact women.

- \$216 million to support Victorians experiencing homelessness into housing, including women.
- \$269 million to prevent family violence and support women's safety.

## Economic Outlook

- Victoria's labour market is strong, with the unemployment rate around or below 4.0 per cent for the past two years.
- The economy is estimated to have grown by 2.00 per cent in real terms in 2023-24,
- Real gross state product (GSP) is estimated to be almost 11 per cent larger in 2023-24 than it was in 2018-19, before the COVID-19 pandemic, and 4 per cent larger in per capita terms.
- The number of Victorians in employment has grown by more than 560 000 persons since September 2020.
- Employment growth in 2023 was high at 3.9 per cent, and above the national average rate.
- Net debt is still expected to rise to roughly a quarter of the state's economy
- The net cash flows from operating activities for the general government sector is forecast to be in surplus by \$1.8 billion in 2024-25 and remain in surplus before reaching \$6.1 billion in 2027-28.
- The net result from transactions for the general government sector is forecast to be in deficit by \$2.2 billion in 2024-25.
- The Government continues to forecast a return to an operating surplus in 2025-26, as first forecast in the 2022-23 Budget.
- The forecast of operating surpluses of \$1.5 billion in 2025-26 and \$1.6 billion in 2026-27 are an improvement from the 2023-24 Budget Update.
- The operating surplus in 2027-28 is then forecast to increase to \$1.9 billion.

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