



PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee

2024–25 Financial and Performance Outcomes Questionnaire

Breakthrough Victoria

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Public Accounts and Estimates Committee

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Section C: Revenue and appropriations

Question 13 (all departments and entities) Revenue – variances from previous year

Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million between the actual result for 2023–24 and the actual result for 2024–25 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any revenue reductions affected service delivery and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community¹ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

If there were no revenue/income categories for the department/agency for which the 2024–25 expenditure changed from the prior year’s expenditure by more than $\pm 10\%$ or \$100 million, you do not need to answer this question. If this is the case, please indicate ‘no relevant line items’ in the table(s) below.

Revenue category	2023–24 actual (\$ million)	2024–25 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Grant revenue	0	0	Breakthrough Victoria’s funding received for FY2024-25 did not include any grant revenue.	No impact. Due to efficiencies achieved in prior financial years, Breakthrough Victoria utilised unspent funds received during the first two years of incorporation to fund its operations in 2024-25.	N/A
Investment income	13.369	18.027	The increase in Breakthrough Victoria’s investment income was primarily due to higher levels of accrued interest from convertible note investments.	The interest income from convertible notes is accrued and reinvested in the business, as it is subject to redemption or equity conversion upon maturity or satisfaction of other applicable conditions.	N/A

Note: Breakthrough Victoria received \$75 million in capital funding from the Department of Jobs, Skills, Industry and Regions in 2024-25

¹That is, the impact of service delivery on the community rather than a description of the services delivered.

Question 14 (all departments and entities) Revenue – variances from budget to actual

Please explain any variances equal to or greater than $\pm 10\%$ or \$100 million between the initial budget estimate (not the revised estimate) and the actual result for 2024–25 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any revenue reductions affected service delivery and then link it to the relevant output and portfolio.

Revenue category	2024–25 Budget (\$ million)	2024–25 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Grant revenue	7.389	0	As noted in Question 13, Breakthrough Victoria did not receive grant funding for FY 2024-25.	No impact. Due to efficiencies achieved in prior financial years Breakthrough Victoria utilised unspent funds received during the first two years of incorporation to fund its operations in 2024-25.	N/A
Investment income	12.271	18.027	The variance from budget is primarily due to increase in investment as convertible note instruments, rather than equity holdings. Additionally, the interest income on bank deposits was higher due to higher RBA interest rates than budgeted and temporary delays in cash deployment of investment tranches. Breakthrough Victoria ensures that all conditions precedent as defined at the time of investment approval are met before making actual cash payments.	As noted in Question 13, interest income from convertible notes is accrued and reinvested in the business, as it is subject to redemption or equity conversion upon maturity or satisfaction of other applicable conditions.	N/A

Note: Breakthrough Victoria received \$75 million in capital funding from the Department of Jobs, Skills, Industry and Regions in 2024-25.

Section D: Expenses

Question 15 (all departments and entities) Expenses changed from previous year

Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million with regards to the actual result for 2023–24 and the actual result for 2024–25 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million with regards to the actual result for 2024–25 and the 2024–25 budget estimate. Please also detail the outcomes in the community² achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

Expenses category	2023–24 actual \$ million	2024–25 Actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how this was achieved
Employee expenses	12.201	11.718	N/A	N/A
Administration expenses	4.928	5.444	The variance is attributable to costs incurred during the transition to a new IT managed services partnership, relocation of office, insurance etc.	These outcomes position Breakthrough Victoria for sustained operations by enhancing capabilities, optimising costs and building stronger investor relationships.
Depreciation and amortisation	0.610	0.633	The increase in depreciation expense results from the derecognition of leasehold assets associated with the office relocation.	The derecognition of leasehold improvements represents a one-off expense, as minimal fit-out or modifications were required for the new office premises.
Net gain/(loss) on financial instruments	1.328	(5.409)	The variance is due to: (a) investment valuation adjustments; and (b) foreign exchange revaluations.	During the 2024-2025 financial year, Breakthrough Victoria recorded both increases and decreases in the valuation of portfolio investments, consistent with the inherent characteristics of Venture Capital investing. There is no impact as these gains and losses remain unrealised and are non-cash in nature.

²That is, the impact of service delivery on the community rather than a description of the services delivered.

				Valuations remain unrealised and are influenced by several dynamic factors, including long-term performance and viability of portfolio companies, subsequent funding requirements and evolving market conditions. As an early-stage investor, Breakthrough Victoria supports companies that are often pre-revenue and have not yet reached profitability.
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Expenses category	2024–25 budget \$ million	2024–25 actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how this was achieved
Employee expenses	14.424	11.718	<p>Employee expenses were below budget, with an actual workforce of 31.5 FTE compared to the budgeted 57 FTE.</p> <p>These changes reflect the natural evolution of Breakthrough Victoria and ensure the organisational structure is fit for purpose with a stabilised workforce model.</p>	<p>This positive variance highlights Breakthrough Victoria’s commitment to effective resource management, ensuring the entity remains adaptable while continuing to deliver on the core organisational goals.</p> <p>The alignment of resources, processes and ways of working ensure the delivery of the best financial performance and risk-adjusted returns to the fund, as Breakthrough Victoria continues to grow our assets under management.</p>
Administration expenses	7.716	5.444	<p>The variance is mainly attributable to lower investment-related expenses as due diligence costs were optimised through development of in-house capabilities, formation of a legal panel and sharing of costs with co-investees.</p>	<p>These outcomes position Breakthrough Victoria for sustained growth by enhancing capabilities, optimising costs and building stronger investor relationships.</p>

<p>Depreciation and amortisation</p>	<p>0.621</p>	<p>0.633</p>	<p>The increase in depreciation expense results from the derecognition of leasehold assets associated with the office relocation, offset by lower CAPEX as compared to the budget.</p>	<p>Breakthrough Victoria managed its capital requirements to maintain and achieve value for money during procurement.</p>
<p>Net gain/(loss) on financial instruments</p>	<p>41.439</p>	<p>(5.409)</p>	<p>The result reflects temporary shifts in asset values due to global market volatility.</p> <p>Breakthrough Victoria’s investment portfolio showed steady growth, with a higher portfolio valuation than the cost of investments paid (evidenced by the Total Value to Paid-in Capital ratio of 1.02), supporting the soundness of the long-term investment strategy.</p>	<p>No impact on business operations as outcome is unrealised.</p>

Question 16 (all departments, PFC, PNFC and entities) Changes to service delivery from savings initiatives

- a) For each of the savings initiatives detailed in the 2023–24 and 2024–25 Budgets please provide the following details of the impact on service delivery:
- Savings target in the 2023–24 and 2024–25 Budget and the amount of the savings target allocated to the department/entity.
 - Actual savings achieved in 2023–24 and 2024–25, the specific actions taken to achieve the savings target allocated, areas where savings were found and the impact of the measures taken to achieve the savings targets. Please include the link to the relevant output and portfolio impacted. Please be as specific as possible to your department or agency when providing your responses.

Savings initiative in the Budget	Savings target allocated to the department/entity in 2024–25 \$ million	Actual savings achieved in 2024–25 \$ million	Specific actions taken to achieve the allocated savings target	Areas where savings were found	What was the impact as a result of the measures taken to achieve the savings target? <i>(e.g. frontline and/or other areas of business that saw the impact)</i> If no impact, how was this achieved	Which output(s) and portfolio(s) were impacted (if relevant)
2024–25 Whole of Government savings and efficiencies	N/A	N/A		Breakthrough Victoria did not receive Output funding of \$7.7m as budgeted for in 2024-25.	No impact.	N/A Operations were managed by utilising the unspent operating funds from the prior years.
2023–24 Labor’s Financial Statement savings	N/A					
2023–24 Whole of Government savings and efficiencies	\$0.4m	N/A As Breakthrough Victoria did not receive Output funding in 2024-25, an efficiency saving was not payable in 2024-25.	Initiated a range of operational efficiencies that reduced costs.	Repurposed retained earnings to cover operating expenditure	No impact. Retained earnings were repurposed to cover operating expenditure therefore activities were managed within the reduced budget.	N/A Operations were managed within the reduced budget.

COVID Debt Repayment Plan – savings and efficiencies	N/A					
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b) If any savings initiatives listed above were met in part by reducing Victorian Public Service (VPS) roles in 2024–25 please list:

- The applicable savings initiative and budget
- The number of roles reduced in 2024–25 by actual FTE number
- The actual savings achieved by reducing roles in 2024–25 (\$ million)
- The number of roles reduced by each VPS/Executive classification by actual FTE number
- The functions or roles impacted by the reduction
- The impact of role reductions on service delivery. If there was no impact, how this was achieved.

Not applicable - Breakthrough Victoria is not a Victorian Public Service employer.

Question 19 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector

Please detail the type and value of dividends, amounts equivalent to dividends, non-dividend grants, and capital repatriations paid by your agency to the general government sector in 2024–25, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

Please provide the economic funding ratio or accounting funding ratio as applicable at 30 June 2025. Please provide details of the methodology used for the ratio calculation.

Type of dividend paid	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency (including on financial position, investment, impacts on service delivery or infrastructure projects). If no impact, how this was achieved.	Funding ratio at 30 June 2025
N/A					

Notes:

Due to the nature of Breakthrough Victoria’s investments in start-ups and firms requiring patient capital, time is needed for companies to mature and for investments to exit, which will generate realised financial returns in the future.

Breakthrough Victoria has a Board-approved Dividend Policy in place, as required under the company’s Constitution.

Breakthrough Victoria is already seeing the result of its investments. Breakthrough Victoria’s investments have led to \$1.29b co-invested in its portfolio companies, significantly improving the opportunity for those companies to scale and have impact. At the end of the 2024-25 financial year, the ratio of co-invested capital to Breakthrough Victoria’s investments since inception was \$3.21 for every \$1 invested by Breakthrough Victoria.

Economic funding ratio / accounting funding ratio as at 30 June 2025	Details of the methodology
N/A	

Note: A funding ratio is used to compare the total assets against the present value of the liabilities and is generally more applicable to gauge the financial position of pension funds. Considering Breakthrough Victoria’s financial position, our assets mainly consist of cash reserves available for the deployment of investments and operational needs, and assets under management, whereas the liabilities include trade payables, lease liabilities and other provisions for staff benefits etc. The total liabilities as of 30 June 2025 are 1% of total assets of Breakthrough Victoria.

Section F: Public sector workforce

Question 21 (all departments and entities) Full Time Equivalent (FTE) staff by level

- a) Please provide total FTE as of 30 June 2023, 30 June 2024, 30 June 2025 and provide explanation for more than \pm -10% change in FTE between years. In the explanations of variance please list what categories and role types/functions variances predominantly applied to.

30 June 2023 Actual FTE	30 June 2024 Actual FTE	30 June 2025 Actual FTE	Explanations of variance \pm -10% between 30 June 2023 and 30 June 2024 (including categories and role types/functions)	Explanations of variance \pm -10% between 30 June 2024 and 30 June 2025 (including categories and role types/functions)
54.6 51.1 employees 0 secondees 3.5 labour-hire	43.8 41.5 employees 1.8 secondees 0.5 labour-hire	31.5 30.7 employees 0 secondees 0.8 labour-hire	<p>The changes reflect the natural evolution of Breakthrough Victoria and ensure the organisational structure is fit for purpose.</p> <p>The alignment of resources, processes and ways of working ensure the delivery of the best financial performance and risk-adjusted returns to the fund, as Breakthrough Victoria continues to grow its assets under management.</p> <p>Breakthrough Victoria's staff are experts in investment, value creation and finance with the skills required to manage its substantial investment pipeline and deliver on its impact mandate.</p>	<p>As a result of reduced annual funding to Breakthrough Victoria in the 2025 State Budget, employee numbers were reduced against budgeted head count in 2024-2025.</p> <p>Breakthrough Victoria's leaner structure provides a solid foundation for its core business activities and reflects a maturation of the company.</p>

- b) For 2024–25, please provide information regarding any staffing challenges faced by the department, including but not limited to: staff shortages by category or position name, positions that were hard to staff, positions that were vacant for 6+ months, positions that have not equalled or surpassed attrition.

Breakthrough Victoria competes with the wider Venture Capital ecosystem for suitably skilled staff. After the completion of changes to the organisational structure in 2024, Breakthrough Victoria consolidated its resourcing model in 2024-25 to also account for reduced annual funding to Breakthrough Victoria in the 2025 State Budget. This resulted in job reductions against budgeted head count for 2024-25.

Breakthrough Victoria's leaner structure reflects a maturation of our operations. Breakthrough Victoria's updated workforce model is right sized for the sustainable operations of the business.

Question 22 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2022–23, 2023–24 and 2024–25, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than ±10% or \$100 million between the years for each category.

Employment category	Gross salary 2022–23 (\$ million)	Gross salary 2023–24 (\$ million)	Gross salary 2024–25 (\$ million)	Explanation for any year-on-year variances ±10% or \$100 million
Ongoing	-	0.31	1.52	Breakthrough Victoria staff hired prior to December 2023 were appointed under a fixed-term (3-5 years) contract. Staff employed or re-contracted after December 2023 are employed on ongoing contracts.
Fixed-term	8.83	9.98	7.57	Fixed-term costs increased during 2023-24 as compared to 2022-23. As mentioned above, staff employed after December 23 are employed on on-going basis. The reduction in 2024-25 is due to the reduced head count from restructuring activities.
Casual	1.26	0.61	0.28	Breakthrough Victoria observed gradual decline in casual labour as vacant positions were filled to meet organisational needs. (For headcount analysis, please refer to Q21).
Total	10.09	10.90	9.37	

Question 23 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2024–25, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives’ salaries increasing in each bracket.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2024–25, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	2	1		CPI increases.
3-5%				
5-10%	1	-		Salary adjustment tied to global VIRT determination and CPI increase.
10-15%				
greater than 15%		1		Salary adjustment post VIRT determination and CPI increase.

Question 24 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreements (EBAs) concluded in 2024–25 that had an impact for the department/agency. For each EBA, please show the number of employees affected and the change in employee expenses attributable to the EBA.

Enterprise Bargaining Agreement	Number of employees affected	Number of employees as a % of department/entity	Change in employee expenses attributable to the EBA (\$ million)	Change in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses
N/A				

Note: Breakthrough Victoria is not a Victorian Public Service Employer.

The minimum terms and conditions of employment for non-executive employees of Breakthrough Victoria are set by the National Employment Standards (NES) and the Fair Work Commission.

Breakthrough Victoria Executive Employees are employed under the Victorian Government Public Entity Executive Remuneration (PEER) Policy and use the Victorian Public Service Commission (VPSC) 'Standard Executive Employment Contract' (Standard Contract for use by Victorian public entities when employing executives).

Section G: Government decisions impacting on finances

Question 25 (all departments and entities) Commonwealth Government and National Cabinet decisions

Please identify any Commonwealth Government and National Cabinet decisions during 2024–25 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2024–25 and their impact(s) on the department’s/entity’s finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact(s) in 2024–25	
	on income (\$ million)	on expenses (\$ million)
N/A		
National Cabinet decision	Impact(s) in 2024–25	
	on income (\$ million)	on expenses (\$ million)
N/A		

Section H: General

Question 26 (all departments and entities) Reviews/studies/evaluations undertaken

- a) Please list all internal³ and external reviews/studies/evaluations, established, commenced or completed by or on behalf of the department/agency in 2024–25 and provide the following information:
- i. Name of the review/study/evaluation and which portfolio and output/agency is responsible
 - ii. Reasons for the review/study/evaluation
 - iii. Terms of reference/scope of the review/study/evaluation
 - iv. Anticipated/actual duration of review/study/evaluation and completion date
 - v. Anticipated findings and outcomes of the review/study/evaluation
 - vi. Estimated cost of the review/study/evaluation and final cost (if completed)
 - vii. Where completed, whether the review/study/evaluation is publicly available and where. If no, please provide an executive summary and please explain why the full document is not publicly available.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/evaluation	Terms of reference/scope	Anticipated/actual duration and completion date	Anticipated findings and outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL If no, provide executive summary and explain why not available.
Acutus Pty Ltd	Market research	Independent review of Breakthrough Victoria's investment processes.	Complete	Identify opportunities for process improvement and optimisation.	44,000	44,000	N – internal working document includes advice to the CEO that is commercial in confidence

³ Internal reviews do not include internal costings. Internal reviews/evaluations include any reviews or evaluations undertaken by your department and not given to external consultants. Internal reviews/evaluations do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

Ernst & Young	Independent assessment of the economic impact of Breakthrough Victoria's investments.	Evidence-based assessment of the Breakthrough Victoria Fund and modelling of economic impact.	Complete	Identifying current and expected contribution to the Victorian economy and investment ecosystem; benchmarking Breakthrough Victoria's performance.	130,068	130,068	N – internal review document but key findings have been made public on the company website.
Mercer Consulting (Australia) Pty Ltd	Industry benchmarking review	To inform Breakthrough Victoria's remuneration framework.	Complete	Industry benchmarking to support strategic planning.	90,000	90,000	N – internal working document that includes advice for a Board deliberative process.
We Are Charlotte Pty Ltd	People and culture advice	External assessment of people and culture practices.	Complete	Propose best in class options	50,000	50,000	N – internal strategy, process design and custom artifacts confidential and proprietary.

- a) Please outline the Department's/Agency's in house skills/capabilities/expertise to conduct reviews/studies/evaluations of the programs and services for which the Department/Agency is responsible.

Breakthrough Victoria contracts an independent internal audit provider who proposes and completes an annual risk-based internal audit plan, as approved by the Board. The plan typically consists of 3-4 internal audits and to date has covered most areas of Breakthrough Victoria's business. Additionally, the internal Risk, Performance and Assurance team periodically conducts second-line risk assessments of key processes and controls to supplement this internal audit coverage.

Question 30 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of three main challenges/risks faced by the department/agency in 2024–25.

A significant challenge may be any matter or strategy that impacted the department/agency, whether it arose externally or internally or as a result of new policy or legislation.

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Macroeconomic investment conditions and co-investor sentiment	External	Throughout the economic cycle, investors' appetite for risk changes and the availability of capital fluctuates – due to factors such as changes in interest rates and the availability of investment opportunities.	<p>To address investor confidence, Breakthrough Victoria intentionally invests in early-stage companies with the potential to positively impact Victorians and the Victorian economy. This provides an important signal and confidence to other investors, with the effect that Breakthrough Victoria attracts 7.7 investors on average to each of its investments.</p> <p>As identified in the 2024 <i>Economic Growth Statement</i>, Breakthrough Victoria has invested in a series of leading Venture Capital funds to crowd in more private capital to the state. Investing in funds strengthens IP and research commercialisation in Victoria and gives confidence to co-investors.</p>
2.	Portfolio risk management	External	Investments in innovative ideas and new breakthrough technologies naturally carry risks.	<p>Financial returns on individual investments are not immediate nor guaranteed.</p> <p>Breakthrough Victoria is committed to achieving a financial return for Victoria. It does this by providing patient, long-term capital that is needed by early-stage and developing innovative companies to grow and become successful. On average it can take 7-10 years for an early-stage company to mature to the stage where an investor can exit and realise their investment.</p>

3.	Maintaining an engaged and high-performing workforce of investment professionals	Internal	Venture Capital as a sub-section of private investment is an emerging profession with just over 100 active firms in Australia, and highly competitive remuneration structures.	<p>The uncertainty arising from the Innovation and Commercialisation Review has created challenges for Breakthrough Victoria, affecting engagement levels within the business and elevating flight risks, especially among high performing / high-demand talent.</p> <p>Breakthrough Victoria is actively addressing these issues by attention to workplace culture and engagement across all areas of the business and a strategic shift to focussing on value creation activities benefitting Breakthrough Victoria's portfolio companies and stakeholders.</p>
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