



Public Accounts and Estimates Committee

2024–25 financial and performance outcomes

Report

March 2026

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About the Committee

Functions

The Public Accounts and Estimates Committee is a joint parliamentary committee constituted under the *Parliamentary Committees Act 2003* (the Act).

The Committee comprises nine members of Parliament drawn from both Houses of Parliament.

The Committee carries out investigations and reports to Parliament on matters associated with the financial management of the State. Its functions under the Act are to inquire into, consider and report to the Parliament on:

- any proposal, matter or thing concerned with public administration or public sector finances
- the annual estimates or receipts and payments and other budget papers and any supplementary estimates of receipts or payments presented to the Assembly and the Council
- audit priorities for the purposes of the *Audit Act 1994*.

The Committee also has a number of statutory responsibilities in relation to the Office of the Auditor-General and the Parliamentary Budget Office.

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Chair's foreword

One of the key functions of the Public Accounts and Estimates Committee is scrutinising the Victorian Government's spending program, revenue raised, and outcomes achieved. This important work strengthens accountability and transparency of government departments and ensures outcomes are reported to the Parliament.

The report contains 94 findings and 22 recommendations for the Government's consideration. It presents the Committee's analysis regarding the Government's financial and performance outcomes for 2024–25. The findings and recommendations cover a wide range of themes and areas of government activity and are designed to improve the functioning of the Victorian Public Sector in both its financial and performance outcomes. The Committee looks forward to receiving the Government's response.

The Committee found that in terms of overall economic performance, the State's economy continued to grow—albeit at a lower rate than estimated in the Budget. Inflation fell, with wage growth exceeding inflation for the first time since the COVID-19 pandemic. In terms of public sector finances, the net result from transactions improved from a \$4.2 billion deficit in 2023–24 to a \$2.6 billion deficit in 2024–25. Net debt grew by 13.2% to \$150.9 billion, reflecting borrowings to fund the Government's capital program.

When examining departmental performance, the Committee found that overall, departments achieved or exceeded 64.9% of their performance measures. Departments faced expenditure pressures, with most exceeding their budgeted expenditure. Employee expenses were the biggest expense category. At the same time, departments achieved substantial savings and efficiencies, with all indicating that frontline service delivery was not impacted by meeting savings targets.

I wish to acknowledge my colleagues on the Committee for their commitment and diligence throughout this inquiry—Mr John Pesutto, Deputy Chair, Roma Britnell, former Deputy Chair, Ms Jade Benham; Mr Michael Galea; Mr Mathew Hilakari; Ms Lauren Kathage; Mr Aiv Puglielli; Mr Meng Heang Tak; and Mr Richard Welch. Their careful questioning and contribution to deliberations have been invaluable in producing this report.

I would also like to acknowledge the time and energy invested by public servants, court officials and parliamentary officers throughout the process. Agencies all prepare responses to the Committee's questionnaire, participate in public hearings, and respond to supplementary questions. This extensive and transparent engagement drives the State's broader commitment to accountability—allowing the Committee to fulfil its functions.

Finally, I extend my thanks to the PAEC Secretariat, led by Igor Dosen (Executive Officer) and Charlotte Lever (Lead Analyst, Budget Estimates and Outcomes), for their professionalism and dedicated support in enabling the Committee to fulfil its mandate.

A handwritten signature in black ink, appearing to read 'S. Connolly', with a stylized flourish at the end.

Sarah Connolly MP
Chair

Executive summary

Chapter 2: Whole of Government

Victoria's economy continued to grow over 2024–25, but the rate of gross state product (GSP) growth was lower than estimated in the Budget. While labour market conditions remained strong, the rise in participation led to the unemployment rate increasing. For the first time since the COVID-19 pandemic, wage growth exceeded inflation.

Steps 1 and 2 of the Government's five step fiscal strategy, relating to job creation, reducing unemployment, restoring economic growth and returning to an operating cash surplus, have been met. Step 3, returning to operating surpluses, remains on track to be achieved in 2025–26. The Committee recommends that the Department of Treasury and Finance publish an annual statement on Victoria's economic growth as measured by real GSP and detail how the result impacts the Government's fiscal strategy—specifically steps 4 and 5 relating to levels of net debt.

The general government sector (GGS) raised \$101.4 billion in revenue, driven by extra grant payments from the Commonwealth Government and higher-than-expected land transfer duty. Higher-than-expected expenses of \$104 billion reflect additional spending for employee, interest and other operating expenses.

Net debt for the GGS at 30 June 2025 was \$150.9 billion, 13.2% (\$17.6 billion) more than the previous year but 3.4% (\$5.3 billion) less than the original Budget estimate.

The \$2.6 billion deficit for the GGS in 2024–25 was an improvement on the previous year's net result and shows the Budget is tracking towards the forecast surplus for 2025–26.

After negative readjustments and revaluations, the net result for the public financial corporation (PFC) and public non-financial corporation (PNFC) sectors were deficits of \$3.5 billion and \$13.1 billion respectively. The overall net result for the State of Victoria, which combines all three sectors, was a \$6.2 billion deficit.

Departments are increasingly developing artificial intelligence (AI) tools to assist in streamlining processes and service delivery. The Department of Government Services (DGS) is preparing guidance documents on its safe and secure use for the Victorian public sector.

In reviewing the initiatives put in place to address the essential workforce shortages experienced in Victoria during and immediately following the pandemic, the Committee found:

- The number of registered teachers and teachers employed in the Government teaching service has increased.

- Victoria Police continues to experience workforce recruitment and retainment challenges in 2024–25.
- While measures to increase the training, recruitment and employment of nurses and ambulance officers has been successful, the delivery of various health services including in aged care assessment, alcohol and drug counselling, child dental programs and emergency mental health treatment continues to be impacted by ongoing workforce shortages.

Chapter 3: Department of Health

The Department of Health (DH) develops and delivers policies, programs and services that support, protect and enhance the health, wellbeing and safety of all Victorians. In 2024–25, the Department’s output budget was \$27.2 billion and it spent \$30.5 billion, an 11.9% variance. It achieved 52% of its performance measures published in its Annual Report.

DH ran Victoria’s first pill-testing trial in 2024–25 with the aim of reducing drug harm and drug-related emergency department admissions. DH reported there were several benefits related to the implementation of the trial at music festivals and at the fixed-site service in Fitzroy. The Committee recommends that DH undertake a review of the pill-testing trial when it is completed and make the findings publicly available.

In 2024–25, DH received two tranches of post-budget funding—\$1.5 billion aimed to stabilise hospital funding due to increased costs over several years, and a further \$1.5 billion to finalise hospitals’ budgets for the financial year. The operating results of Victoria’s hospitals and health services in 2024–25 show that the overall size of the deficit in the sector decreased when compared to 2023–24, but the number of services with a deficit increased. DH is currently undertaking activities aimed at longer-term financial stabilisation and reform for the public hospital and healthcare sector. The Committee recommends that DH endeavour to better estimate hospital budgets in future and finalise those costs through the State Budget process. The Committee further recommends that for any Treasurer’s Advance (TA) or contingency, DH report the amount allocated to each hospital and/or health service in its annual report to promote transparency.

There was an increase in the number of occupational violence incidents reported by Victoria’s health services and Ambulance Victoria in 2024–25 compared to the previous year. DH, individual health services and Ambulance Victoria continued to take steps to reduce occupational violence in the financial year. The Committee found that performance related to reducing the incidence of occupational violence did not form part of the health services performance framework in 2024–25. The Committee recommends that DH publicly report occupational violence data from all Victorian healthcare services by individual health service and in an aggregate form each year to better demonstrate how hospitals and health services are performing in this area.

Chapter 4: Department of Education

The Department of Education's (DE) vision is a great education for every child and young person—so they can thrive now, and in the future, for a fairer, smarter and more prosperous state. In 2024–25, the Department's output budget was \$16.8 billion and it spent \$17.4 billion, a 3.5% variance. It achieved 75% of its performance measures published in its Annual Report.

In 2024–25, the Department continued the rollout of *Disability Inclusion* reform, with all government schools coming under the new funding and support model by the end of the financial year. DE advised there were several indicators of success of the reform, including feedback from teachers, a better understanding from teachers about disability inclusion and several formal evaluations undertaken by the Department. The Committee recommends DE publish the four-year evaluation of *Disability Inclusion* on its website.

In late June 2025, it became publicly known that Victoria Police was investigating several alleged sexual assaults of children attending Victorian childcare centres. The Government commissioned a rapid review in July 2025 and instituted several changes to early childhood education and care (ECEC) regulation. In 2024–25, DE was responsible for ECEC regulation through its Quality Assessment and Regulation Division (QARD). QARD data show that both complaints to the regulator, and serious incidents per 100 ECEC service grew over the last 10 years. DE also met two of its three ECEC regulation performance measures in 2024–25, due to QARD prioritising service inspections. As QARD has not released data for 2024 and 2025, the Committee recommends DE do so.

During the financial year DE commissioned the *Review into administrative and compliance activities in Victorian government schools*. It made several recommendations regarding how to better support school staff in making administrative and compliance workloads more manageable. DE currently has several programs that look to reduce the administrative burden on teachers.

Chapter 5: Department of Justice and Community Safety

The Department of Justice and Community Safety (DJCS) leads the delivery of justice and community safety services in Victoria. In 2024–25, the Department's output budget was \$9.6 billion and it spent \$10.9 billion, a variance of 13.5%. It achieved 51% of its performance measures published in its Annual Report.

The Department's Emergency Management Capability output exceeded its budget by 33.5% (\$568.6 million) in 2024–25. The Emergency Management Capability output has exceeded its budget each year since 2013–14, but the size of this variance has increased in recent years. This reflects the Government's approach of allocating base funding for facilities and equipment and supplementary funding through TAs to cover the cost of responding to emergency events.

Reforms to Victoria's bail laws were introduced in March 2025 to make the granting of bail more restrictive, and by May 2025 the number of people on remand in adult and youth corrections facilities had increased. In 2024–25, the number of adult and young individuals under community corrections orders fell, which DJCS attributed to the new bail laws. To manage the increased number of individuals in the prison system, there has been a net increase of 392 beds, with 748 more to be opened by early 2026.

Victoria Police operates cells where people can be detained while awaiting court appearances, interviews and hearings. The Committee asked for information about the number of people held for more than 14 days in police cells, and the number 'decanted' between police cell locations. DJCS advised that, in 2024–25, 58 people completed their entire sentence in police cells and 94 people were held in police cells for more than 14 days. The Committee recommended that DJCS and Victoria Police publish data about time spent in police cells.

Chapter 6: Department of Transport and Planning

The Department of Transport and Planning (DTP) is responsible for planning, building, operating and maintaining Victoria's transport, planning and land services. In 2024–25, the Department's output budget was \$8.8 billion and it spent \$9.5 billion, a variance of 7.4%. It achieved 64% of its performance measures published in its Annual Report.

DTP took over responsibility for delivery and coordination of *Victoria's Housing Statement* from the Department of Premier and Cabinet in 2024–25. To help increase housing supply, DTP is streamlining approvals for housing construction through the *Development Facilitation Program* (DFP), with over 7,000 homes approved through the program and six dwellings completed following approvals through DFP pathways since the release of the *Victorian Housing Statement*. While data show that fewer dwellings were completed in Victoria in 2024–25 than any year since 2014–15, more dwellings were completed in Victoria than in any other state in the financial year. The Committee makes several recommendations relating to transparency and reporting around DTP's role in increasing housing supply.

In 2024–25, DTP met a majority of its performance measure related to road maintenance. Targets were not met for major road area patched in outer metropolitan Melbourne and regional Victoria, due to a re-oriented focus on long-lasting treatments. DTP met two of its three targets for road resurfaced or rehabilitated and it met all of its targets for road length meeting cracking, roughness and rutting standards.

DTP is leading the whole-of-government delivery of *Plan for Victoria* priority precincts, which includes Fishermans Bend and Arden. The construction of homes in the Fishermans Bend precinct is tracking ahead of projections. Some elements of precinct development have been delayed, and DTP has not provided timelines for delivery of public transport connections in the precinct. The Committee recommends DTP publish specific timeframes for proposed public transport connections to Fishermans Bend. For the Arden precinct, work progressed during 2024–25 with bidders shortlisted to develop Arden Central. DTP is developing performance monitoring to track dwelling approvals and construction in Priority Precincts but has not yet implemented it.

Chapter 7: Department of Families, Fairness and Housing

The Department of Families, Fairness and Housing's (DFFH) mission is 'safe and supported children and families, in stable homes and strong communities'. In 2024–25, the Department's output budget was \$5 billion and it spent \$6.4 billion, a 28.3% variance. DFFH achieved 73% of its performance measures published in its Annual Report.

There is an overlap between children and young people in the child protection system and in the youth justice system in Australia. As of June 2025, there were 155 children in both the child protection system and youth justice system.

In 2024–25, DFFH undertook extensive work to tackle exploitation of children in the child protection system. Incidents of sexual exploitation and sexual abuse in child protection have decreased from 2023–24.

DFFH was provided \$12.4 million to support all public housing relocation projects of public housing tenants in 2024–25. Between late 2023 and July 2025, DFFH relocated approximately 625 public housing households of over 1,000 households in five tower locations.

Chapter 8: Department of Jobs, Skills, Industry and Regions

The Department of Jobs, Skills, Industry and Regions (DJSIR) is responsible for growing Victoria's prosperity, building the productive capacity of the State's economy and increasing participation. In 2024–25, the Department's output budget was \$4.5 billion and it spent \$4.4 billion, a variance of 1.9%. DJSIR achieved 74% of its performance measures published in its Annual Report.

In 2024–25, DJSIR delivered an initiative that boosted access to Free TAFE and training services, and it also continued to deliver the *Free TAFE Literacy and Numeracy Support Program* (LNSUPPORT). The Free TAFE initiative was a contributing factor to an increase in rates of TAFE student satisfaction and an increase in commencements in the LNSUPPORT program. There was also an increase in completion rates for government subsidised apprenticeship courses in 2024–25, which was attributed to increased investment in support services for apprentices.

DJSIR invested in expansion of the artificial intelligence (AI) sector in 2024–25. This included five data centre projects receiving a planning permit, a grant to La Trobe University for the Australia Centre for AI in Medical Intervention and continuation of the Digital Jobs Program. On 27 November 2025, the Victorian Government announced a \$5.5 million *Sustainable Data Centre Action Plan* to support the establishment of new data centres.

Chapter 9: Department of Energy, Environment and Climate Action

The Department of Energy, Environment and Climate Action (DEECA) is responsible for Victoria's energy and resources, environment, water, and agriculture sectors, as well as leading work on climate action. In 2024–25, the Department's output budget was \$2.4 billion and it spent \$3.2 billion, a variance of 29.6%. It achieved 68% of its performance measures published in its Annual Report.

In 2024–25, DEECA progressed Victoria's transition to renewable energy to achieve legislated targets in the *Renewable Energy (Jobs and Investment) Act 2017* (Vic). Planning for electricity transmission lines progressed through VicGrid's development of the *2025 Victorian Transmission Plan*. DEECA progressed planning for offshore wind energy but is yet to finalise what ports will be used. As a result, the Government will not be able to meet its legislated target of 2 gigawatts of offshore wind energy generation by 2032.

Commercial native timber harvesting in Victoria ended in January 2024. In 2024–25, DEECA began managing an additional 1.8 million hectares of state forest that was previously managed by VicForests. The Committee recommends that DEECA review its performance measures and targets related to biodiversity, forest management and fire and emergency management to ensure they continue to remain appropriate for the increased area of forest being managed by the Department.

During 2024–25, DEECA responded to emergencies including an avian influenza outbreak and bushfire. It used a surge workforce to successfully respond to the avian influenza outbreak and redirected additional staff resources to bushfire response and extended fuel management activities. As a result, three performance targets were not met.

Chapter 10: Court Services Victoria

Court Services Victoria (CSV) is an independent statutory body established to provide administrative services and facilities to support Victorian courts, the Victorian Civil and Administrative Tribunal (VCAT), the Judicial College of Victoria and the Judicial Commission of Victoria. In 2024–25, CSV's output budget was \$813 million and it spent \$881.3 million, a variance of 8.4%. CSV achieved 28% of its performance measures published in its Annual Report.

In March 2025, the *Bail Amendment Act 2025* introduced bail reforms that led to increases in demand and costs in the Magistrates' Court. The reform affected court proceedings and court users, leading to more people spending time in custody while waiting for their case to be heard. CSV implemented two initiatives to address the increased demand in the Magistrates Court—the remote remand court and Intensive Case Management List.

CSV continued to establish specialist family violence courts in 2024–25 with the retrofitting of three courts completed. Delivery of family violence courts at two other locations has, however, been delayed and project costs have increased due to an increased scope and building complexities.

Chapter 11: Department of Government Services

The Department of Government Services (DGS) aims to improve how Victorians and business engage with Government, and to accelerate digital transformation and corporate service reform across the Victorian public sector. In 2024–25, the Department’s output budget was \$541.7 million and it spent \$705.5 million, a variance of 30.2%. It achieved 67% of its performance measures published in its Annual Report.

In 2024–25, DGS continued to deliver the Service Victoria platform, which enables Victorians to access over 200 State Government services in one place. The number of services and features on the platform increased in 2024–25, with a related decrease in average cost per activity. Customer satisfaction with the Service Victoria platform has remained consistently high. Two services on the platform duplicate services provided by individual agencies. The cost of that duplication is not known. The Department completed lapsing program evaluations of Service Victoria and Single Digital Presence in 2024, but they are not publicly available and were not provided to the Committee for this inquiry, which limits transparency on the outcomes achieved by the programs.

Chapter 12: Department of Treasury and Finance

The Department of Treasury and Finance (DTF) provides economic, financial, infrastructure, industrial relations and commercial policy advice to help the Victorian Government deliver its policies. In 2024–25, the Department’s output budget was \$477.4 million and it spent \$459.3 million, a variance of 3.8%. It achieved 82% of its performance measures published in its Annual Report.

DTF established the Building and Plumbing Commission (BPC) in 2024–25, which will operate as an integrated building and insurance regulator for Victoria’s construction sector. It also forms part of the Government’s *Economic Growth Statement* initiative to reduce the number of regulators in Victoria by half. The Committee recommends that DTF publish its roadmap for regulator consolidation.

Victoria’s public financial corporation insurance agencies have experienced difficult operating conditions in recent years, leading to insurance premium increases to consolidate their financial position. In 2024–25, state insurers experienced higher-than-expected investment income, reflecting strong returns on their portfolios. Furthermore, the Victorian Managed Insurance Authority (VMIA) and WorkSafe Victoria both had improved insurance funding ratios (IFR) in 2024–25, which indicates an improvement in their long-term financial sustainability. In 2024–25, the VMIA and WorkSafe both had an IFR within their target range. The Transport Accident Commission had an IFR above its target range, reflecting the favourable financial conditions it has experienced in recent years.

Chapter 13: Department of Premier and Cabinet

The Department of Premier and Cabinet (DPC) leads whole of government policy and performance. In 2024–25, the Department's output budget was \$487.8 million and it spent \$576.2 million, a variance of 18.1%. DPC achieved 70% of the performance measures published in its Annual Report.

In 2024–25, DPC developed two five-year strategies to support international engagement with China and India respectively. DPC plans to evaluate the strategies at their conclusion. The Committee recommends that DPC publish any progress reviews and the conclusionary evaluations of the two strategies as they are conducted.

DPC published *Victoria's anti-racism strategy* in November 2024 to address faith-based discrimination. The Strategy was based on stakeholder consultations and data on the quantity, location and type of racism incidents in Victoria, to ensure DPC understood where to direct its services and which community organisations it should partner with. To implement the Strategy, DPC is funding projects through 30 community service organisations, and three departments and agencies. Improved data capture is part of the Strategy through a monitoring and evaluation framework.

DPC oversees Victoria's work in contributing to the targets in the National Agreement on Closing the Gap. Victoria's progress on the Closing the Gap targets is currently mixed. While DPC's role is primarily coordination and reporting, during 2024–25 it led the Government's work with Ngaweeyan Maar-oo (the formal implementation partner of the Closing the Gap National Agreement) and worked with Aboriginal Community-Controlled Organisations (ACCOs) to support their contribution to the Closing the Gap targets. That work included distributing funding for ACCO-led projects. The Committee recommends that DPC publish specific outcomes associated with grant funding provided through the Partnership Forum and outline how the work being funded has contributed to progressing toward Closing the Gap targets.

Chapter 14: Parliament

The Parliament of Victoria delivers apolitical services that support Victoria's elected representatives and the Parliament as an institution to ensure the proper, effective and independent functioning of the Parliament. In 2024–25, Parliament's output budget was \$228.4 million and it spent \$218.8 million, a variance of 4.2%. It achieved 97% of its performance measures.

In 2024–25 Parliament continued to improve on services provided to Members and electorate staff, progress its regional engagement activities and progress security upgrades on the Parliamentary precinct. This included improvements to the security of the Parliament House perimeter.

Findings and recommendations

1 Introduction

FINDING 1: The Committee has made several recommendations about reporting on affordable housing in priority precincts. In 2024–25, the Department of Transport and Planning did not have relevant objective indicators, performance measures or other reporting to reflect its progress in this area.

12

RECOMMENDATION 1: Government departments should provide a reason for declining to implement Committee recommendations related to additional or more detailed reporting. This should go beyond stating that existing reporting meets minimum requirements.

13

2 Whole of Government

FINDING 2: Step 1 of the Government’s fiscal strategy continued to be met in 2024–25, with the Victorian economy achieving real gross state product growth and strong labour market outcomes.

19

FINDING 3: Step 2 of the Government’s fiscal strategy, returning to an operating cash surplus, was achieved in 2022–23. Step 3, returning to operating surpluses, is expected to be achieved in 2025–26. The \$2.6 billion deficit for 2024–25 was \$1.6 billion less than the previous year.

19

FINDING 4: The Victorian Government is on track to deliver step 4: stabilising debt levels and step 5: reducing net debt as a percentage of gross state product, despite a lower-than-expected real gross state product growth rate of 1.1% in 2024–25, as the net debt result of \$150.9 billion was \$5.3 billion below the original 2024–25 Budget estimate.

20

RECOMMENDATION 2: At the end of every financial year, the Department of Treasury and Finance publish an annual statement on the level of Victoria’s economic growth as measured by real gross state product and detail how the result impacts the Government’s fiscal strategy, specifically steps 4 and 5. This should include how the economic results impact maintaining Victoria’s net debt at sustainable levels.

21

FINDING 5: The \$101.4 billion in revenue raised for the general government sector in 2024–25 was 8.9% (\$8.3 billion) more than the previous year. The increase was driven by extra grant payments from the Commonwealth Government and higher-than-expected land transfer duty. **22**

FINDING 6: Spending in the health, education and justice sectors over 2024–25 led to higher-than-expected results across the employee expenses, other operating expenses and other superannuation expenses line items. **24**

FINDING 7: Treasurer’s Advance payments worth \$10.9 billion were made in 2024–25, 6.2% (\$718 million) less than the previous year. Treasurer’s Advances related to contingency releases increased over the same time period, from \$7.6 billion to \$8.3 billion. **25**

FINDING 8: Infrastructure spending decreased in 2024–25 compared to previous years, with Government infrastructure investment worth \$23.5 billion in 2024–25, 3% (\$732 million) less than the previous year. The reduction reflects the finalisation of various Big Build projects over 2024–25. **27**

FINDING 9: Net debt for the general government sector at 30 June 2025 was \$150.9 billion. This was 13.2% (\$17.6 billion) more than the previous year but 3.4% (\$5.3 billion) less than the original Budget estimate. **28**

FINDING 10: The \$1.4 billion net deficit result from transactions in 2024–25 for the public financial corporation sector was a \$525 million improvement on the previous year’s result. A further \$2.1 billion in adjustments to the net result were made following sector revaluations, leading to an overall net result of a \$3.5 billion deficit. **29**

FINDING 11: Negative re-adjustments and devaluations relating to rail assets within the public non-financial corporation sector led to a net deficit result of \$13.1 billion for 2024–25. **29**

FINDING 12: The 2024–25 State of Victoria net result of a \$6.2 billion deficit was a 27% (\$2.3 billion) improvement of the previous year’s result, reflecting the general government sector’s improving net result performance. A further \$1.5 billion negative adjustment from the public financial corporation sector resulted in an overall \$7.7 billion deficit net result. **30**

FINDING 13: Departments are increasingly developing artificial intelligence tools to assist in streamlining processes and service delivery, as well as developing policies and frameworks relating to the safe and secure use of artificial intelligence technology. **31**

FINDING 14: A state-level tool applying the national artificial intelligence assurance framework, which the Victorian Government signed in July 2024, is currently under development by the Department of Government Services. In the meantime, the Department of Government Services has issued guidance documents for the use of generative artificial intelligence in the Victorian public sector. **32**

FINDING 15: Initiatives put in place by the Department of Education since 2022, which aimed to increase and retain Victoria's teaching workforce, have contributed to an increase in registered teachers and the number of teachers employed in the Government teaching service. Vacancies and advertised positions for teaching roles also declined over 2024–25. **35**

FINDING 16: Victoria Police continue to experience workforce recruitment and retainment challenges in 2024–25. **36**

FINDING 17: The recruitment and employment of nurses and ambulance officers has recovered after experiencing workforce shortages during the COVID-19 pandemic. However, various health services continue to experience workforce shortages, including in aged care assessment, alcohol and drug counselling, child dental programs and emergency mental health treatment. **38**

3 Department of Health

FINDING 18: In 2024–25, the Department of Health exceeded its original output budget by \$3.2 billion, or 11.9%. Limited explanations for this extra funding were provided in the Department's *Annual Report 2024–25*. **41**

RECOMMENDATION 3: The Department of Health provide more detailed information about total output cost variances in its *Annual Report 2025–26*. **41**

FINDING 19: The Department of Health received \$3.4 billion in Treasurer's Advance funding post-budget in 2024–25, representing an 83.6% increase on the previous year and the highest amount since the COVID-19 pandemic. **44**

FINDING 20: Victoria’s 18-month pill-testing trial was announced in June 2024. Since its inception it has reported several benefits including reduced drug related harm, changed behaviour related to drug taking and monitoring the market for new and dangerous substances.

47

RECOMMENDATION 4: Once the pill-testing trial is completed, the Department of Health undertake a review of the trial and make its findings, including information about future operations of the service, publicly available.

47

FINDING 21: As part of a longer-term period of financial stabilisation and reform, the Department of Health established 12 local health service networks and Hospitals Victoria, a new division within the Department.

48

FINDING 22: A majority (75%) of Victoria’s hospitals and health services reported operating deficits in 2024–25. While the size of the overall deficit decreased when compared to 2023–24, 23 health services or hospitals had a deficit that was larger than 5% of its revenue for the financial year.

49

FINDING 23: The Department of Health received \$1.5 million in Treasurer’s Advance contingency funding post-budget to finalise the budgets for Victoria’s hospitals in 2024–25.

50

RECOMMENDATION 5: In future financial years, the Department of Health endeavour to better estimate hospital budgets through their draft budgets and finalise these costs through the State Budget process.

50

RECOMMENDATION 6: The Department of Health to report the amount allocated to each hospital and/or health service for each Treasurer’s Advance or contingency release in its annual report.

51

FINDING 24: In 2024–25, states and territories continued negotiations with the Commonwealth Government for the next five-year National Health Reform Agreement, to run to 2030. The Department of Health listed financial outcomes of the negotiations as a key challenge to the Department in the financial year.

51

FINDING 25: Across Victoria’s health services, 25,000 incidents of occupational violence were reported in 2024–25. This represents a 25% increase when compared to 2023–24.

53

FINDING 26: Ambulance Victoria's reported occupational violence, hazard, incidents or injuries have increased year over year since 2021–22. In 2024–25, the number increased by 15.7% when compared to 2023–24.

53

FINDING 27: Performance related to incidence of, or reducing incidence of occupational violence in Victoria's health services and Ambulance Victoria did not form part of the health services performance framework in 2024–25.

55

RECOMMENDATION 7: The Department of Health publicly report occupational violence data from all Victorian healthcare services by individual health service and in an aggregate form each year.

55

4 Department of Education

FINDING 28: In 2024–25, the Department of Education completed 125 early childhood facility projects, 108 school upgrades and modernisation projects, and opened six new schools.

61

RECOMMENDATION 8: The Department of Education annually collect and publish data on the number of classrooms in government schools without air conditioning.

61

RECOMMENDATION 9: The Department of Education publish its four-year evaluation of *Disability Inclusion's* implementation on its website.

65

FINDING 29: Between 2013 and 2023, complaints to the Quality Assessment and Regulation Division of the Department of Education grew by 76.7%. The Department attributes this to growth in the sector and actions to encourage reporting.

67

FINDING 30: Serious incidents per 100 national quality framework early childhood education services have increased in Victoria by 52.3% between 2013 and 2024–25. In 2024–25, Victoria had the second lowest rate of incidents of all Australian jurisdictions.

67

RECOMMENDATION 10: The Department of Education publish Quality Assessment and Regulation Division performance, activities and regulatory outcomes information for 2024 and 2025 on its website.

68

FINDING 31: The Quality Assessment and Regulation Division prioritised conducting inspections of early childhood services over meeting report completion deadlines in 2024–25, and as a result it met two of its three performance measures. It did not meet its measure regarding average days taken to report and issue a notice of a quality rating.

69

FINDING 32: In 2024, there were 100 full-time equivalent authorised officers working for the Quality Assessment and Regulation Division, which was lower than other states. In response to the *Rapid Child Safety Review 2025*, the Department of Education received funding for an additional 60 authorised officers, which will allow for more effective regulation and higher performance in future years.

69

FINDING 33: The *Independent Review into administrative and compliance activities in Victorian government schools* was commissioned by the Department of Education in May 2024 and published in April 2025. It made seven findings and 28 recommendations as to how better support school staff in making administrative and compliance workloads more manageable.

71

FINDING 34: The Department of Education has four main initiatives to reduce the administrative and compliance burden on teachers. They are: the *Operational Teaching Assistant pilot*, the *School Administration Support Hub*, the *Small Schools Program* and the *Statewide Occupational Health and Safety Services Program*.

72

5 Department of Justice and Community Safety

FINDING 35: The Department of Justice and Community Safety exceeded its Emergency Management Capability output budget by 33.5% (\$578.6 million) in 2024–25. Additional funding was mainly provided to support Emergency Service Organisation operations and the costs associated with responding to emergency events.

80

FINDING 36: The Department of Justice and Community Safety has exceeded its Emergency Management Capability output budget since 2013–14, and since 2019–20 has exceeded its budget by over 20%. Between 2020–21 and 2024–25 several significant emergencies impacted Victoria, including the COVID-19 pandemic and floods, fires and storms.

81

FINDING 37: The Victorian Government's approach to budgeting for emergencies allocates base funding for facilities and equipment and supplementary funding through Treasurer's Advances to cover the costs associated with responding to fire, flood and storm emergency events.

82

FINDING 38: Victorian Emergency Service Organisations receive funding from Government via various streams, which are outlined in their annual report operating statements.

83

RECOMMENDATION 11: The Department of Justice and Community Safety explore ways to report on investments into Emergency Service Organisation appliances to demonstrate well maintained, fit-for purpose fleets, including detail on the safety, utility, age and effectiveness of emergency response appliances.

85

FINDING 39: The Department of Justice and Community Safety (DJCS) did not meet its target for the number of Country Fire Authority and Victorian State Emergency Services operational volunteers in 2024–25, however, DJCS maintains that the current volunteer count remains sufficient. It has not met its target for this performance measure in the last 10 years.

87

FINDING 40: In 2024–25, the Department of Justice and Community Safety delivered bail law reform, making the granting of bail in Victoria more restrictive. This has increased the number of adult and youth prisoners in the justice system held on remand.

90

FINDING 41: The Victorian Government has invested \$727 million in the *Community safety package* to increase capacity in adult and youth corrections facilities, in response to bail reforms enacted in 2024–25 and 2025–26. By early 2026, approximately 1,000 new beds were opened across the system. An increase in prisoners will mean an increase in cost to the State for corrections and youth justice.

90

FINDING 42: During 2024–25, 58 people completed their entire sentence in police cells and 94 people were held for over 14 days. Decants between police cells increased from eight to 43 between 2023–24 and 2024–25. There was additional pressure on police cells in 2024–25 due to justice system pressures resulting from changes to Victoria's bail laws in March 2025.

91

RECOMMENDATION 12: The Department of Justice and Community Safety and Victoria Police begin to publish data about police cells on a routine basis, including data on the time spent in police cells, how often this exceeds 14 days, the number of people serving full sentences in police cells and the number of decants that take place. This information should also include data around how many times court appearances were rescheduled, adjourned or delayed due to capacity constraints in police cells.

92

FINDING 43: The various youth justice programs implemented in Victoria demonstrate a comprehensive approach to addressing youth offending and recidivism through early intervention, community engagement and targeted support. The programs have shown positive outcomes in 2024–25, such as reductions in offending rates, increased successful completion of community-based orders and enhanced support for vulnerable cohorts.

94

6 Department of Transport and Planning

FINDING 44: The Department of Transport and Planning took over responsibility for delivery and coordination of *Victoria's Housing Statement* from the Department of Premier and Cabinet in 2024–25.

102

RECOMMENDATION 13: The Department of Transport and Planning report at least annually on progress towards the targets in *Victoria's Housing Statement*.

102

FINDING 45: Over 7,000 homes have been approved through the *Development Facilitation Program*. Since the release of the *Victorian Housing Statement*, six dwellings have been completed following approvals through *Development Facilitation Program* pathways, with 2,471 currently under construction.

104

RECOMMENDATION 14: The Department of Transport and Planning report quarterly on the average time taken to approve projects through the *Development Facilitation Program*, disaggregated by type of development.

104

FINDING 46: Fewer dwellings were completed in Victoria in 2024–25 than in any financial year since 2014–15. More dwellings were commenced in 2024–25 than in 2023–24, but this was fewer than in any other year since 2014–15.

106

FINDING 47: More dwellings were completed in Victoria than in any other state in 2024–25.

107

RECOMMENDATION 15: The Department of Transport and Planning report publicly the additional number of houses commenced and completed each quarter as a result of its initiatives and reforms to planning rules.

107

FINDING 48: The proportion of major infill development within 800 metres of an activity centre or train station reduced from 84% in 2023–24 to 80% in 2024–25. **107**

RECOMMENDATION 16: The Department of Transport and Planning or Department of Premier and Cabinet report regularly on the proportion of new housing that is built in established areas and in growth areas against the targets set in *Victoria's Housing Statement*. **107**

FINDING 49: The Department of Transport and Planning did not meet its targets for major road area patched in outer metropolitan Melbourne and regional Victoria in 2024–25 because it pivoted instead to more long-term treatment solutions. **109**

FINDING 50: The Department of Transport and Planning met two of its three targets for road resurfaced or rehabilitated. **110**

FINDING 51: The Department of Transport and Planning achieved all of its targets for road length meeting cracking, roughness and rutting standards. **111**

FINDING 52: The construction of homes in the Fishermans Bend precinct is tracking ahead of projections, but some elements of precinct development, such as improved public transport connections, have been delayed. **112**

FINDING 53: The *Fishermans Bend Integrated Transport Plan* describes plans for bus, tram and train connections to Fishermans Bend under three broad horizons, but does not provide specific timelines for their delivery. **113**

RECOMMENDATION 17: The Department of Transport and Planning provide specific timeframes for the public transport connections to Fishermans Bend that are proposed in the *Fishermans Bend Integrated Transport Plan*. **113**

FINDING 54: Stage 1 of the Department of Transport and Planning's Fishermans Bend Innovation Precinct capital project has been delayed by two years from quarter 4 2023–24 to quarter 4 2025–26. **113**

FINDING 55: Work to develop the Arden precinct progressed in 2024–25, with bidders shortlisted to develop Arden Central. **114**

FINDING 56: The Department of Transport and Planning is developing performance monitoring to track dwelling approvals and construction in Priority Precincts but has not yet implemented it.

115

7 Department of Families, Fairness and Housing

FINDING 57: As at 30 June 2025, there were 155 children concurrently in the child protection system and the youth justice system in Victoria.

123

FINDING 58: The Department of Families, Fairness and Housing undertook significant work to tackle sexual exploitation of children in the child protection system in 2024–25. Confirmed incidents of sexual exploitation decreased from the year prior. The Department also participated in a three-year, multiagency and interjurisdictional review of its work that concluded in December 2025.

124

FINDING 59: The number of children involved in a sexual abuse allegation across the child protection and family services system decreased in 2024–25 by 2.3% from the year prior. The Department of Families, Fairness and Housing has conducted work to prevent the sexual abuse of children in the child protection system.

125

FINDING 60: In 2024–25, the Department of Families, Fairness and Housing utilised \$6.2 million of an allotted \$12.4 million to support residents' relocations from a number of public housing towers as part of the high-rise redevelopment program. Between late 2023 and July 2025, approximately 625 households (out of 1,063 households in the five tower locations) were relocated.

127

FINDING 61: Parentline closed in October 2025, after operating for 26 years. Other services exist that parents can access for support.

128

8 Department of Jobs, Skills, Industry and Regions

FINDING 62: In 2024–25, the Department of Jobs, Skills, Industry and Regions received \$730.9 million in Treasurer's Advances.

133

FINDING 63: In 2024–25, satisfaction rates from TAFE students rose to 87.2%, in part due to initiatives from the Department of Jobs, Skills, Industry and Regions such as the *Free TAFE Literacy and Numeracy Support Program*.

136

FINDING 64: Commencements in the *Free TAFE Literacy and Numeracy Support Program* grew by 344.8% in 2024–25, demonstrating high demand for foundational skills training to accompany the commencement of students chosen qualification. **136**

FINDING 65: In 2024–25, completion rates for apprentices grew by 5.3% over the six-year completion rate period when compared to 2023–24. The Department of Jobs, Skills, Industry and Regions attributes this to increased investment in support services for apprentices, particularly in their first year of commencement. **137**

FINDING 66: The Department of Jobs, Skills, Industry and Regions launched three new support resources for apprentices in 2024–25: the *Apprentice Helpdesk*, the *Apprentice Employee Assistance Program* and the *Apprentice Mental Health Training Program*. The initiatives have been developed to provide wraparound support services for apprentices throughout their training. **138**

FINDING 67: On 27 November 2025, the Victorian Government announced a \$5.5 million *Sustainable Data Centre Action Plan* to support the establishment of new data centres in Victoria and an \$8.1 million *Digital Jobs – AI Career Conversion* program will also be launched to upskill workers to transition to AI roles. **140**

9 Department of Energy, Environment and Climate Action

FINDING 68: In 2024–25, VicGrid undertook stakeholder consultation to inform the Victorian Transmission Plan (VTP) Guidelines and Renewable Energy Zone study area map and the draft VTP. The draft VTP was released in May 2025 and the final version, the *2025 Victorian Transmission Plan*, was released in August 2025. **147**

FINDING 69: There is some community resistance to implementation of VicGrid's *2025 Victorian Transmission Plan*, in part due to pre-existing opposition to the Victoria to New South Wales Interconnector West project and Western Renewables Link project. Further resistance could pose a risk to timely delivery of future transmission projects. **148**

FINDING 70: During 2024–25 the Department of Energy, Environment and Climate Action made progress on delivering offshore wind energy in the Gippsland area by preparing an access licence for developers, scoping port options, continuing work on auction design, and commencing the procurement process to engage a delivery partner for the offshore wind energy transmission line. **149**

FINDING 71: As of 30 June 2025, the Department of Energy, Environment and Climate Action has not finalised the port options for developing offshore wind energy and the auction to procure developers is subsequently delayed. **150**

FINDING 72: In 2024–25, the Department of Energy, Environment and Climate Action began regenerating the state forests previously subject to commercial timber harvesting by re-seeding 354 hectares for forest and securing services for future seed collection and services. **151**

FINDING 73: In 2024–25, the Department of Energy, Environment and Climate Action assumed responsibility for the restoration and ongoing management of 1.8 million hectares of state forest released from commercial timber harvesting. **152**

RECOMMENDATION 18: Prior to the next State Budget, the Department of Energy, Environment and Climate Action review its performance measures and targets related to biodiversity, forest management and fire and emergency management to ensure they are appropriate for the increased area of forest being managed by the Department. **152**

FINDING 74: The Department of Energy, Environment and Climate Action has increased its contractor workforce capacity for forest and fire management services by transitioning former VicForests harvest contractors into its workforce and engaging harvest and haulage contractors in its External Plant Panel. **153**

FINDING 75: The resources required by the Department of Energy, Environment and Climate Action to respond to the avian influenza outbreak affected its service delivery in other areas, directly contributing to the target not being met for one performance measure: ‘Animal pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets’. **154**

FINDING 76: The Department of Energy, Environment and Climate Action used a surge workforce to successfully respond to and control the 2024–25 high pathogenicity avian influenza outbreak, with lessons learned about how to improve interoperability during future biosecurity incidents. **155**

FINDING 77: In 2024–25, two performance measures under the Department of Energy, Environment and Climate Action’s Fire and Emergency Management output were not met for the first time in a decade due to the diversion of resources to bushfire preparedness and response activities. **156**

FINDING 78: The Department of Energy, Environment and Climate Action receives funding based on the risk profile for delivery of bushfire preparedness activities and acquisition of aviation resources.

156

10 Court Services Victoria

FINDING 79: In March 2025, the *Bail Amendment Act 2025* introduced bail reforms that have increased demand and costs in the Magistrates' Court and have impacted court proceedings and court users.

163

FINDING 80: Court Services Victoria has implemented two initiatives—the remote remand court and Intensive Case Management List—to address increased demand in the Magistrates' Court resulting from changes to the *Bail Act 1997*.

164

FINDING 81: In 2024–25, Court Services Victoria established three new specialist family violence courts following the retrofitting of the Latrobe, Sunshine and Ringwood Courts.

164

FINDING 82: Delivery of specialist family violence court infrastructure at Broadmeadows and Geelong courts has been delayed until quarter 4 of 2025–26 due to increased scope and complexities between building expansion and existing infrastructure. The total estimated investment for this project has also increased from \$35 million at announcement to \$73.9 million as at 30 June 2025.

165

11 Department of Government Services

RECOMMENDATION 19: When explaining variances in performance measure results in its annual reports, the Department of Government Services outline the reasons for changes in demand.

171

FINDING 83: The Department of Government Services performed well against its performance measures for a number of activities on the Services Victoria platform, average cost per activity and customer satisfaction in 2024–25.

174

FINDING 84: Services available through Services Victoria duplicate two services provided by VicRoads and Ambulance Victoria. The cost of this duplication is not known.

174

12 Department of Treasury and Finance

FINDING 85: The Government announced the establishment of a single building industry regulator, the Building and Plumbing Commission, after a series of independent oversight investigations into building industry regulation, dispute resolution and the administration of domestic building insurance. These investigations found unsatisfactory customer complaints handling processes within the Victorian Managed Insurance Authority and legislative and regulatory failures at the Victorian Building Authority.

182

FINDING 86: The formation of the Building and Plumbing Commission is intended to address previous regulatory and consumer protection failures identified in Victoria's building industry. It offers a 'single front door' for users of the sector and is intended to remove duplication, reduce red tape for business and assist consumers with complaints in holding practitioners to account.

182

FINDING 87: The creation of the Building and Plumbing Commission forms part of the Government's *Economic Growth Statement* initiative to reduce the number of regulators in Victoria by half. The Government has outlined further regulatory consolidation across the food, business, legal and professional services, outdoor recreation and environmental protection sectors to meet their reduction target.

183

RECOMMENDATION 20: The Department of Treasury and Finance publish the roadmap for regulator consolidation as part of the 'halve the number of business regulators by 2030' initiative in the Government's *Economic Growth Statement*.

183

FINDING 88: The state insurers experienced higher-than-expected investment income in 2024–25 reflecting strong returns on their portfolios managed by the Victorian Funds Management Corporation. This followed a period of difficult trading conditions for the Victorian Managed Insurance Authority and WorkSafe, including increases to the number of claims and claims costs, leading to premium increases in 2023–24 and 2024–25.

184

FINDING 89: The insurance funding ratios for the Victorian Managed Insurance Authority and WorkSafe Victoria improved in 2024–25 after decreases to their respective insurance funding ratios in recent years, reflecting high levels of claims and claims cost increases.

186

13 Department of Premier and Cabinet

FINDING 90: During 2024–25, the Department of Premier and Cabinet developed and published the India Strategy and the China Strategy. Both strategies have five-year outlooks and will be reviewed at their midpoints and upon their conclusion. **193**

RECOMMENDATION 21: The Department of Premier and Cabinet publish the progress reviews and conclusionary evaluations of the China and India strategies as they are conducted. **193**

FINDING 91: In developing Victoria’s anti-racism strategy before its publication in November 2024, the Department of Premier and Cabinet analysed data that showed the quantity, location and type of incidents of racism occurring in Victoria. Broadly speaking, Victorians are more likely to experience racism in metropolitan Victoria compared to regional Victoria. **195**

FINDING 92: To implement *Victoria’s anti-racism strategy*, the Department of Premier and Cabinet is funding projects through 30 community organisations (35% of which are First Peoples organisations) and three departments and agencies. The outcomes of the strategy will be demonstrated through a monitoring and evaluation framework, which is currently being developed. **196**

FINDING 93: The Department of Premier and Cabinet stated that Victoria’s progress on the Closing the Gap targets is currently mixed. Some areas have shown improvement since the 2016 baseline indicators and are on track to meet their goals by 2031, while other areas have shown limited improvement in that timeframe, and are not on track. **197**

FINDING 94: In 2024–25, the Department of Premier and Cabinet provided \$5.4 million in total funding to Aboriginal Community Controlled Organisations (ACCO) to improve outcomes related to Closing the Gap target areas and to strengthen the ACCO sector. **199**

RECOMMENDATION 22: The Department of Premier and Cabinet publish specific outcomes associated with the grant funding provided through the Partnership Forum in its Aboriginal Affairs Reports and outline how the work being funded has contributed to progressing toward Closing the Gap targets. **199**

Acronyms and terms

ABS	Australian Bureau of Statistics
ACCO	Aboriginal Community Controlled Organisation
AI	Artificial intelligence
AV	Ambulance Victoria
CEO	Chief Executive Officer
CFA	Country Fire Authority
COBRA	Council on Bail, Rehabilitation and Accountability
CPI	Consumer Price Index
CSV	Court Services Victoria
DBDRV	Domestic Building Dispute Resolution Victoria
DBI	Domestic building insurance
DE	Department of Education
DEECA	Department of Energy, Environment and Climate Action
DFFH	Department of Families, Fairness and Housing
DGS	Department of Government Services
DH	Department of Health
DJCS	Department of Justice and Community Safety
DJSIR	Department of Jobs, Skills, Industry and Regions
DPC	Department of Premier and Cabinet
DPS	Department of Parliamentary Services
DSCV	Dispute Settlement Centre of Victoria
DTF	Department of Treasury and Finance
DTP	Department of Transport and Planning
EBA	Enterprise Bargaining Agreement
ECEC	Victorian early childhood education and care
ESO	Emergency Service Operators
FRD	Financial Reporting Directions
FRV	Fire Rescue Victoria
FTE	Full-time equivalent
GDP	Gross domestic product
GGS	General government sector
GII	Government infrastructure investment
GSP	Gross state product
GW	Gigawatts

ICML	Intensive Case Management List
ICT	Information and communication technology
IFR	Insurance funding ratio
LGI	Local Government Inspectorate
LSEC	Local Site Executive Committee
MC	Magistrates' Court
NHRA	National Health Reform Agreement
PDH	Porter Davis Homes
PFC	Public financial corporation
PNFC	Public non-financial corporation
QARD	Quality Assessment and Regulation Division
RBA	Reserve Bank of Australia
RMF	Resource Management Framework
TA	Treasurer's Advance
TAC	Transport Accident Commission
TAFE	Technical and Further Education
TEI	Total estimated investment
TZV	Triple Zero Victoria
VAGO	Victorian Auditor-General's Office
VBA	Victorian Building Authority
VCAT	Victorian Civil and Administrative Tribunal
VEOHRC	Victorian Equal Opportunity and Human Rights Commission
VicSES	Victorian State Emergency Service
VLA	Victorian Legal Aid
VMIA	Victorian Managed Insurance Authority
VNI West	Victoria to NSW interconnector West
VO	Victorian Ombudsman
VPS	Victorian Public Service
WRL	Western Renewables Link

Chapter 1

Introduction

1.1 Background

The Inquiry into the Financial and Performance Outcomes (FPO) is conducted by the Public Accounts and Estimates Committee at the completion of each financial year on behalf of the Parliament. The Committee assesses how effective and efficient the public sector was in delivering budgeted initiatives and infrastructure investments. The FPO inquiry complements the Committee's annual inquiry into the budget estimates by assessing what the Government achieved and comparing these results with what it planned to achieve as set out in the budget papers.

This report presents the Committee's analysis, findings and recommendations regarding the Government's financial and performance outcomes for 2024–25. Over the financial year, general government sector (GGS)¹ expenses totalled \$104 billion.² Another \$23.5 billion was invested in infrastructure (capital works).³

1.2 Objectives

The aim of the Committee's Inquiry is to benefit the Parliament and the community by:

- promoting the accountability of Victorian Government departments and agencies
- improving the transparency and clarity in the reporting of public sector performance
- identifying the challenges and key issues managed by departments and agencies and how well they were managed
- providing more meaningful information about the outcomes delivered by the public sector in 2024–25, how outcomes compared to targets and how government activity and expenditure benefited the Victorian community.

1.3 The Inquiry process

A questionnaire was sent to all departments and their agencies, Court Services Victoria (CSV) and the Parliament prior to the public hearings to assist the Committee with its deliberations. Topics in the questionnaire included:

¹ The GGS is made up of departments and agencies that are controlled and largely financed by the Government. The GGS is primarily responsible for the delivery of government policy as set out in the annual budget. Source: Department of Treasury and Finance, *State financial data sets*, 2026, <<https://www.dtfvic.gov.au/state-financial-data-sets>> accessed 19 February 2026.

² Department of Treasury and Finance, *2024–25 Financial Report*, Melbourne, 2025, p. 8.

³ *Ibid.*, p. 3.

- programs that delivered the most important outcomes in the community and programs that did not deliver their intended outcomes
- utilisation of Treasurer’s Advances (TAs) and why TAs were required
- cost, completion and scope changes to capital projects
- explanations for any variances in revenue and expenses compared to the Budget and previous years.

The Committee held public hearings from 24 to 28 November 2025 with the Secretaries and senior officials from all departments, the Chief Executive Officer of CSV and the heads of the three Parliamentary Departments. In preparing this report, the Committee primarily used evidence from the public hearings, responses to questions taken on notice, annual reports and questionnaire responses. Information gathered during the Inquiry is published on the Committee’s website.⁴

The Committee’s inquiry website recorded significant engagement during and after hearings, with 28,000 unique views from November 2025 to February 2026. Questionnaire responses were downloaded 900 times. The Committee’s hearings were also broadcast live. There were 13,000 unique views of the hearings and 78,000 plays of the live broadcast for the week of hearings.⁵

Under the *Financial Management Act 1994* (Vic), Victorian Government departments and public bodies have annual reporting obligations.⁶ Annual reports prepared by departments and public bodies must be tabled in Parliament within four months of the end of the financial year and include:

- the budget portfolio outcomes comparing the actual financial outcomes against the initial budget estimates contained in Budget Paper No. 5
- audited financial statements prepared in accordance with Australian Accounting Standards and relevant financial reporting directives
- a report of operations.⁷

Annual reports are a key accountability mechanism as they provide data and analysis to the Parliament and community on whether departments have met their annual and medium-term goals and objectives and performance targets.

The FPO inquiry process is illustrated below.

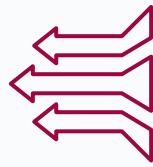
⁴ Parliament of Victoria, *Inquiry into the 2024–25 Financial and Performance Outcomes*, 2026, <<https://www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-the-2024-25-financial-and-performance-outcomes>> accessed 9 February 2026.

⁵ Internal reporting data.

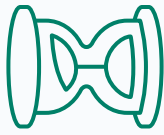
⁶ Department of Treasury and Finance, *2024–25 Model Report for Victorian Government Departments: Part One*, Melbourne, May 2025, p. 5.

⁷ *Ibid.*, pp. 4–6, 24.

The financial and performance outcomes process



Outcomes can include improvements to annual reports, including performance reporting, governance processes, financial reporting, public sector effectiveness and efficiency and better outcomes for the community



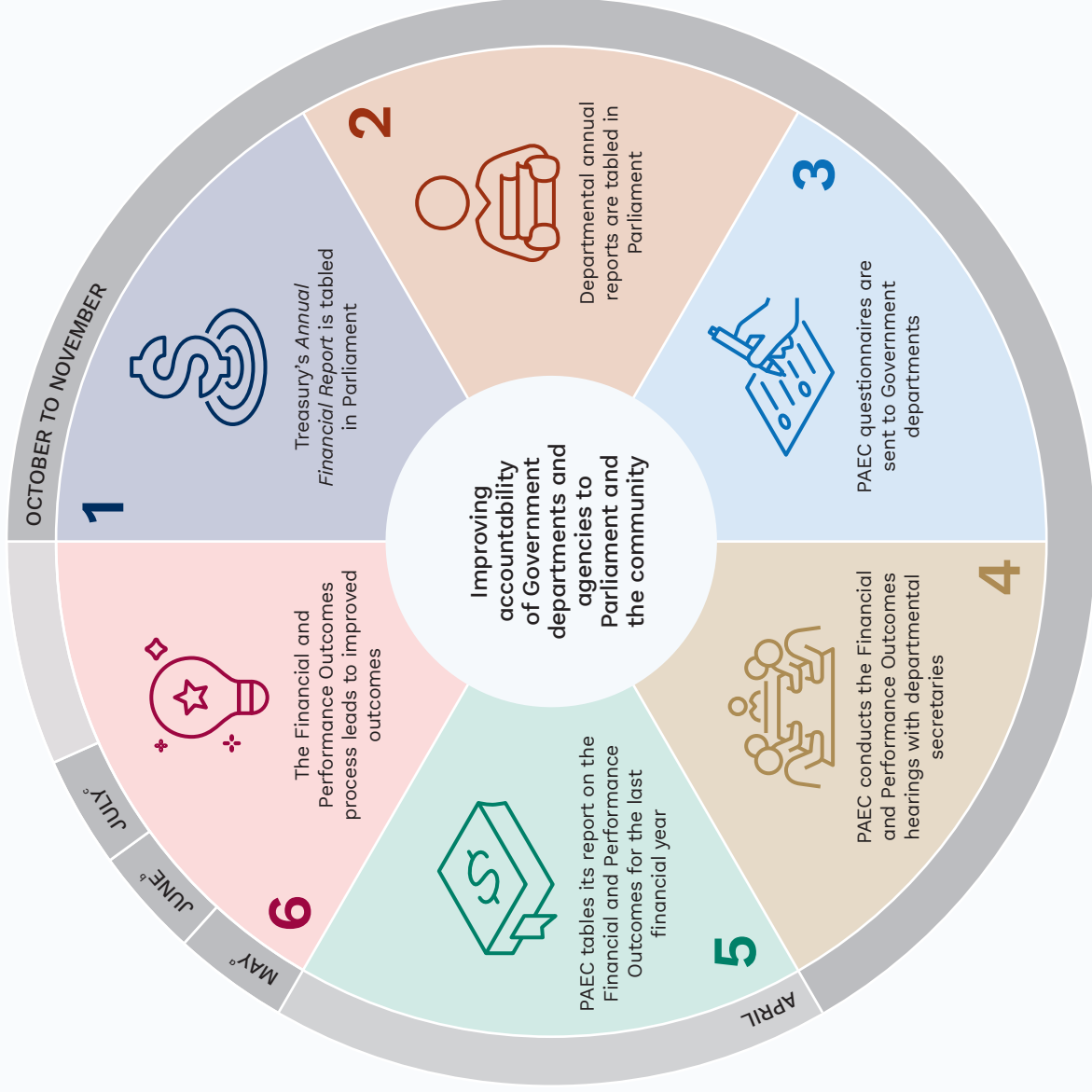
The Government must table a response to PAEC's recommendations within six months



PAEC's report contains recommendations directed at improved transparency and clarity in the reporting of public sector finances and performance



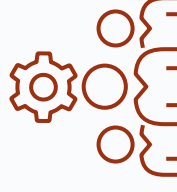
At the public hearings, PAEC asks the departmental secretaries questions about the outcomes of their department's activities over the last financial year



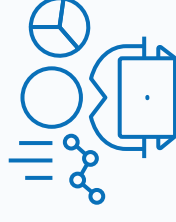
Treasury's Annual Financial Report tells Parliament about the financial transactions and financial position of the State compared to the budget



The Victorian Auditor-General's audit of the Annual Financial Report is tabled in Parliament



Departmental annual reports provide an overview of the performance and financial operations of a department for the last financial year



Departments respond to PAEC's questionnaire, which asks for information about expenditure and revenue, and outcomes achieved during the last financial year

1.4 Key findings of the report

1.4.1 Overall economic performance

In 2024–25:

- Victoria’s economy continued to grow, but the rate of gross state product (GSP) growth (1.1%) was lower than estimated in the Budget (2.5%)⁸
- unemployment increased from 4% to 4.4%⁹
- inflation fell to 2.4%¹⁰
- wage growth (3.3%) exceeded inflation for the first time since the COVID-19 pandemic¹¹
- Victoria’s population grew by 1.8%, which was lower than the previous two years due to a reduction in net overseas migration.¹²

In the GGS:

- the net result from transactions improved from a \$4.2 billion deficit in 2023–24 to a \$2.6 billion deficit in 2024–25¹³
- net debt grew by 13.2% to \$150.9 billion, reflecting borrowings to fund the Government’s capital program.¹⁴

The economic and budgetary outcomes for 2024–25 mean the Government remains on track to deliver on its five step fiscal strategy. The lower-than-expected GSP growth may impact the strategy’s step 5: reducing the ratio of net debt to GSP. Therefore, the Committee recommends the Department of Treasury and Finance (DTF) publish an annual statement addressing Victoria’s GSP growth and how this may impact the fiscal strategy, specifically steps 4 and 5 relating to reducing net debt.

1.4.2 Financial performance

In 2024–25, departments faced expenditure pressures. All departments except DTF and the Parliamentary Departments exceeded their budgeted expenditure.

⁸ Department of Treasury and Finance, *2025–26 Budget Update*, Melbourne, 2025, p. 10; Department of Treasury and Finance, *Budget Paper No. 2: 2024–25 Strategy and Outlook*, Melbourne, 2024, p. 18.

⁹ Department of Treasury and Finance, *Macroeconomic Data 2025–26 Budget Update*, December 2025, <<https://www.dtf.vic.gov.au/macroeconomic-indicators>> accessed 10 December 2025.

¹⁰ Department of Treasury and Finance, *2024–25 Financial Report*, Melbourne, 2025, p. 2.

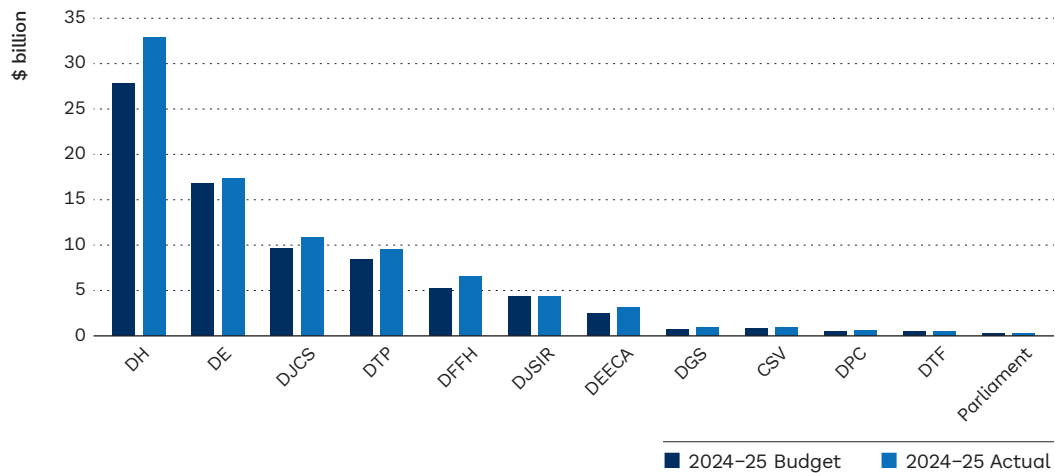
¹¹ Ibid.

¹² Ibid.; Department of Treasury and Finance, *Macroeconomic Data 2025–26 Budget Update*; Australian Bureau of Statistics, *National, state and territory population*, 18 December 2025, <<https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/latest-release>> accessed 19 December 2025.

¹³ Department of Treasury and Finance, *2024–25 Financial Report*, p. 6.

¹⁴ Ibid., pp. 3, 6.

Figure 1.1 Most departments’ actual expenses exceeded their budgeted expenses



Source: Committee analysis of departments’ 2024-25 annual reports.

The Department of Health (DH) exceeded its budget by \$5 billion (17.9%), recording the highest absolute overspend, while the Department of Energy, Environment and Climate Action’s (DEECA) overspend of \$740 million was the highest in relative terms—30.4% higher than budgeted.¹⁵

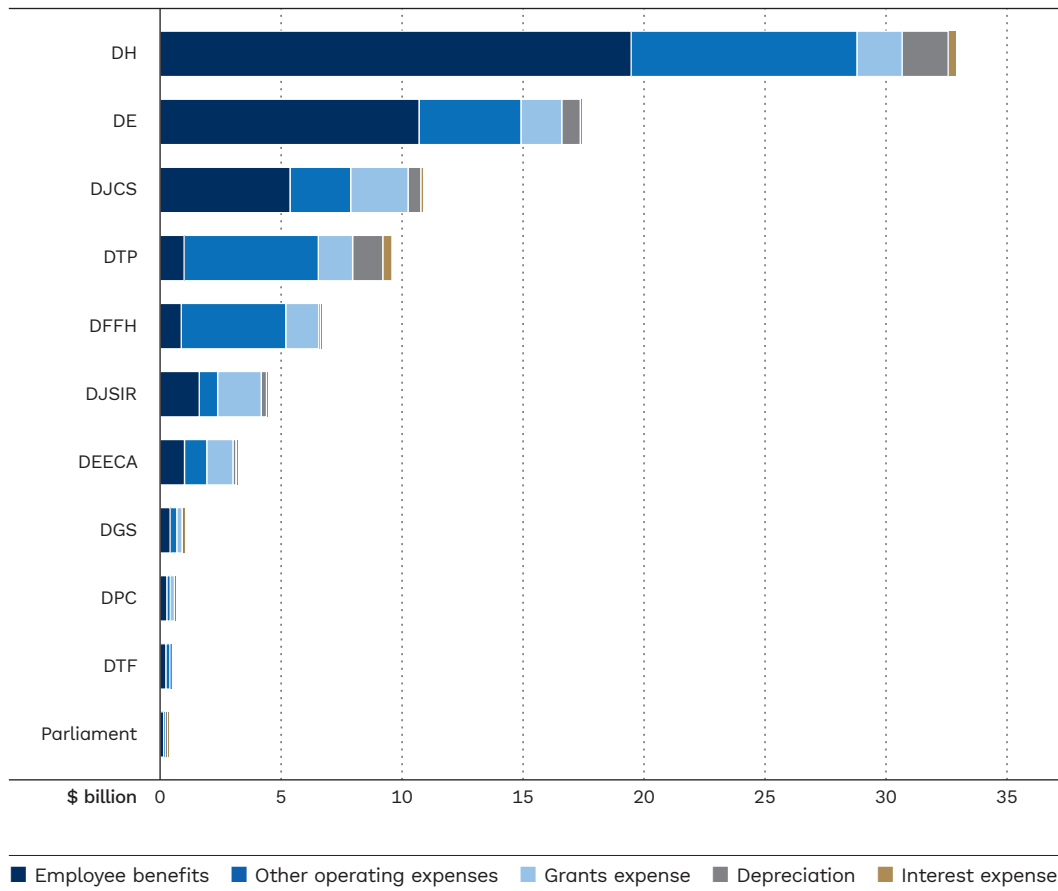
Employee expenses were the biggest expense category. All departments except DTF reported increases in employee expenses compared to the Budget, driven by increased spending in service delivery across the health, education and justice sectors and greater remuneration levels reflecting enterprise bargaining agreements.¹⁶ DH recorded the largest absolute increase of \$1.8 billion (10.3%) while DEECA and the Department of Government Services recorded the largest relative increases of 41% (\$295 million and \$120.5 million respectively).¹⁷

¹⁵ Department of Health, *Annual Report 2024-25*, Melbourne, 2025, p. 208; Department of Energy, Environment and Climate Action, *Annual Report 2024-25*, Melbourne, 2025, p. 304.

¹⁶ Department of Treasury and Finance, *2024-25 Financial Report*, p. 6.

¹⁷ Department of Health, *Annual Report 2024-25*, p. 208; Department of Energy, Environment and Climate Action, *Annual Report 2024-25*, p. 304; Department of Government Services, *Annual Report 2024-25*, Melbourne, 2025, p. 166.

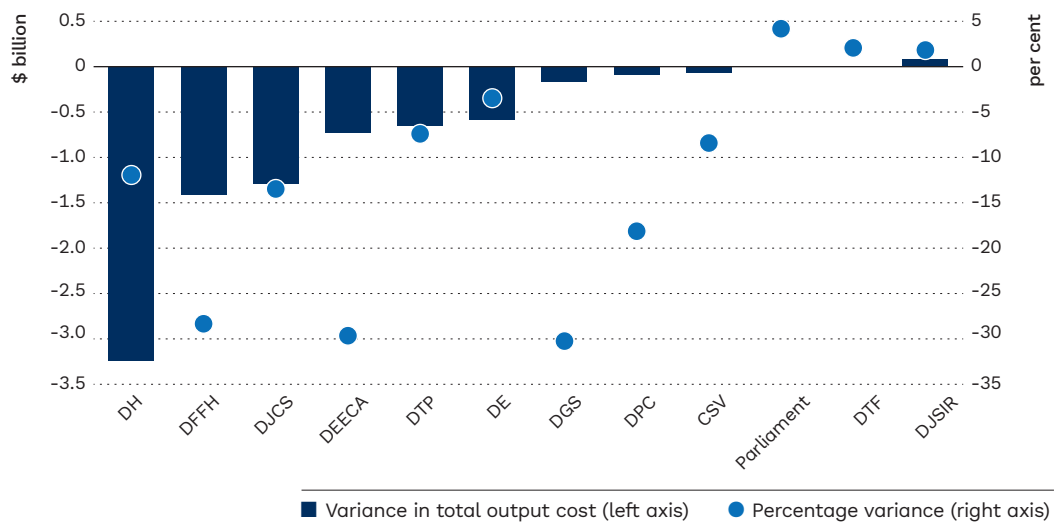
Figure 1.2 Employee expenses were the largest overall expense category



Source: Committee analysis of departments' 2024-25 annual reports.

In terms of service delivery, all departments except the Department of Jobs, Skills, Industry and Regions, DTF and the Parliamentary Departments reported overspends against their target output costs. Overall, outputs costs were 10.6% higher than budgeted.

Figure 1.3 Most departments exceeded their budgeted output costs



Source: Committee analysis of departments' 2024–25 annual reports.

The need for additional funding to meet unexpected service delivery requirements is examined throughout the report, including the use of the post Budget funding sources of TAs and contingency payments. Post budget funding was required in 2024–25 to:

- meet additional demand across Victoria's hospital system (Chapter 3 DH)
- respond to fire and storm emergencies (Chapter 8 DJCS)
- respond to fire and biosecurity emergencies (Chapter 9 DEECA).

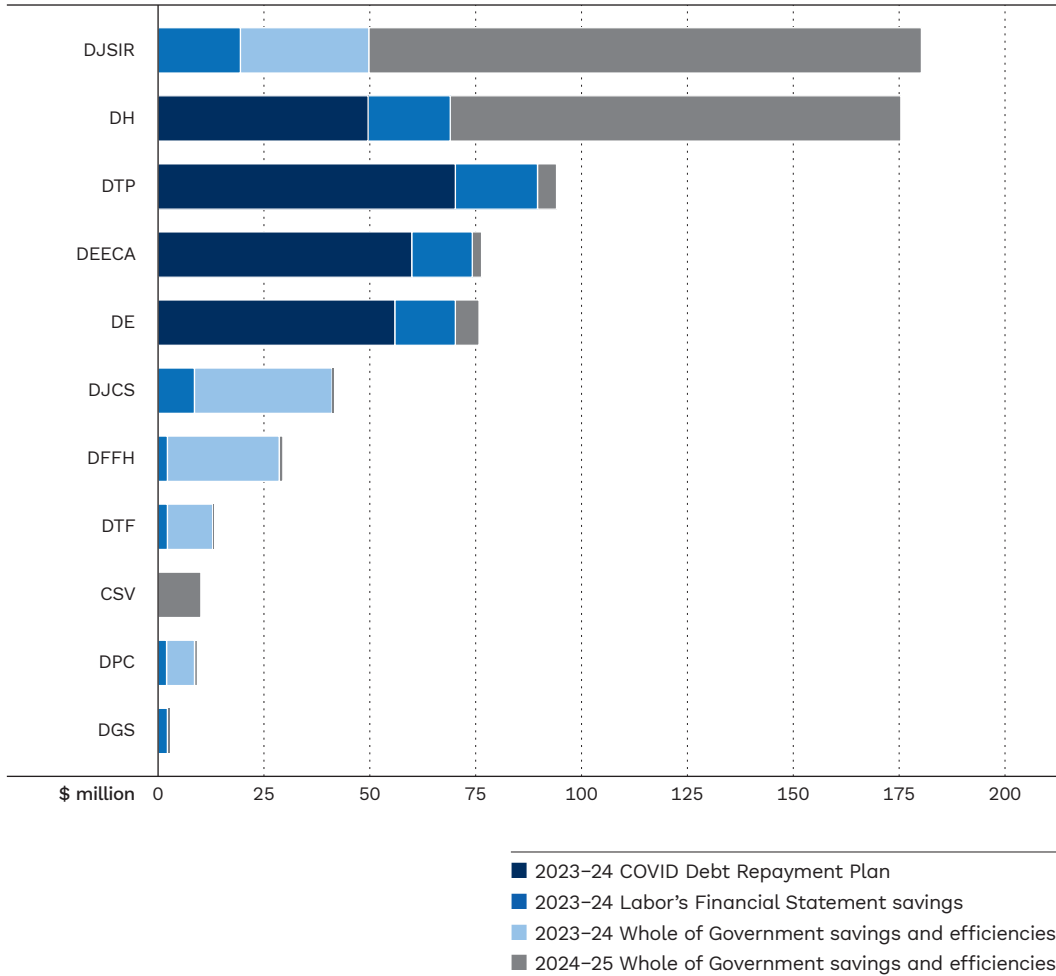
Savings achieved

Given the pressures on the Budget, departments are allocated targets for savings and efficiencies, which is in line with the goals described in the Government's five step fiscal strategy. In its questionnaire, the Committee asked about savings achieved in 2024–25 from measures contained in the last two budgets.¹⁸ All departments indicated that frontline service delivery was not heavily impacted by meeting savings targets, with savings found by reducing or eliminating back-office and non-essential functions. As the Committee noted in its 2025–26 Budget Estimates report, there are limitations to how departments identify, track and report on their savings.¹⁹

¹⁸ Departmental responses to the 2024–25 Budget Estimates Questionnaire, question 16.

¹⁹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2025–26 Budget Estimates*, October 2025, pp. 26–27.

Figure 1.4 Departments reported \$707.7 million in savings and efficiencies in 2024–25



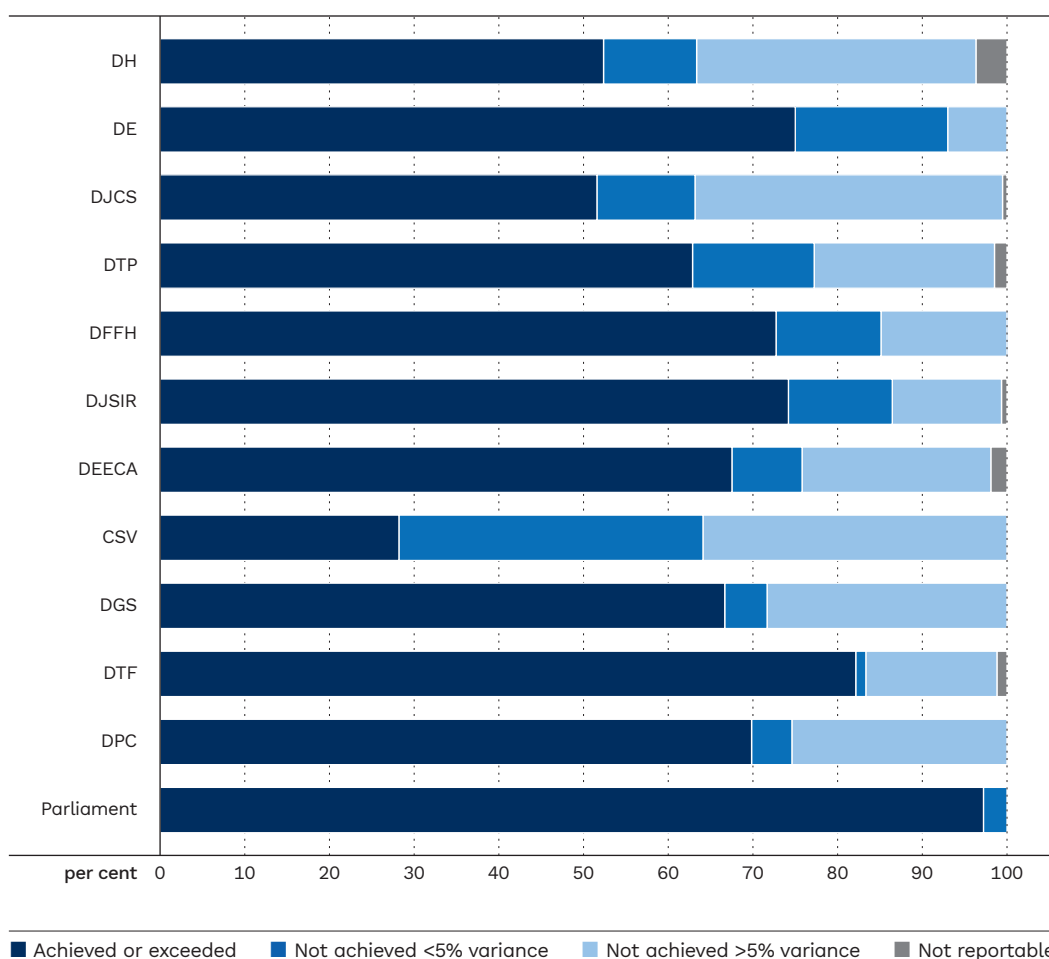
Note: this does not include savings allocated to 2024–25 in previous budgets.

Source: Departmental responses to the 2024–25 Budget Estimates Questionnaire, question 16.

1.5 Service delivery performance

Overall, departments achieved or exceeded 64.9% of their performance measures, did not meet 33.9% of their performance measures, and were unable to report 1.1% of their performance measures. As demonstrated in Figure 1.5, performance varied across departments.

Figure 1.5 Departments met 65% of their performance measures



Source: Committee analysis of departments' 2024-25 annual reports.

Reasons provided for not meeting performance measures included:

- changes in demand for services
- increased complexity of services users, cases and enquiries
- internal reprioritisation of resources
- acts of external events such as bushfires
- workforce challenges
- ongoing acts of COVID-19.

1.5.1 Adequacy of reporting

Across departments, the Committee identifies opportunities to improve the quality of monitoring and reporting information, to better inform the public about the performance of public programs, initiatives and capital projects. Gaps and limitations in performance reporting limit the Committee's capacity to assess the effectiveness and value for money of the Government's delivery of services and infrastructure. As in

prior reports, the Committee also emphasises the need to clearly explain the reasons for variances in performance measures. This includes explaining the causes behind a change in demand for services, where this has been cited as a reason for not meeting a performance target.

The Committee also continues to call on departments to release annual statements and updates on the progress and outcomes of major Government policy initiatives including:

- *Victoria's Housing Statement* (Chapter 6 DTP)
- the *Economic Growth Statement* (Chapter 12 DTF)
- the China and India Strategies (Chapter 13 DPC).

Other topics and issues the Committee found through this Inquiry that are discussed in this report include:

- the progress made by the Government in rebuilding staffing numbers for essential workers—such as teachers, police, nurses and ambulance officers— following recruitment shortfalls experienced in the wake of the COVID-19 pandemic (Chapter 2 WoG). The Committee also notes the ongoing challenges for DFFH in recruiting child protection workers (Chapter 7 DFFH) and for the Victorian State Emergency Services (VicSES) and the Country Fire Authority (CFA) in meeting their operational volunteer targets (Chapter 5 DJCS)
- programs implemented in the education and training sector that have improved student wellbeing and outcomes, including the Department of Education's *Disability Inclusion* reform (Chapter 4 DE) and the *Free TAFE Literacy and Numeracy Support Program* (LNSUPPORT) (Chapter 8 DJSIR)
- the increasing use of artificial intelligence (AI) across the Victorian public sector, together with the development of government-wide policies and guidelines to establish safe and secure AI use (Chapter 2 Whole of Government). The report also examines the investment made by the Government into AI data centres and the promotion of future AI-related careers (Chapter 8 DJSIR)
- outcomes for Victoria's First Nations people, including initiatives and projects undertaken in collaboration with the Aboriginal Community-Controlled Organisation sector to make better progress in achieving Victoria's Closing the Gap targets (Chapter 13 DPC).

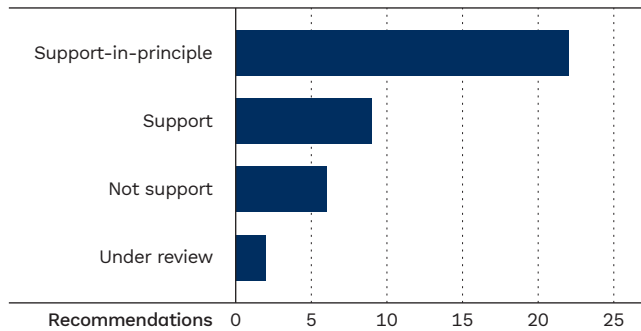
1.6 The Government's response to the Committee's recommendations

In April 2025, the Committee made 39 recommendations in its *Report on the 2023–24 Financial and Performance Outcomes*.²⁰ Of the 39 recommendations, most were

²⁰ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, pp. xxiii–xli.

supported or supported-in-principle. The Government's response to key Committee recommendations is discussed in more detail below.

Figure 1.6 Most of the recommendations made in the *Report on the 2023–24 Financial and Performance Outcomes* were supported-in-principle or supported by Government



Source: Government of Victoria, *Response to the Parliament of Victoria, Public Accounts and Estimates Committee, Report on the 2023–24 Financial and Performance Outcomes*, 11 September 2025.

1.6.1 Reporting on affordable housing in priority precincts

The Committee recommended that the Government and relevant departments publish targets for affordable housing in priority precincts as part of reporting on *Victoria's Housing Statement* (the Housing Statement):

The Victorian Government in collaboration with all relevant departments publish proportional targets for affordable housing in each priority precinct and a proportional breakdown of the type of affordable housing planned for each priority precinct (affordable rental, social and public housing, shared equity program etc). This should form part of the wider annual reporting on the reforms and outcomes of the Housing Statement.²¹

The Committee made this recommendation following the Government's response to two recommendations in its *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes* for DTP to report annually on the proportion of affordable housing expected to be constructed in Arden, Sunshine and other precincts.²²

The Government supported this recommendation in principle, stating:

Noting release of Victoria's Housing Statement in 2023, the Department of Transport and Planning and other relevant departments are aligned to whole-of-government reporting on Housing Statement implementation.²³

²¹ Ibid., p. 7.

²² Recommendations 21 and 22, Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes*, March 2024, pp. 128–129.

²³ Government of Victoria, *Response to the Parliament of Victoria, Public Accounts and Estimates Committee Inquiry into the 2023–24 Financial and Performance Outcomes*, 11 September 2025, p. 2.

This repeats the Government's response to the Committee's recommendations to DTP in the *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes* and does not commit to any action to set clear, proportional affordable housing targets for each priority precinct and a breakdown of the type of affordable housing. Existing whole-of-government reporting on Housing Statement implementation does not provide this information.

The Housing Statement update states the number of affordable homes commenced or completed as part of the Big Housing Build (10,000 as of September 2024) but does not say where they were constructed or the extent to which this aligns with the Government's targets for affordable housing as a proportion of all housing in each precinct.²⁴ It also does not provide a breakdown of the types of affordable housing provided. As noted in Section 6.5.1 of this report, the Government has not provided another update on the Housing Statement since the September 2024 update. As the Committee also notes in Section 6.7.2, the Government has committed to developing performance measures and other relevant reporting on housing construction in priority precincts but has not yet implemented this reporting.

FINDING 1: The Committee has made several recommendations about reporting on affordable housing in priority precincts. In 2024–25, the Department of Transport and Planning did not have relevant objective indicators, performance measures or other reporting to reflect its progress in this area.

1.6.2 Recommendations seeking additional data beyond minimum requirements

Several responses to the Committee's recommendations from the *Report on the 2023–24 Financial and Performance Outcomes* indicate that departments comply with the requirements of DTF's *Model Report* and the Financial Reporting Directions (FRD).²⁵

For example, in response to the Committee's recommendation to Triple Zero Victoria (TZV) to 'publish details of technical issues affecting its call taking and dispatching services in future annual reports, TZV stated:

The Triple Zero Victoria (TZV) Annual Report is prepared in accordance with the Department of Treasury and Finance *Model Report*, with a focus on presenting content that fulfils its obligations under the Financial Reporting Directions (FRD) and other disclosure requirements. The Report of Operations component of TZV's Annual Report contains details on TZV's operating performance, including any significant factors affecting TZV's performance during the reporting period. TZV will continue to report on this detail in its future annual reports.²⁶

²⁴ Victorian Government, *Victoria's Housing Statement: Progress Update*, Melbourne, 2024, p. 1.

²⁵ See for example recommendations 5, 16, 18 and 19. Source: Government of Victoria, *Response to the Parliament of Victoria, Public Accounts and Estimates Committee Inquiry into the 2023–24 Financial and Performance Outcomes*.

²⁶ *Ibid.*, p. 12.

The *Model Report* shows the ‘minimum disclosure requirements’ for departments’ annual reports are to comply with relevant Australian Accounting Standards and the FRD.²⁷ It notes, ‘While the *Model report of operations* illustrates examples of disclosures requiring under FRDs, it does not necessarily illustrate all disclosures that might be appropriate to report an agency’s objectives, activities and performance’.²⁸ As noted in Section 1.2, the Committee aims to promote accountability and transparency of reporting on public sector performance. When the Committee identifies limitations in the information provided by departments, it makes recommendations to increase the transparency of reporting beyond the minimum requirements. Where relevant, this may include updating the *Model Report*.

Where a government entity does not consider it appropriate to increase the level or detail of information reported, it should clearly explain why it does not consider this appropriate in its response. If DTF does not consider it appropriate or necessary to update the requirements of the *Model Report*, it should provide its rationale.

RECOMMENDATION 1: Government departments should provide a reason for declining to implement Committee recommendations related to additional or more detailed reporting. This should go beyond stating that existing reporting meets minimum requirements.

1.7 Report structure

This report presents the findings and recommendations of the Committee from its Inquiry into the 2024–25 Financial and Performance Outcomes. The report comprises 14 chapters, including this chapter.

Chapter 2 considers the economic performance of Victoria in 2024–25, comparing the State’s economic outcomes over the year compared with the initial budgetary forecast.

Chapters 3 to 14 scrutinise the financial and performance outcomes by department or entity in descending size of budget allocation. Each chapter includes an overview of the department or entity, information about their performance against the performance measures published in annual reports and a financial and capital spend analysis (where relevant). Key issues identified during the Committee’s inquiry are examined for each department or entity.

²⁷ Department of Treasury and Finance, *2024–25 Model Report for Victorian Government Departments: Part One*, p. 6.

²⁸ *Ibid.*, p. 9.

Chapter 2

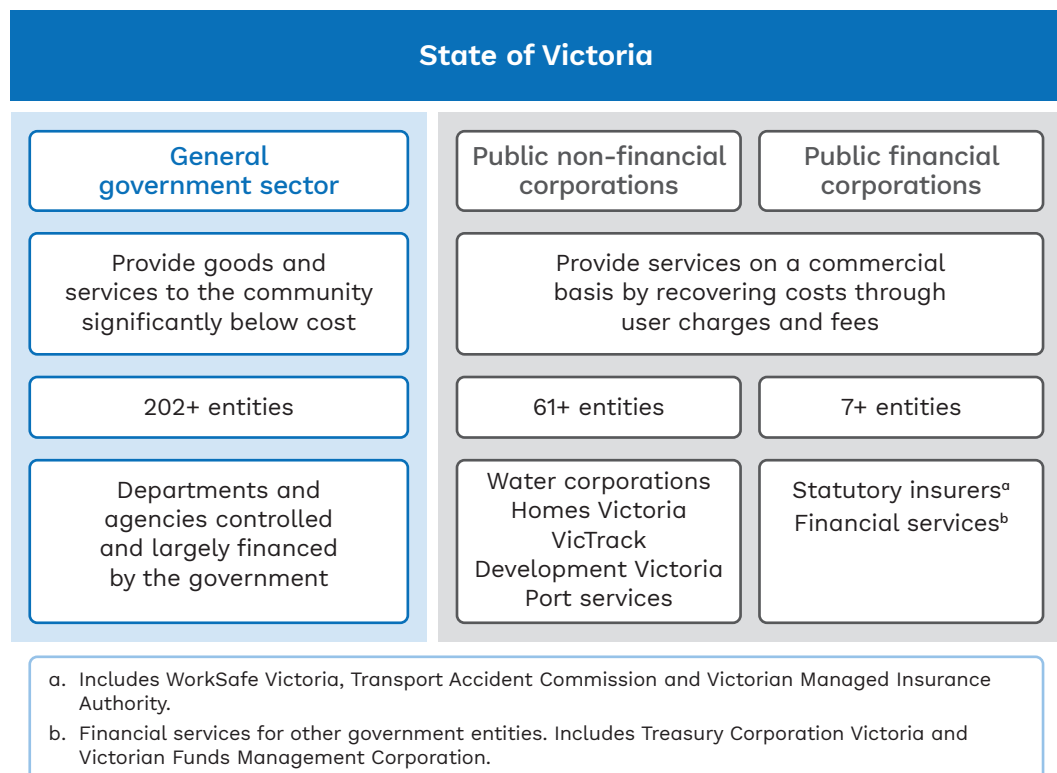
Whole of Government

2.1 Introduction

This chapter examines the overall economic and financial performance of the State of Victoria in 2024–25, discussing the actual results against the forecast and estimates originally set out in the Budget.

The State of Victoria's finances are made up of three sectors: the general government sector (GGS), the public non-financial corporation (PNFC) sector and the public financial corporation (PFC) sector. Figure 2.1 shows the public entities that form each of the sectors, the services they deliver and the cost recovery models they operate under.

Figure 2.1 The State of Victoria's financial sectors



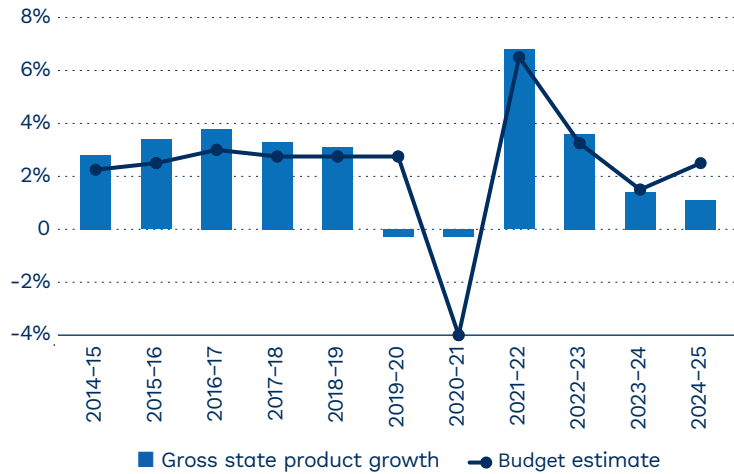
Gross state product



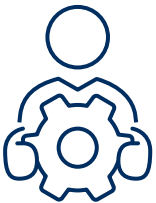
Real GDP measures the total market value of the State's goods and services while removing the impact of inflation on prices. Victoria's real GDP was \$615.4 billion in 2024-25, an increase of 1.1% over the previous year.

The lower-than-expected result reflects ongoing cost of living pressures faced by households which subdued demand, along with business input cost pressures. While the Reserve Bank of Australia (RBA) reduced the cash rate twice over 2024-25, the impact of interest rate increases that started in May 2022 continued to weigh upon households and their spending.

Gross state product grew by 1.1% over 2024-25, well below the original Budget estimate of 2.5%...

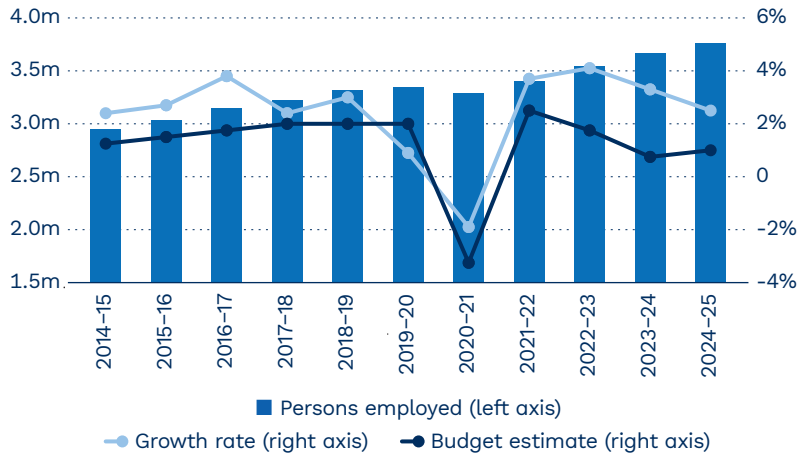


Labour market



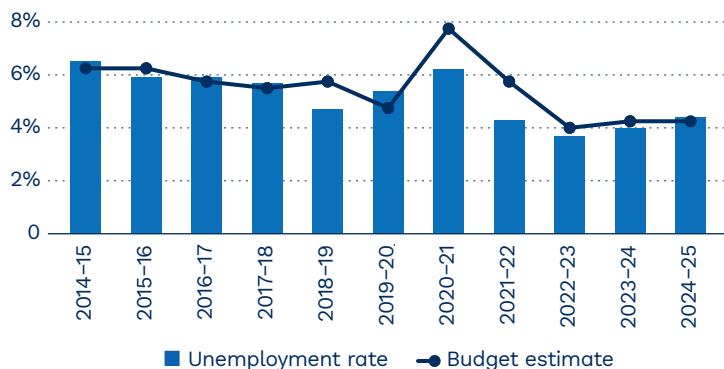
Victoria's labour market continued to grow strongly, with an additional 92,500 employed people over 2024-25. The growth rate of 2.5% was well above the original Budget estimate of 1.0%.

...however employment continued to grow at a higher-than-predicted rate...



Strong employment outcomes in Victoria over 2024-25 also meant high levels of labour market participation, reflecting growing levels of people actively looking for work. However, increasing levels of participation meant that the number of unemployed people, and the unemployment rate also increased over 2024-25.

...leading to greater participation in the labour market, and a higher unemployment rate.

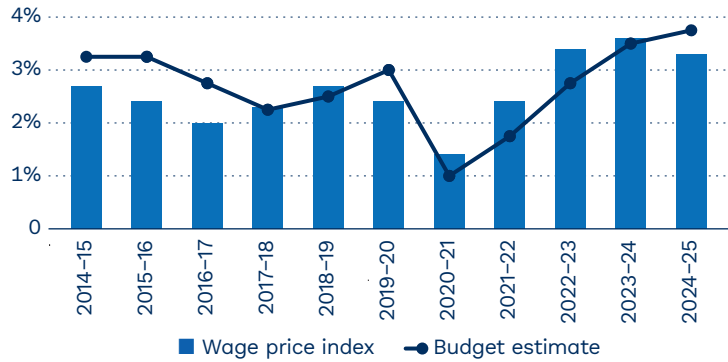


Wages



The wages growth rate of 3.3% was under the Budget estimate of 3.75%. Private sector wage growth was higher than that of the public sector over 2024–25.

Victorians experienced the first year of real wages growth since the COVID-19 pandemic...

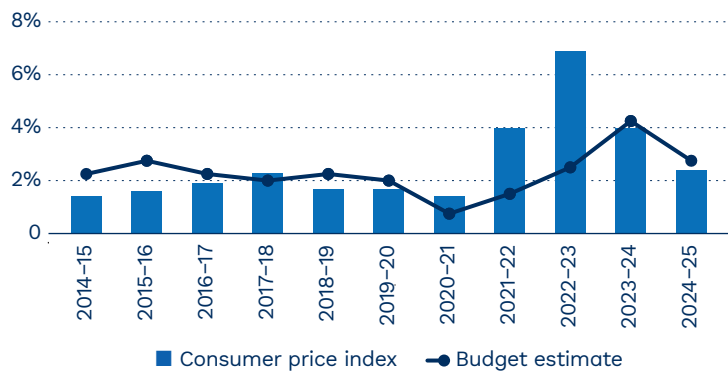


Prices



Inflation continued to fall over 2024–25, after the 6.9% peak experienced in 2022–23. The 2.4% increase in CPI was less than the Budget estimate of 2.75% and within the RBA's target inflation rate of 2–3%. Reflecting the falling inflation rate, there were two cash rate reductions made by the RBA over 2024–25, alleviating some pressure on mortgage holders. Households also received further cost-of-living relief through government-funded energy rebates, reducing electricity prices.

...as wage growth outpaced inflation in 2024–25.



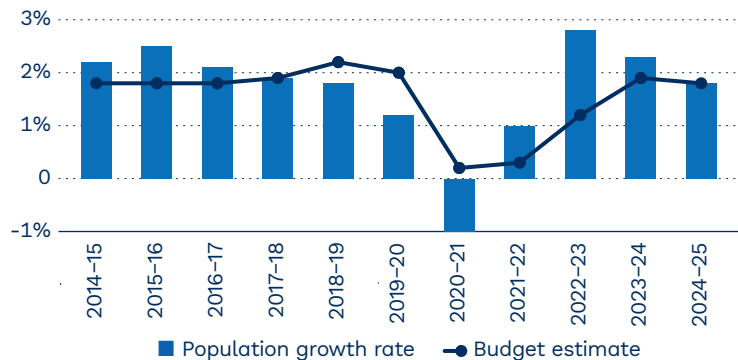
Population



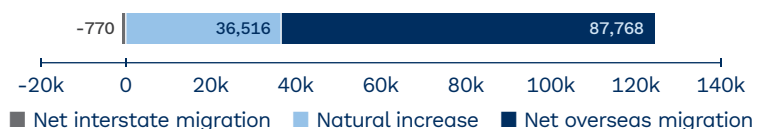
The Victorian population growth rate of 1.8% was in line with the Budget estimate. Victoria's population increased by 123,500 persons over 2024–25, the largest increase out of all Australian states and territories, with Victoria's population surpassing 7 million.

While the migration rate appears to be easing in comparison to the years immediately following the pandemic, net overseas migration remains the key driver of population growth.

Victoria's population growth rate moderated...



...and is still driven by overseas migration.



Sources: Department of Treasury and Finance, 2024–25 Financial Report, Melbourne, 2025, p. 2; Department of Treasury and Finance, 2025–26 Budget Update, Melbourne, 2025, p. 5; Chris Barrett, Secretary, Department of Treasury and Finance, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, Transcript of evidence, pp. 41–42; Department of Treasury and Finance, Macroeconomic Data 2025–26 Budget Update, December 2025, <<https://www.dtf.vic.gov.au/macroeconomic-indicators>> accessed 10 December 2025; Australian Bureau of Statistics, National, state and territory population, 18 December 2025, <<https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/jun-2025#states-and-territories>> accessed 19 December 2025.

This chapter discusses:

- the 2024–25 results for key indicators relating to economic growth, employment, inflation, prices and population
- the progress of the Government’s fiscal strategy over 2024–25
- the performance of the three financial sectors, including an analysis of the key drivers of revenue and expenditure outcomes
- the level of Treasurer’s Advance (TA) payments made over 2024–25 to departments and the reasons behind these payments
- the level of Government infrastructure investment (GII) over 2024–25 and the impact of borrowings for the State’s capital program on net debt.

This chapter also examines the developing use of artificial intelligence (AI) in the Government’s services delivery and discusses the progress of the supply and employment of Victoria’s essential services workers.

2.2 Fiscal strategy

The Government first outlined its four step fiscal strategy in the 2020–21 Budget.¹ The Government added a fifth step in 2024–25.² The five step strategy consists of:

- 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.
- Step 5: reducing net debt as a percentage of gross state product (GSP).³

The Secretary of the Department of Treasury and Finance (DTF) advised the Committee of the strategy’s progress, noting it was established ‘in November 2020 as the pandemic drove the budget into deficit’ and that it aimed ‘to support Victorians through the COVID-19 pandemic and set a path to restore the state’s finances in the medium term’.⁴

The Committee was advised that steps one and two (creating jobs, reducing unemployment and restoring economic growth and returning to an operating cash surplus) are considered to have been met.⁵ The Economic overview demonstrates Victoria’s economy as measured by real GSP continues to grow. In terms of the labour

1 Department of Treasury and Finance, *Budget Paper No. 2: 2024–25 Strategy and Outlook*, Melbourne, 2024, p. 3.

2 Ibid., p. 5.

3 Ibid., pp. 3, 5.

4 Chris Barrett, Secretary, Department of Treasury and Finance, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 3.

5 Ibid.

market, while an additional 92,500 people were employed over the 2024–25 financial year, the unemployment rate increased from 4% to 4.4%.⁶ In explaining the rising unemployment rate, the Secretary advised this is:

... actually a bit more of a story of the growth in the labour force. The participation rate has been very high ... and employment growth has been positive but just has not been quite keeping up with that growth in the labour force. That gives you a higher unemployment rate ...⁷

FINDING 2: Step 1 of the Government’s fiscal strategy continued to be met in 2024–25, with the Victorian economy achieving real gross state product growth and strong labour market outcomes.

The Government first achieved step 2: returning to an operating cash surplus in 2022–23, when net cash flows from operating activities reached \$4.2 billion.⁸ Operating surpluses continued in 2023–24 (\$2.6 billion) and 2024–25 (\$3.2 billion).⁹

The Government expects to achieve step 3: returning to operating surpluses, in 2025–26.¹⁰ The 2024–25 net result from transactions (which shows the operating surplus or deficit position) was a \$2.6 billion deficit. This was \$1.6 billion (37.8%) less than the 2023–24 operating deficit of \$4.2 billion.¹¹

FINDING 3: Step 2 of the Government’s fiscal strategy, returning to an operating cash surplus, was achieved in 2022–23. Step 3, returning to operating surpluses, is expected to be achieved in 2025–26. The \$2.6 billion deficit for 2024–25 was \$1.6 billion less than the previous year.

2.2.1 Measuring and reporting on net debt in the fiscal strategy

The final two steps of the five step plan relate to net debt—stabilising debt levels (step 4) and reducing net debt as a percentage of GSP (step 5). GGS net debt at 30 June 2025 was \$150.9 billion, \$5.3 billion below the original 2024–25 Budget estimate (\$156.2 billion).¹² The Secretary advised this improved result reflected the higher-than-expected net operating cash surplus, as well as capital gains from the Victorian Future Fund (\$588 million).¹³

⁶ Department of Treasury and Finance, *Macroeconomic Data 2025–26 Budget Update*, December 2025, <<https://www.dtf.vic.gov.au/macroeconomic-indicators>> accessed 10 December 2025.

⁷ Chris Barrett, Secretary, Department of Treasury and Finance, *Transcript of evidence*, pp. 41–42.

⁸ *Ibid.*, p. 13; Department of Treasury and Finance, *2023–24 Financial Report*, Melbourne, 2024, p. 6.

⁹ Chris Barrett, Secretary, Department of Treasury and Finance, *Transcript of evidence*, p. 13; Department of Treasury and Finance, *2024–25 Financial Report*, Melbourne, 2025, p. 6.

¹⁰ Chris Barrett, Secretary, Department of Treasury and Finance, *Transcript of evidence*, p. 13.

¹¹ Department of Treasury and Finance, *2024–25 Financial Report*, p. 6.

¹² Department of Treasury and Finance, *2023–24 Financial Report*, p. 6; Department of Treasury and Finance, *2024–25 Financial Report*, p. 6.

¹³ Chris Barrett, Secretary, Department of Treasury and Finance, *Transcript of evidence*, p. 13.

The net debt to GSP result for 2024–25 was 23.7%, which was lower than the original Budget estimate of 24.4%.¹⁴ In the *2025–26 Budget Update*, the Government estimates that net debt to GSP will peak at 25.2% in 2026–27, before falling over the remaining two years of the current forward estimate period, to 24.9% by 2028–29.¹⁵

The Government's forecast of 2.5% for real GSP growth for 2024–25 was well above the actual result of 1.1%.¹⁶ In comparison, the national-level real gross domestic product (GDP) growth rate for 2024–25 was 1.4%.¹⁷ At the hearings the Secretary advised the Committee that 'both national and Victorian observers were surprised to see those figures'.¹⁸

While the lower level of real GSP growth did not impact the step 5 outcome due to a fall in the net debt figure for 2024–25, the Government still expects much higher economic growth rates (over two per cent a year) in the coming years to assist in the reduction of the proportion of net debt to GSP.¹⁹

FINDING 4: The Victorian Government is on track to deliver step 4: stabilising debt levels and step 5: reducing net debt as a percentage of gross state product, despite a lower-than-expected real gross state product growth rate of 1.1% in 2024–25, as the net debt result of \$150.9 billion was \$5.3 billion below the original 2024–25 Budget estimate.

At the hearings the Committee asked about the evaluation process of DTF's economic forecasts in light of the lower-than-expected GSP growth figure.²⁰ The Secretary advised that 'a method of checking' the DTF forecasts includes the annual review and audit undertaken by the Auditor-General of Victoria's financial statements.²¹ The Secretary explained:

The Auditor-General goes out and actually procures their own economic modelling. This is as a method of checking, which is very reasonable for the Victorian people, so they can be confident that Treasury has not made some terrible mistake in forecasting, be they revenue lines or economic forecasts. There were no concerns raised by the Auditor-General in relation to that.²²

¹⁴ Department of Treasury and Finance, *Budget Paper No. 2: 2024–25*, p. 6; Department of Treasury and Finance, *2024–25 Financial Report*, p. 6.

¹⁵ Department of Treasury and Finance, *2025–26 Budget Update*, Melbourne, 2025, p. 5.

¹⁶ Ibid., p. 10; Department of Treasury and Finance, *Budget Paper No. 2: 2024–25*, p. 18.

¹⁷ Australian Bureau of Statistics, *Australian National Accounts: State Accounts*, 20 November 2025, <<https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-state-accounts/latest-release>> accessed 15 January 2025.

¹⁸ Chris Barrett, Secretary, Department of Treasury and Finance, *Transcript of evidence*, p. 16.

¹⁹ Department of Treasury and Finance, *2025–26 Budget Update*, p. 10.

²⁰ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Treasury and Finance, Melbourne, 24 November 2025, *Transcript of evidence*, p. 16.

²¹ Chris Barrett, Secretary, Department of Treasury and Finance, *Transcript of evidence*, p. 16.

²² Ibid.

The assumptions underlying the Government's economic outlook and the forecasts for economic growth and key fiscal aggregates are further risk-tested for possible economic shocks in Chapter 6: Sensitivity Analysis in Budget Paper No. 2.²³ The two scenarios detailed in the sensitivity analysis are:

- A domestic economic slowdown, with a focus on the impact of reduced household spending on business investment, trade and investment, Victoria's GSP, and labour demand. The scenario models a fall in household consumption and business confidence and investment.²⁴
- A lower-than-expected trend unemployment rate and its impact on wages, international competitiveness and, following this, GGS revenue and Victoria's share of GST, the net result and net debt.²⁵

The sensitivity analysis also contains a table estimating the impact on GGS revenue and expenses if a series of key fiscal aggregates, including GSP, are 1% higher than expected over 2024–25.²⁶

The impact of lower-than-expected 2024–25 GSP growth, and the short- and long-term causes of Victoria's slowing productivity growth, are discussed in the *2025–26 Budget Update*. However, there is currently no publicly available analysis on the impact of a slowing economy as measured by real GSP growth, or the impact of Victoria's net debt and the ratio of net debt to GSP.²⁷ As these two economic results form two key steps of the Government's fiscal strategy, it would be useful for DTF to undertake this analysis at the end of every financial year once the data are available and release this analysis publicly. The existing published analysis examining the Victorian Government's budgetary economic assumptions and forecasts does not include a scenario where real GSP growth is lower-than-expected nor examines the impact of this on the Government's fiscal strategy.

RECOMMENDATION 2: At the end of every financial year, the Department of Treasury and Finance publish an annual statement on the level of Victoria's economic growth as measured by real gross state product and detail how the result impacts the Government's fiscal strategy, specifically steps 4 and 5. This should include how the economic results impact maintaining Victoria's net debt at sustainable levels.

²³ Department of Treasury and Finance, *Budget Paper No. 2: 2024–25*, p. 87.

²⁴ *Ibid.*, pp. 88–90.

²⁵ *Ibid.*, pp. 91–94.

²⁶ *Ibid.*, pp. 94–96.

²⁷ Department of Treasury and Finance, *2025–26 Budget Update*, pp. 8–9.

2.3 General government sector financial performance

The following section outlines the financial performance of the GGS over 2024–25.

2.3.1 Revenue

In 2024–25, \$101.4 billion in revenue was raised for the GGS, an increase of 8.9% (\$8.3 billion) over the previous year, and 5.5% (\$5.3 billion) more than the original Budget estimate.²⁸

Grants were the largest revenue component, raising \$47.3 billion, 13.2% (\$5.5 billion) more than the previous year.²⁹ The increase predominantly reflects extra GST revenue allocated to Victoria.³⁰

Taxation was the second largest revenue component, raising \$38.9 billion, 5.6% (\$2.1 billion) more than 2023–24, and in line with the original Budget estimate.³¹ Land transfer duty (stamp duty) raised \$9.3 billion, 9.8% (\$828 million) more than the previous year, and 8.5% (\$728 million) more than the original Budget estimate, reflecting a higher-than-expected volume of residential property sales.³²

Payroll tax raised \$9.2 billion, 6.3% (\$547 million) more than 2023–24.³³ Other levies associated with business payrolls and the number of employees—the *COVID Debt Levy – Payroll \$10m+* and the *Mental Health and Wellbeing Levy*—also raised \$1.1 billion respectively.³⁴

FINDING 5: The \$101.4 billion in revenue raised for the general government sector in 2024–25 was 8.9% (\$8.3 billion) more than the previous year. The increase was driven by extra grant payments from the Commonwealth Government and higher-than-expected land transfer duty.

²⁸ Department of Treasury and Finance, *2024–25 Financial Report*, p. 8; Department of Treasury and Finance, *Budget Paper No. 5: 2024–25 Statement of Finances*, Melbourne, 2024, p. 7.

²⁹ Department of Treasury and Finance, *2024–25 Financial Report*, Melbourne, 2025, p. 8.

³⁰ *Ibid.*, p. 10.

³¹ *Ibid.*, p. 8; Department of Treasury and Finance, *Budget Paper No. 5: 2024–25*, p. 7.

³² Department of Treasury and Finance, *2024–25 Financial Report*, pp. 8–9; Department of Treasury and Finance, *Budget Paper No. 5: 2024–25 Statement of Finances*, p. 18.

³³ Department of Treasury and Finance, *2024–25 Financial Report*, p. 9.

³⁴ *Ibid.*

2.3.2 Expenses

In 2024–25, GGS expenses were \$104 billion, 6.9% (\$6.7 billion) more than the previous year, and 5.8% (\$5.7 billion) higher than the original Budget estimate.³⁵

Employee expenses were the largest expense item for GGS in 2024–25, worth \$38.5 billion, 6.9% (\$2.5 billion) greater than the previous year and 5.4% (\$2 billion) greater than the original Budget estimate.³⁶ According to the *2024–25 Financial Report*, this was ‘mainly due to increased spending on service delivery in the health, education and justice sectors’. The overspend ‘also reflects increases in remuneration levels in line with enterprise bargaining agreements’.³⁷ The same reasons have been cited in recent annual financial reports in relation to increasing employee expenses spending for the GGS.³⁸

In line with growing employee expenses, other superannuation expenses (\$4.5 billion) were 11.4% (\$462 million) greater than the previous year.³⁹

Other operating expenses were \$30.7 billion, 5.5% (\$1.6 billion) greater than the previous year and 10.8% (\$3 billion) greater than the original Budget estimate.⁴⁰ The result reflects energy bill relief payments, increased subsidy payments made to the metropolitan tram operator as part of the new franchise agreement and higher expenses incurred for health and justice sector service delivery.⁴¹

Grant expenses were \$17.2 billion, 3.3% (\$546 million) more than the previous year.⁴² The increase was due to housing grant increases, associated costs relating to Commonwealth grants for non-government schools and increased payments to the National Disability Insurance Agency as part of the ongoing rollout of the National Disability Insurance Scheme.⁴³

Interest expenses were \$6.7 billion in 2024–25, 20.1% (\$1.1 billion) more than the previous year. The year-on-year increase reflects ‘additional borrowings to finance the State’s capital program and an increase in the interest rates on new and refinanced borrowings’.⁴⁴ ‘Interest expense to revenue’ is one of the Government’s long-term financial management measures, with a target of stabilising GGS interest expense as

³⁵ Ibid., p. 8; Department of Treasury and Finance, *Budget Paper No. 5: 2024–25*, p. 7.

³⁶ Department of Treasury and Finance, *2024–25 Financial Report*, p. 8; Department of Treasury and Finance, *Budget Paper No. 5: 2024–25*, p. 7.

³⁷ Department of Treasury and Finance, *2024–25 Financial Report*, p. 10.

³⁸ Department of Treasury and Finance, *2023–24 Financial Report*, p. 10; Department of Treasury and Finance, *2022–23 Financial Report*, Melbourne, 2023, p. 10.

³⁹ Department of Treasury and Finance, *2024–25 Financial Report*, p. 8.

⁴⁰ Department of Treasury and Finance, *2024–25 Financial Report*, p. 8; Department of Treasury and Finance, *Budget Paper No. 5: 2024–25*, p. 7.

⁴¹ Department of Treasury and Finance, *2024–25 Financial Report*, p. 6.

⁴² Ibid., p. 8.

⁴³ Ibid., p. 10.

⁴⁴ Ibid.

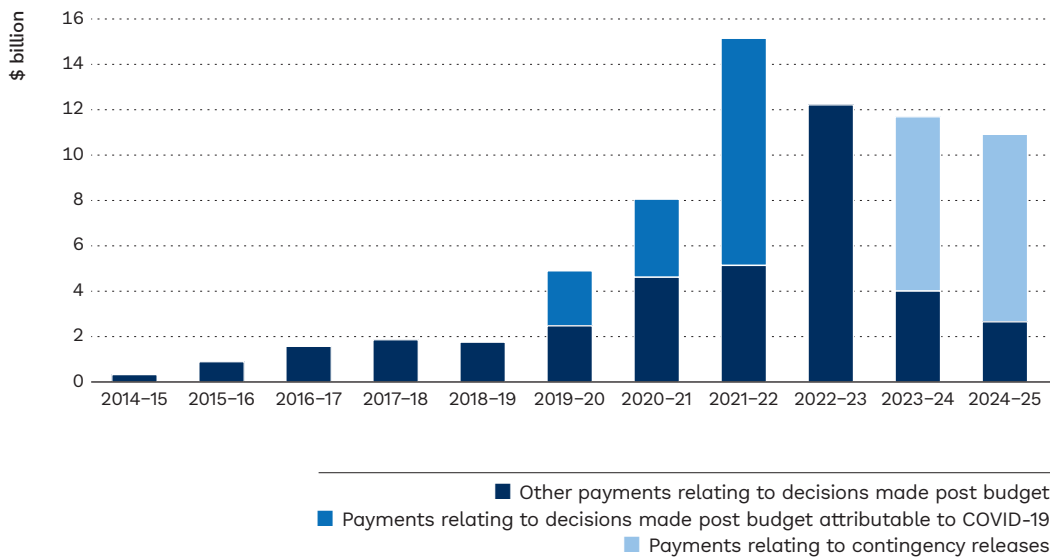
a percentage of revenue in the medium term.⁴⁵ In 2024–25, interest expense to revenue increased to 6.7% in comparison to 6.1% achieved in the previous year.⁴⁶ In its *Report on the 2025–26 Budget Estimates* the Committee noted there is currently no clear target or timeline for reducing interest expense to revenue and recommended DTF establish and publish these in the annual budget papers to promote a more disciplined financial management approach.⁴⁷

FINDING 6: Spending in the health, education and justice sectors over 2024–25 led to higher-than-expected results across the employee expenses, other operating expenses and other superannuation expenses line items.

2.3.3 Treasurer’s Advances

In 2024–25, \$10.9 billion TA payments were made across the GGS, with 75.7% (\$8.3 billion) of these payments relating to contingency releases and the remaining 24.3% (\$2.7 billion) relating to ‘decisions made post budget’.⁴⁸ Overall, the 2024–25 result is 6.2% (\$718 million) less than the previous year.⁴⁹

Figure 2.2 Treasurer’s Advance payments fell in 2024–25, but remain well above pre-pandemic levels



Source: Department of Treasury and Finance, *Annual Financial Report, 2014-15 to 2024-25*.

45 Department of Treasury and Finance, *Budget Paper No. 2: 2024-25*, p. 8.

46 Department of Treasury and Finance, *2024-25 Financial Report*, p. 6.

47 Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2025-26 Budget Estimates*, October 2025, p. 16.

48 Department of Treasury and Finance, *2024-25 Financial Report*, pp. 158, 161.

49 Department of Treasury and Finance, *2023-24 Financial Report*, pp. 162, 165.

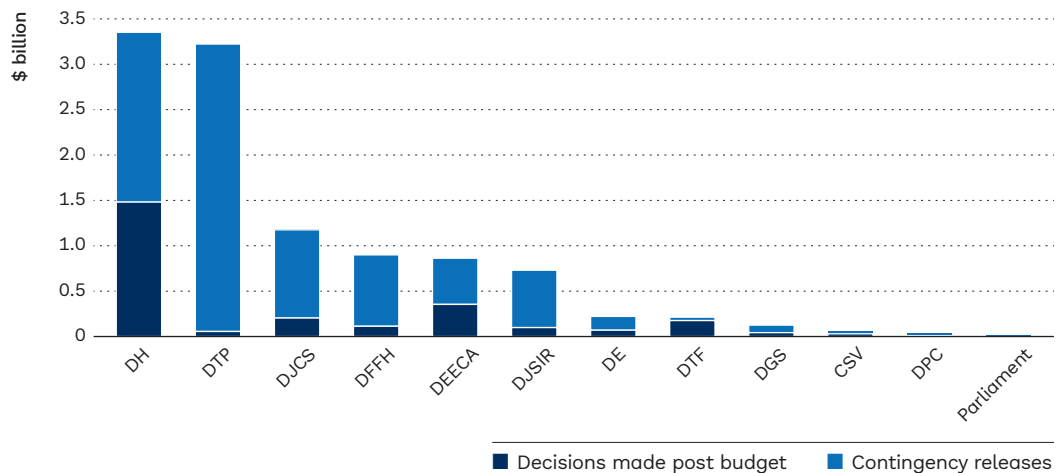
TA payments related to contingency releases also increased over the previous year, from \$7.6 billion to \$8.3 billion.⁵⁰

FINDING 7: Treasurer’s Advance payments worth \$10.9 billion were made in 2024–25, 6.2% (\$718 million) less than the previous year. Treasurer’s Advances related to contingency releases increased over the same time period, from \$7.6 billion to \$8.3 billion.

The Department of Health (DH) received the largest amount of TA payments in 2024–25, totalling \$3.4 billion. Of the TAs received by DH, \$1.5 billion (44.2%) were ‘decisions made post budget’, 98.7% of which was allocated to *Additional hospital system support*. In terms of DH contingency releases, \$1.5 billion (81.3%) of the \$1.9 billion total was for *Funding our hospitals*.⁵¹ This is discussed further in Chapter 3: Department of Health.

The Department of Transport and Planning (DTP) had the second largest TA payments of all the departments, with 98.3% (\$3.2 billion) of the TA total allocated for contingency releases. Most of this went to the major infrastructure projects of the *Level Crossing Removal Program* (\$1.4 billion), *Suburban Rail Loop East – Main Works* (\$871 million) and *Suburban Rail Loop East – Development, Initial and Early Works* (\$306 million).⁵²

Figure 2.3 In 2024–25, most ‘decisions made post budget’ payments were made to the Department of Health, while most contingency releases payments were made to the Department of Transport and Planning



Source: Department of Treasury and Finance, 2024–25 Financial Report, Melbourne, 2025, pp. 157–161.

50 Ibid.; Department of Treasury and Finance, 2024–25 Financial Report, pp. 158, 161.

51 Department of Treasury and Finance, 2024–25 Financial Report, pp. 157, 159.

52 Department of Treasury and Finance, 2024–25 Financial Report, pp. 158, 161.

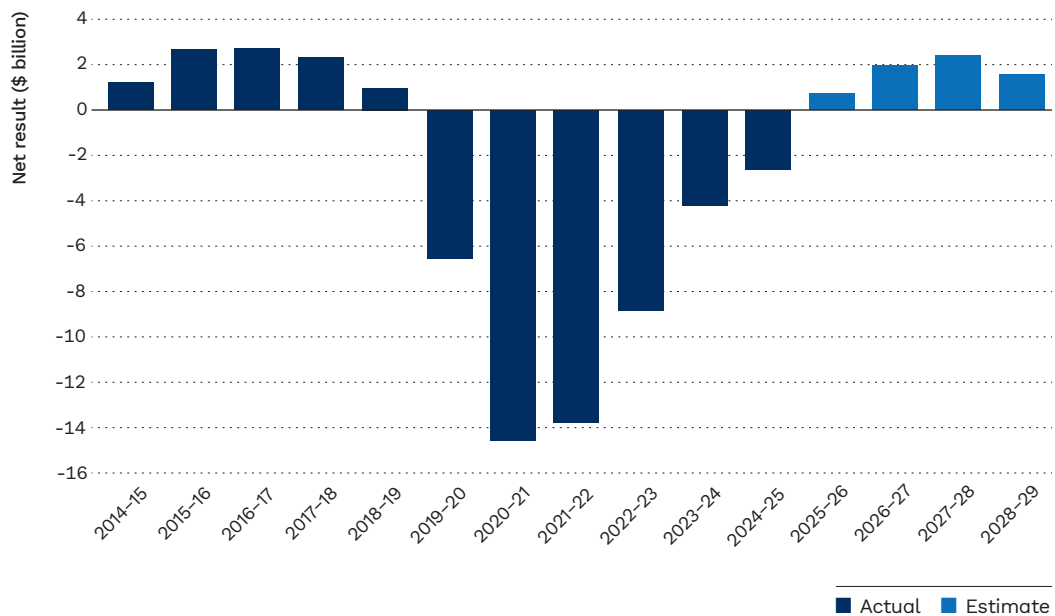
In its *Report on the 2023–24 Financial and Performance Outcomes*, the Committee recommended that DTF update the *Model Report* to require departments to disclose more information about TA payments, including a description of the purpose of each TA, and an explanation of why the TA was urgent and/or unforeseen.⁵³ This recommendation was supported-in-principle by the Government, who responded that while there ‘are already detailed disclosures on Treasurer’s Advances’, DTF will ‘continue to look at opportunities to further strengthen disclosures in this area as part of the FY2025–26 Model Report’.⁵⁴

The Committee encourages the amendment of the 2025–26 *Model Report* accordingly.

2.3.4 Net result

As discussed in Section 2.2, the GGS net result from transactions for 2024–25 was a \$2.6 billion deficit, a 37.8% (\$1.6 billion) decrease on the previous year. The original Budget estimate for the 2024–25 net result was a deficit of \$2.1 billion.

Figure 2.4 The \$2.6 billion deficit for 2024–25 improves upon the previous year’s net result and shows the Budget is tracking towards the forecast surplus for 2025–26



Source: Department of Treasury and Finance, *Historical Financial Tables - Operating Statement General Government*, 5 December 2025, <<https://www.dtf.vic.gov.au/aggregate-financial-statements#consolidated-cash-flow-statement>> accessed 23 December 2025.

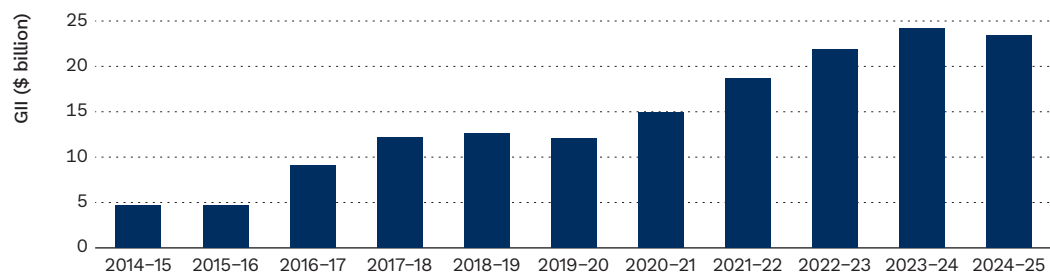
⁵³ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, p. 31.

⁵⁴ Government of Victoria, *Response to the Parliament of Victoria, Public Accounts and Estimates Committee, Inquiry into the 2023–24 Financial and Performance Outcomes*, 11 September 2025, p. 3.

2.3.5 Government infrastructure investment

Government infrastructure investment (GII) measures the Government's infrastructure and capital works project costs. In 2024–25, GII was \$23.5 billion, 3% (\$732 million) less than the previous year.⁵⁵ In keeping with the advice the Committee received at the 2023–24 financial and performance outcomes hearings, the Government planned for GII to begin decreasing from 2024–25 as various Big Build projects reached completion.⁵⁶

Figure 2.5 Government infrastructure investment decreased in 2024–25, reflecting various Big Build projects reaching the completion stage



Source: Department of Treasury and Finance, *Historical Financial Aggregates - Net Infrastructure Investment General Government*, December 2025, <<https://www.dtf.vic.gov.au/other-financial-aggregates>> accessed 23 December 2025.

FINDING 8: Infrastructure spending decreased in 2024–25 compared to previous years, with Government infrastructure investment worth \$23.5 billion in 2024–25, 3% (\$732 million) less than the previous year. The reduction reflects the finalisation of various Big Build projects over 2024–25.

2.3.6 Net debt

GGs net debt at 30 June 2025 was \$150.9 billion, 13.2% (\$17.6 billion) more than the previous year.⁵⁷ This result was, however, 3.4% (\$5.3 billion) less than the original Budget estimate of \$156.2 billion.⁵⁸

The increase in the level of net debt ‘primarily reflects additional borrowings required to fund the State’s capital program’.⁵⁹

As the Committee noted in the *Report on the 2025–26 Budget Estimates*, this means an increasing proportion of revenue will be dedicated to servicing interest payments and less will be available to fund services.⁶⁰

⁵⁵ Department of Treasury and Finance, *2024–25 Financial Report*, p. 3.

⁵⁶ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, p. 22.

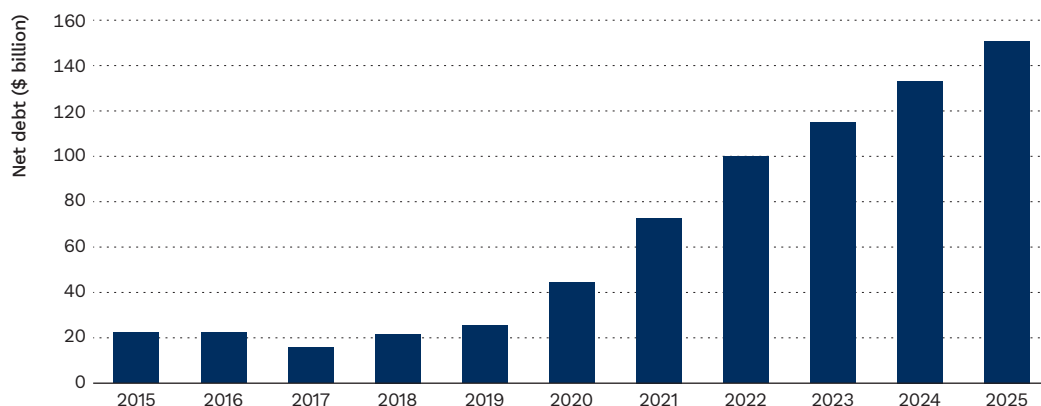
⁵⁷ Department of Treasury and Finance, *2024–25 Financial Report*, p. 3.

⁵⁸ Department of Treasury and Finance, *Budget Paper No. 2: 2024–25*, p. 53.

⁵⁹ Department of Treasury and Finance, *2024–25 Financial Report*, p. 7.

⁶⁰ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2025–26 Budget Estimates*, p. 17.

Figure 2.6 Increased borrowings over 2024–25 to fund the Government’s capital program means net debt continues to increase



Source: Department of Treasury and Finance, *Other financial aggregates*, 18 December 2025, <<https://www.dtf.vic.gov.au/other-financial-aggregates#consolidated-balance-sheet>> accessed 21 January 2026.

FINDING 9: Net debt for the general government sector at 30 June 2025 was \$150.9 billion. This was 13.2% (\$17.6 billion) more than the previous year but 3.4% (\$5.3 billion) less than the original Budget estimate.

2.4 State of Victoria financial performance

The following section outlines the financial performance of the PFC and PNFC sectors in 2024–25. The financial results of the three sectors are then combined to give the net result from transactions for the State of Victoria.

2.4.1 Public financial corporation sector performance

PFCs are state-owned organisations that provide insurance and finance-related services. They include WorkSafe Victoria, the Transport Accident Commission, the Victorian Managed Insurance Authority and the Victorian Funds Management Corporation.

The financial outcomes for the PFC sector in 2024–25 were:

- \$18.4 billion in revenue, an increase of 17% (\$2.7 billion) over the previous year.⁶¹
- \$19.8 billion in expenses.⁶²
- The net result from transactions was a deficit of \$1.4 billion, an improvement of 27.1% (\$525 million) on the previous year’s net result.⁶³

⁶¹ Department of Treasury and Finance, *2024–25 Financial Report*, p. 20.

⁶² *Ibid.*, p. 21.

⁶³ *Ibid.*

The PFC sector's financial outcome is also subject to a number of revaluations to investments and insurance claims, incorporated into the financial statement under the 'Net result and other economic flows' line item.⁶⁴ In 2024–25, the net result and other economic flows for the PFC was a negative adjustment of \$2.1 billion.⁶⁵ When this adjustment is included, the overall net result for the PFC sector was a deficit of \$3.5 billion.⁶⁶

FINDING 10: The \$1.4 billion net deficit result from transactions in 2024–25 for the public financial corporation sector was a \$525 million improvement on the previous year's result. A further \$2.1 billion in adjustments to the net result were made following sector revaluations, leading to an overall net result of a \$3.5 billion deficit.

2.4.2 Public non-financial corporation sector performance

PNFCs are state-owned entities that provide goods and services to the public on a cost-recovery basis, and include water authorities, Homes Victoria and VicTrack.

The financial outcomes for the PNFC sector in 2024–25 were:

- \$11.7 billion in revenue, 5.6% (\$622 million) more than the previous year, driven by \$8.1 billion in sales of goods and services⁶⁷
- \$11.8 billion expenses, 6.7% (\$744 million) higher than the previous year, reflecting PNFC entities' growing staffing levels, and depreciation costs within the water sector and Homes Victoria⁶⁸
- a net result of a \$121 million deficit, reflecting the higher expenses figure over revenue for the PNFC sector.⁶⁹

Similar to the PFC sector, the PNFC finances and net result are also subject to adjustment under the 'other economic flows' line item. For 2024–25, this included a derecognition and revaluation of rail assets leading to a \$12.9 billion negative adjustment classified as other economic flows.⁷⁰ Overall this led to a net result of a \$13.1 billion deficit for the sector.⁷¹

FINDING 11: Negative re-adjustments and devaluations relating to rail assets within the public non-financial corporation sector led to a net deficit result of \$13.1 billion for 2024–25.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid., p. 16.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Ibid., p. 17.

⁷¹ Ibid.

2.4.3 Net result from transactions for the State of Victoria

The State of Victoria's net result from transactions combines the net result from the three sectors (GGS, PFC and PNFC).

In 2024–25, the net result for the State of Victoria was a \$6.2 billion deficit, a 27% (\$2.3 billion) improvement on the previous year, driven by the improving net result performance of the GGS.⁷² A further negative 'other economic flows' adjustment of \$1.5 billion took place, reflecting PFC sector adjustments resulting in an overall net result for the State of Victoria of a \$7.7 billion deficit.⁷³

FINDING 12: The 2024–25 State of Victoria net result of a \$6.2 billion deficit was a 27% (\$2.3 billion) improvement of the previous year's result, reflecting the general government sector's improving net result performance. A further \$1.5 billion negative adjustment from the public financial corporation sector resulted in an overall \$7.7 billion deficit net result.

2.5 Key issue: Use of artificial intelligence across the Victorian Government

Over the course of this inquiry the Committee was updated on the Government's guidance and use of AI⁷⁴ in the public sector, including how AI is increasingly used to automate certain service delivery processes leading to efficiencies and reduced workloads.⁷⁵

'Generative AI' creates content such as text or images in response to questions or prompts from users. Commonly used generative AI tools include ChatGPT and Google Gemini.⁷⁶ Generative AI systems are increasingly used to provide information on government information websites, using features such as chatbots, for example, to answer enquiries from the public.⁷⁷

⁷² Ibid., p. 23.

⁷³ Department of Treasury and Finance, *2024–25 Financial Report*, p. 23.

⁷⁴ The OECD defines artificial intelligence (AI) as 'a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Source: OECD, *Governing with Artificial Intelligence: The State of Play and Way Forward in Core Government Functions*, 2025, Paris, p. 18.

⁷⁵ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Government Services, Melbourne, 25 November 2025, *Transcript of evidence*, p. 12; Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Court Services Victoria, Melbourne, 25 November 2025, *Transcript of evidence*, p. 12.

⁷⁶ Victorian Government, *Administrative Guideline for the safe and responsible use of Generative Artificial Intelligence in the Victorian Public Sector*, 12 February 2025, <<https://www.vic.gov.au/administrative-guideline-safe-responsible-use-gen-ai-vps>> accessed 8 January 2026.

⁷⁷ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Government Services, *Transcript of evidence*, p. 12.

2.5.1 Increasing use of artificial intelligence in Victorian Government service delivery

The potential benefits and possible challenges posed by the increasing use of AI were identified by some departments in their responses to the Committee questionnaire. The Department of Education (DE) identified the rapid pace of AI advancement as a critical challenge in providing adequate technology-related security and privacy protection for the school and early childhood education sectors.⁷⁸ In response, DE has issued a Generative Artificial Intelligence policy for schools and developed an AI security assurance framework to support advice about and safe use of AI.⁷⁹ In 2024–25, the Department of Families Fairness and Housing (DFFH) commissioned a ‘DFFH Data Quality Plan Implementation’ study outlining a departmental action plan for data governance enabling future AI use, aligning with Whole of Victorian Government standards.⁸⁰

DTF advised the Committee that it is currently developing an AI program to digitise outdated regulatory processes and streamline approvals processes, as part of the \$500 million red tape reduction target in the Government’s *Economic Growth Statement*.⁸¹ While the Committee was informed of the use of AI for Government services delivery, such as chatbots in Services Victoria’s whole-of-government contact centre,⁸² not all government agencies are currently incorporating AI into their service delivery. Court Services Victoria (CSV) confirmed that while ‘There are some [AI] concepts being considered in the Coroners Court’, AI systems were yet to be used across Victoria’s courts system.⁸³

FINDING 13: Departments are increasingly developing artificial intelligence tools to assist in streamlining processes and service delivery, as well as developing policies and frameworks relating to the safe and secure use of artificial intelligence technology.

⁷⁸ Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 177–178.

⁷⁹ Ibid.

⁸⁰ Department of Families, Fairness and Housing, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 109.

⁸¹ Chris Barrett, Secretary, Department of Treasury and Finance, *Transcript of evidence*, p. 24.

⁸² Jo de Morton, Secretary, Department of Government Services, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 25 November 2025, *Transcript of evidence*, p. 12.

⁸³ Louise Anderson, Chief Executive Officer, Court Services Victoria, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 25 November 2025, *Transcript of evidence*, p. 12.

Regulatory guidance for government AI use

Victoria became a signatory to the *National framework for the assurance of artificial intelligence in government* on 21 June 2024.⁸⁴ The national framework aligns with the Australian Government's *Australia's AI Ethics Principles* statement, containing 'cornerstones of assurance' for government-related AI use, including guidance on governance (including data governance), risk management and procurement and information on relevant AI-related Australian Standards.⁸⁵

The state-level response for the regulation and application of AI in public sector service delivery is being led by the Department of Government Services (DGS). DGS is currently developing a tool to apply the national AI assurance framework to the Victorian public sector.⁸⁶ At the hearings, DGS officials also advised the Committee that throughout 2024–25 the Department provided advice to members of the Victorian public sector on the safe and responsible use of AI in order to 'mak[e] it easier to get things done in the public service'.⁸⁷ DGS also developed a dedicated safe and secure ChatGPT-style AI chat tool for public servants to use. The pilot was completed in 2024–25 and the Department expects the department-wide roll out to start in 2025–26.⁸⁸

DGS has issued guidance documents regarding AI and generative AI use in the public sector—*Guidance for the safe and responsible use of generative artificial intelligence in the Victorian public sector* and *Administrative guideline for the safe and responsible use of Generative Artificial Intelligence in the Victorian Public Sector*.⁸⁹ These documents contain links to relevant legislation, and scenario examples including of best practice as well as possible inappropriate use.⁹⁰

FINDING 14: A state-level tool applying the national artificial intelligence assurance framework, which the Victorian Government signed in July 2024, is currently under development by the Department of Government Services. In the meantime, the Department of Government Services has issued guidance documents for the use of generative artificial intelligence in the Victorian public sector.

84 Australian Government, Department of Finance, *National framework for the assurance of artificial intelligence in government*, 2025, <<https://www.finance.gov.au/government/public-data/data-and-digital-ministers-meeting/national-framework-assurance-artificial-intelligence-government>> accessed 7 January 2025.

85 Australian Government, *National framework for the assurance of artificial intelligence in government: A joint approach to safe and responsible AI by the Australian, state and territory governments*, Canberra, 21 June 2024, pp. 6–10.

86 Victorian Government, *Guidance for the safe and responsible use of generative artificial intelligence in the Victorian public sector*, 19 March 2025, <<https://www.vic.gov.au/guidance-safe-responsible-use-gen-ai-vps>> accessed 7 January 2026.

87 Jo de Morton, Secretary, Department of Government Services, *Transcript of evidence*, p. 2.

88 Ibid.

89 Victorian Government, *Guidance for the safe and responsible use of generative artificial intelligence in the Victorian public sector*, <<https://www.vic.gov.au/guidance-safe-responsible-use-gen-ai-vps>> accessed 7 January 2026; Victorian Government, *Administrative Guideline for the safe and responsible use of Generative Artificial Intelligence in the Victorian Public Sector*, <<https://www.vic.gov.au/administrative-guideline-safe-responsible-use-gen-ai-vps>> accessed 7 January 2026.

90 Victorian Government, *Example scenarios*, 19 March 2025, <<https://www.vic.gov.au/guidance-safe-responsible-use-gen-ai-vps#example-scenarios>> accessed 29 January 2026.

2.6 Key issue: Progress against essential worker shortfalls

Victoria's essential worker labour force comprises workers delivering 'frontline' services across the areas of education, health, police and social services. Since the beginning of the COVID-19 pandemic in 2020, the Committee has been advised of shortages for certain essential workers including police, ambulance officers, teachers, nurses and social services workers.⁹¹ At this year's hearings, the Committee was given updates on the various strategies, policies and programs put in place after the pandemic to restore labour supply and employment across several of these professions to meet the Victorian community's demand for these services.

2.6.1 Teachers

At the hearings, the Secretary of DE advised the Committee that '[the Department] had a very challenging time after COVID. We saw a lot of teachers exit the system, particularly in the secondary school level. It is still a challenge, but we are in a much, much stronger place than we have been'.⁹² In addition to the impact of the COVID-19 pandemic on the Victorian teaching workforce, there has been a shortage of qualified teachers nationwide, with efforts to remedy this through the latest Commonwealth-state schools agreement and the *National Teacher Workforce Action Plan*.⁹³

The *Ensuring a strong, sustainable and supported school workforce* statement made by the Victorian Government in 2022 contained a series of initiatives to increase and retain Victorian school teachers across the five priority areas of attraction, recruitment, supporting early-career teachers, retention and career development.⁹⁴

The Committee has also previously noted difficulties in gauging the success of the teacher attraction and retention initiatives.⁹⁵ Nevertheless, 2024–25 data on the number of registered teachers and the level of Government Teaching Service teachers indicate the number of teachers in Victoria has increased.

⁹¹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2020–21 financial and performance outcomes*, April 2022, pp. 41–43; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021–22 and 2022–23 financial and performance outcomes*, March 2024, pp. 81–85; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 financial and performance outcomes*, pp. 65–68; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2022–23 Budget Estimates*, August 2022, pp. 55–56; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Budget Estimates*, October 2023, pp. 55–57, 82–83, 115–117; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2024–25 Budget Estimates*, October 2024, pp. 72–74.

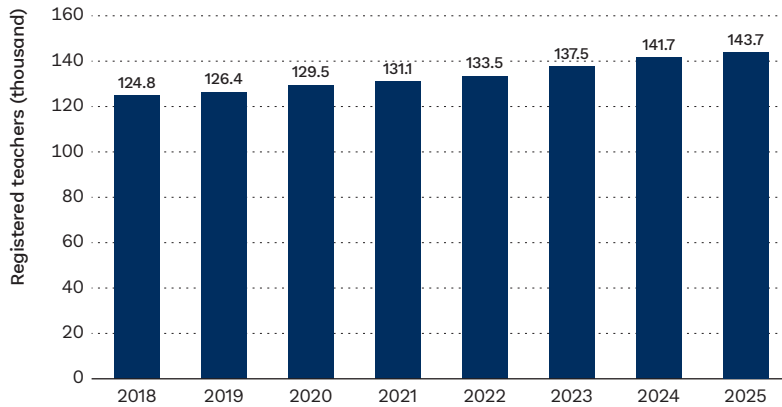
⁹² Tony Bates, Secretary, Department of Education, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 6.

⁹³ Australian Government, Department of Education, *National Teacher Workforce Action Plan*, 30 October 2025, <<https://www.education.gov.au/national-teacher-workforce-action-plan>> accessed 22 January 2026; Australian Government, Department of Education, *Better and Fairer Schools Agreements 2025–2034 Full and fair funding for all schools Fact Sheet*, 30 July 2025 <<https://www.education.gov.au/recurrent-funding-schools/resources/better-and-fairer-schools-agreements-20252034-fact-sheet>> accessed 22 January 2026.

⁹⁴ Victorian Government, *Ensuring a strong, sustainable and supported school workforce*, 7 October 2025, <<https://www.vic.gov.au/ensuring-strong-sustainable-and-supported-school-workforce>> accessed 20 January 2026.

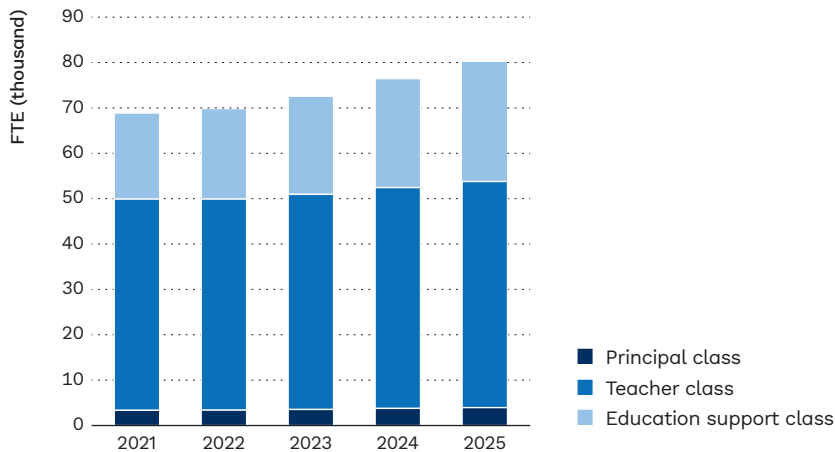
⁹⁵ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 financial and performance outcomes*, p. 67.

Figure 2.7 The number of Victoria registered teachers has grown by an average annual rate of 2% since 2018 ...



Source: 2024–25 Financial and Performance outcomes hearings presentation: Education, supplementary evidence received 24 November 2025, p. 19.

Figure 2.8 ... while the number of full-time equivalent teachers employed in the government teaching service has grown by an average of 1.7% between June 2021 and June 2025



Source: Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 127; Department of Education and Training, *Response to the 2020–21 and 2021–22 Financial and Performance Outcomes Questionnaire–Revised*, received 12 April 2024, p. 221.

The Committee was also advised that the number of teaching vacancies has declined, with 700 vacancies recorded in the peak recruiting period during 2024–25, representing about 1% to 2% of the total government teaching service workforce.⁹⁶ There was also a 16.1% decrease on the number of advertised positions (21,742) in 2024–25 in comparison to the previous year.⁹⁷

⁹⁶ David Robinson, Acting Deputy Secretary, Schools Workforce, Department of Education, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 7.

⁹⁷ Noting an advertised position does not necessarily mean that a position was vacant. Source: Tony Bates, Secretary, Department of Education, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 3 December 2025, pp. 1–2.

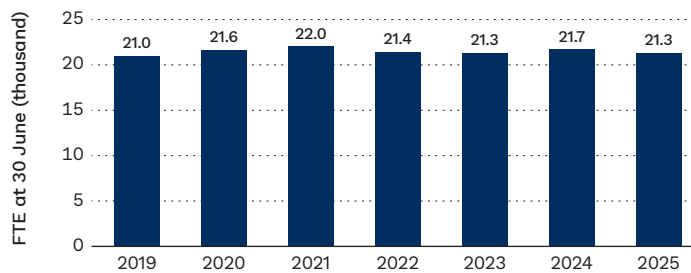
FINDING 15: Initiatives put in place by the Department of Education since 2022, which aimed to increase and retain Victoria’s teaching workforce, have contributed to an increase in registered teachers and the number of teachers employed in the Government teaching service. Vacancies and advertised positions for teaching roles also declined over 2024–25.

2.6.2 Police officers

The difficulties in recruitment and retention and corresponding initiatives to address policing shortages have been examined in recent Committee reports.⁹⁸ Similar to the teaching workforce and the recruitment challenges faced by DE, Victoria Police has also faced recruitment in an environment where there are national shortages.⁹⁹

Workforce data provided by Victoria Police show its full-time equivalent (FTE) workforce has averaged 21,480 FTE staff between 2019 and 2025.¹⁰⁰

Figure 2.9 The full-time equivalent (FTE) Victoria Police staff increased to 22,023 FTE at June 2021 but fell over subsequent years and was 21,331 FTE at June 2025



Source: Department of Justice and Community Safety, *Response to the 2020–21 Financial and Performance Outcomes Questionnaire*, received 1 November 2021, p. 151; Department of Justice and Community Safety, *Response to the 2020–21 and 2021–22 Financial and Performance Outcomes Questionnaire*, received 10 November 2023, p. 179; Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 17 November 2025, p. 100.

In its questionnaire response, Victoria Police noted the challenge of reduced workforce capacity, reflecting insufficient levels of recruitment and retention.¹⁰¹ As a result, ‘the workforce is overextended’.¹⁰² An increase in public protests and rallies requiring police attendance on a range of issues and rising crime rates over 2024–25 also placed pressure on staffing levels.¹⁰³

⁹⁸ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Budget Estimates*, pp. 82–83; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2024–25 Budget Estimates*, pp. 72–74.

⁹⁹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Budget Estimates*, pp. 82–83.

¹⁰⁰ Department of Justice and Community Safety, *Response to the 2020–21 Financial and Performance Outcomes Questionnaire*, received 1 November 2021, p. 151; Department of Justice and Community Safety, *Response to the 2020–21 and 2021–22 Financial and Performance Outcomes Questionnaire*, received 10 November 2023, p. 179; Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 17 November 2025, p. 100.

¹⁰¹ Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 160.

¹⁰² Ibid.

¹⁰³ Ibid., p. 161.

Performance measures relating to the proportion of crimes against the person solved within 30 days (Target: 45%; 2024–25 Result: 35.9%) and property and deception offences solved within 30 days (Target: 25%; 2024–25 Result: 18.5%) were also not met in 2024–25 due to ‘workforce availability challenges impacting investigation capacity and clearance rates’ in addition to ‘an increase in overall crime rates’.¹⁰⁴

FINDING 16: Victoria Police continue to experience workforce recruitment and retention challenges in 2024–25.

Victoria Police noted it ‘presently ha[s] over 1,000 police vacancies ... across the organisation. Contributing factors to this include [a] limited and ad hoc approach to recruitment media campaigns, a competitive labour market and a police attrition rate at 5.4% for 2024–25’.¹⁰⁵ The Chief Commissioner of Police advised the Committee that the attrition rate ‘is a little bit above healthy’ but that Victoria Police is ‘doing everything we can to address that. Our recruitment is going well at the moment’.¹⁰⁶ The Chief Commissioner added that it was likely the police force would be at ‘full strength within five years due to Victoria Police’s recruitment work’.¹⁰⁷

Other measures taken by Victoria Police to address workforce shortfalls and to improve retention include cross training and reprioritising staff to manage workload peaks and support programs to promote employee wellbeing.¹⁰⁸

2.6.3 Nurses and ambulance officers

The ten-year *Victorian Health Workforce Strategy* was released in 2024. The Strategy noted in the wake of the COVID-19 pandemic, ‘significant and sustained change to Victoria’s health system [occurred] and placed unprecedented pressure on the health workforce’.¹⁰⁹ The Strategy contains five focus areas: increasing the supply of priority roles, strengthening rural and regional workforces, improving the employee experience, building future roles and capacity and leveraging digital, data and technology solutions.¹¹⁰

In 2024–25, DH spent \$55.2 million on the *Supporting our health workforce* initiative aimed at increasing ‘Victoria’s health workforce capacity through initiatives, including Registered Undergraduate Student of Nursing or Midwifery positions, nurse practitioner development, transition to practice support and capability development

¹⁰⁴ Victoria Police, *Annual Report 2024–25*, Melbourne, 2025, p. 18.

¹⁰⁵ Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 101.

¹⁰⁶ Mike Bush, Chief Commissioner of Police, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, p. 4.

¹⁰⁷ Ibid.

¹⁰⁸ Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 160–162.

¹⁰⁹ Department of Health, *Victorian Health Workforce strategy: A 10-year strategy for a modern, sustainable and engaged healthcare workforce*, Melbourne, 2024, p. 11.

¹¹⁰ Ibid., p. 10.

resources for nurses and midwives in regional Victoria'.¹¹¹ The 2024–25 outcomes reported to the Committee of this initiative included:

- 253 newly registered enrolled nurses supported as they transition to professional practice following study completion
- 68 regional and rural midwives upskilled through short-term clinical placements in larger health services
- 349 rural registered and enrolled nurses working in Urgent Care Centres supported to develop or enhance their skills.¹¹²

At the hearings, the Committee asked about instances of some nursing graduates being unable to find ongoing employment as nurses on completion of their studies, after having this study subsidised by the Government.¹¹³ The Department told the Committee that '[n]ot all graduate nurses have immediately been matched' as '[o]ver the last couple of years, in a pleasing sense, we have seen much greater rates of retention in our health services'.¹¹⁴ The success of recent graduate nursing programs in Victoria in recent years has meant demand for nurses has subsided. The Committee was further advised:

... one of the reasons why we have less graduates this year is that we have seen a real pattern over the last couple of years of the significant vacancies that we had in the system after COVID, and this was the same in lots and lots of sectors. We had a lot of vacancies, and that has gradually decreased. In fact some of our metropolitan health services are now saying that they do not have vacancies. In rural and regional Victoria there are still vacancies, but even that is coming down.¹¹⁵

Data on registered nurses shows the number of registered nurses (including non-practising nurses) in Victoria has increased at an average annual rate of 2.8% since 2020, with particularly strong growth in 2024 and 2025, when numbers increased by over 5,000 and 3,000 respectively.¹¹⁶

The Committee also asked DH officials about the progress made in recruiting ambulance officers. Ambulance Victoria (AV) told the Committee that 229 graduates commenced in 2024–25 as part of the AV's graduate recruitment pathway. Overall, while AV advised it is 'actively working to ensure our rosters are covered based on

¹¹¹ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 26 November 2025, p. 4.

¹¹² Ibid.

¹¹³ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Health, Melbourne, 28 November 2025, *Transcript of evidence*, p. 13.

¹¹⁴ Jenny Atta, Secretary, Department of Health, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 28 November 2025, *Transcript of evidence*, p. 13.

¹¹⁵ Naomi Bromley, Deputy Secretary, Hospitals and Health Services, Department of Health, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 28 November 2025, *Transcript of evidence*, p. 13.

¹¹⁶ Australian Health Practitioner Regulation Agency, Nursing and Midwifery Board of Australia, *Statistics*, 2025 <<https://www.nursingmidwiferyboard.gov.au/about/statistics.aspx>> accessed 30 January 2025.

short-term vacancies', it currently has 'a very healthy pipeline of individuals coming through our ordinary recruitment'.¹¹⁷

AV workforce data demonstrate the overall workforce has grown from 5,313.3 FTE in 2019–20 to 6,195.77 FTE in 2024–25. 'On road clinical staff' which includes paramedics, has also grown over this time, although over the last two financial years the numbers have fallen slightly from the 5,055.4 FTE peak in 2022–23.¹¹⁸

Despite the recent recruitment success for nurses and ambulance officers in Victoria, the questionnaire response and performance measure results for 2024–25 indicate the health system continued to experience ongoing workforce shortages in specialised health care roles. Programs and performance measures relating to aged care assessments, alcohol and drug counselling services, dental treatment programs for school children and the treatment of mental health patients in emergency departments were not met in 2024–25, in part due to workforce shortages.¹¹⁹

FINDING 17: The recruitment and employment of nurses and ambulance officers has recovered after experiencing workforce shortages during the COVID-19 pandemic. However, various health services continue to experience workforce shortages, including in aged care assessment, alcohol and drug counselling, child dental programs and emergency mental health treatment.

¹¹⁷ Jordan Emery, Chief Executive Officer, Ambulance Victoria, Department of Health, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 28 November 2025, *Transcript of evidence*, p. 16.

¹¹⁸ Ambulance Victoria, *Annual Report 2020–21*, Melbourne, 2021, p.50; Ambulance Victoria, *Annual Report 2022–23*, Melbourne, 2023, p. 45; Ambulance Victoria, *Annual Report 2024–25*, Melbourne, 2025, p. 43.

¹¹⁹ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 23–25, 177–179.

Chapter 3

Department of Health

3.1 Overview

The Department of Health (DH) develops and delivers policies, programs and services that support, protect and enhance the health, wellbeing and safety of all Victorians.¹

In 2024–25, DH's objectives were:

- keep people healthy and safe in the community
- care closer to home
- keep improving care
- improve Aboriginal health and wellbeing
- move from competition to collaboration
- a stronger workforce
- a safe and sustainable health system.²

3.2 Outcomes and challenges

In response to the Committee's questionnaire, DH was asked to identify its programs that delivered the most important outcomes in the community, programs that did not deliver their planned outcomes and the key challenges faced by the Department in 2024–25.

Key outcomes included:

- delivering planned surgery. As a result of several reforms, Victorian public health services were able to deliver over 212,000 planned surgeries in the financial year—the highest annual total in Victoria's history
- the operation of Urgent Care Clinics and the Victorian Virtual Emergency Department, which better allowed Victorians to access care when they needed it, and diverted demand from hospital emergency departments
- several programs to improve health and wellbeing outcomes for women and girls in Victoria.³

¹ Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2024, p. 130.

² Ibid.

³ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 26 November 2025, pp. 16–18.

DH identified programs that did not meet their objectives, including:

- the performance of emergency departments to provide timely care. DH did not meet five performance measures related to emergency departments, which faced sustained pressures and increases in presentations and high-acuity cases. However, the Department noted that all critically unwell (Category 1) patients were seen within recommended timeframes, the median wait time of 15 minutes was five minutes faster than pre-COVID-19 levels, and while the target for patients treated within clinically recommended timeframes did not meet its target of 80%, the result of 72% was the best since 2019–20
- due to increased demand and increasing complexity and acuity of patients, some Ambulance Victoria response targets were not met
- four performance measures were not met relating to alcohol and drug treatment, influenced by high demand and limited capacity, and workforce constraints.⁴

The main challenges facing the Department in 2024–25 predominantly reflected DH's least performing programs. Pressure on emergency departments and Ambulance Victoria to provide timely care was listed, as were the steps DH took in the financial year to manage this challenge, including 'helping people access the right care for them away from ambulance and emergency department when they do not need it'.⁵ Key initiatives to achieve this included the *Victorian Virtual Emergency Department, Urgent Care Clinics, Secondary Triage, Medium Acuity Transport Services, Standards for Safe and Timely Ambulance and Emergency Care for Victorians, Timely Emergency Care 2* and *Better at Home*.⁶

Two further challenges were outlined by DH:

- the negotiation and finalisation of the next five-year National Health Reform Agreement (NHRA): this is discussed further in Section 3.5.3
- long stay patients in hospital awaiting aged care beds/packages: delays in Commonwealth supply and access to Residential Aged Care and Community Aged Care supports meant that patients were required to stay in hospitals longer. DH advised that as at end March 2025, nearly 18,000 Victorians were waiting for a home care package. DH did not say how many people were waiting for aged care beds. Responses to this challenge included improved system data, engagement with the Commonwealth and health system investment.⁷

⁴ Ibid., pp. 21–23.

⁵ Ibid., p. 182.

⁶ Ibid., pp. 182–184.

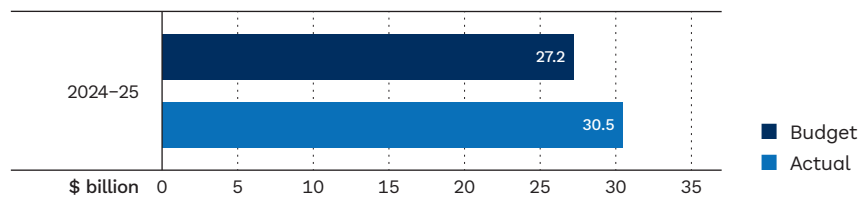
⁷ Ibid., pp. 184–185.

3.3 Financial analysis

3.3.1 Output expenditure

In 2024–25, DH’s output budget was \$27.2 billion. Actual expenditure for the year was \$30.5 billion, representing a variance of 11.9% (\$3.2 billion).⁸ This variance was almost double the variance recorded in 2023–24, during which DH exceeded its budget by 6.6% or \$1.7 billion.⁹

Figure 3.1 In 2024–25 the Department of Health exceeded its output budget by 11.9%



Source: Department of Health, *Annual Report 2024–25*, Melbourne, 2025, pp. 215–233.

The variance was predominantly driven by two outputs. Admitted Services exceeded its budget by 15.8% (\$2.5 billion), due to ‘additional funding to support the health sector and alignment of service delivery across outputs’. Aged and Home Care exceeded its budget by 46.7% (\$254.8 million) due to additional funding from the Commonwealth Government and for policy commitments.¹⁰

This was partially offset by underspends in outputs such as Emergency Services and Health Workforce Training and Development, due to ‘alignment of service delivery across outputs’.¹¹

Eleven of DH’s 15 outputs listed the same three reasons for any variance: additional funding to support the health sector, alignment of service delivery across outputs and funding provided for government policy commitments.¹²

FINDING 18: In 2024–25, the Department of Health exceeded its original output budget by \$3.2 billion, or 11.9%. Limited explanations for this extra funding were provided in the Department’s *Annual Report 2024–25*.

RECOMMENDATION 3: The Department of Health provide more detailed information about total output cost variances in its *Annual Report 2025–26*.

⁸ Department of Health, *Annual Report 2024–25*, Melbourne, 2025, pp. 215–233.

⁹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, p. 38.

¹⁰ Department of Health, *Annual Report 2024–25*, p. 221.

¹¹ *Ibid.*, pp. 218, 219.

¹² *Ibid.*, pp. 215–231.

3.3.2 Revenue and expenses

Revenue

In 2024–25, DH's actual output appropriations were 29.2% higher (\$3.8 billion) than its original budget.¹³ This was significantly higher than the previous year, during which DH's output appropriations were 13.5% (\$1.7 billion) higher than its original budget.¹⁴ DH provided minimal information on the causes of the variance in 2024–25, stating that it was due to funding released from central contingency and 'additional funding for new policy initiatives approved by the government'.¹⁵

DH's actual revenue for other income was also 33% higher (\$278 million) than its original budget due to increases in private activity fees across most health services.¹⁶

Expenses

DH's actual spend on employee benefits increased from \$18.3 billion in 2023–24, to \$19.5 billion in 2024–25, an increase of 6.1% (\$1.1 billion). Like other departments, this increase predominantly reflected cost increases from Enterprise Bargaining Agreement outcomes, and an increase in full-time equivalent (FTE) employees across health entities.¹⁷

When compared to its 2024–25 Budget, DH's other operating expenses were 34.5% higher (\$2.4 billion) than budgeted. This was due to increases in operating costs in health services, including supplies and consumables, medical supplies, nurse agency expenses, outsourced services and external contract staff. This resulted from additional funding for government policy decisions. DH advised additional expenses allowed for increased service delivery.¹⁸

DH's spend on contractors including labour hire decreased significantly in 2024–25. In 2023–24, DH spent \$650.7 million, which declined to \$264.3 million in 2024–25, a decrease of almost 60%. This was attributed to the transfer of the Victorian Health Building Authority (VHBA) out of the Department. VHBA expenditure contributed approximately 50% of total DH contractor expenditure for 2023–24.¹⁹ DH's spend on consultants however grew by 19.9% (\$570,000), due to increased program evaluation and review services.²⁰

¹³ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 109.

¹⁴ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, p. 39.

¹⁵ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 109.

¹⁶ *Ibid.*

¹⁷ *Ibid.*, p. 110.

¹⁸ *Ibid.*, p. 111.

¹⁹ *Ibid.*, p. 118.

²⁰ *Ibid.*, p. 119.

Savings

DH reported it made a total of \$175.4 million in savings through three different savings initiatives.²¹ This amount was the second-highest total savings of all departments in 2024–25, just \$5 million less than the Department of Jobs, Skills, Industry and Regions.²² DH advised that as part of its savings, it reduced its FTE by 323 people. It did so by initiating a ‘new departmental structure’ to deliver efficiencies, which according to DH, had no impact on service delivery.²³

Overall financial performance

Table 3.1 below summarises DH’s financial performance in 2024–25.

Table 3.1 In 2024–25 the Department of Health’s income exceeded its expenses by \$172 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	28,120	33,037
Expenses from transactions	27,876	32,865
Net result	244	172

Source: Department of Health, *Annual Report 2024–25*, Melbourne, 2025, p. 208.

3.3.3 Treasurer’s Advances

In 2024–25, DH received \$3.4 billion in Treasurer’s Advances (TAs).²⁴ This was an increase of 83.6% (\$1.5 billion) when compared to the previous year.²⁵ The last time DH’s funding received through TAs was as high as during the COVID-19 pandemic in 2021–22, when the Department received approximately \$4 billion in the financial year.²⁶

²¹ Ibid., p. 112.

²² Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 116–117.

²³ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 113–114.

²⁴ Department of Treasury and Finance, *Financial Report 2024–25*, Melbourne, 2025, pp. 157, 159.

²⁵ Department of Treasury and Finance, *Financial Report 2023–24*, Melbourne, 2024, pp. 160, 163.

²⁶ Department of Treasury and Finance, *Financial Report 2021–22*, Melbourne, 2022, pp. 147, 151; Department of Treasury and Finance, *Financial Report 2023–24*, pp. 160, 163; Department of Treasury and Finance, *Financial Report 2022–23*, Melbourne, 2023, p. 162.

In 2024–25, DH received \$1.5 billion in TAs for decisions made post-budget, and \$1.9 billion for TAs for contingency releases.²⁷ DH's TAs were predominantly received for two initiatives:

- \$1.5 billion for *Additional hospital system support*, 'to support health services to continue service delivery levels and performance in Victoria's hospitals, following detailed analysis and modelling'.²⁸
- \$1.5 billion for *Funding our hospitals*, 'to support service delivery and performance in Victoria's hospitals (operating expense)'.²⁹

These amounts are discussed in detail in Section 3.5.

FINDING 19: The Department of Health received \$3.4 billion in Treasurer's Advance funding post-budget in 2024–25, representing an 83.6% increase on the previous year and the highest amount since the COVID-19 pandemic.

3.4 Performance information

In 2024–25, DH achieved or exceeded 52% of its 191 performance measures published in its Annual Report. The Department failed to meet 11% of its measures within a 5% variance and did not meet 33% of its measures exceeding a 5% variance. Four per cent of measures were unreportable in the financial year.³⁰ This performance is broadly similar to the last three years, including in 2021–22, when performance reflected COVID-19 impacts.³¹

²⁷ Department of Treasury and Finance, *Financial Report 2024–25*, pp. 157, 159.

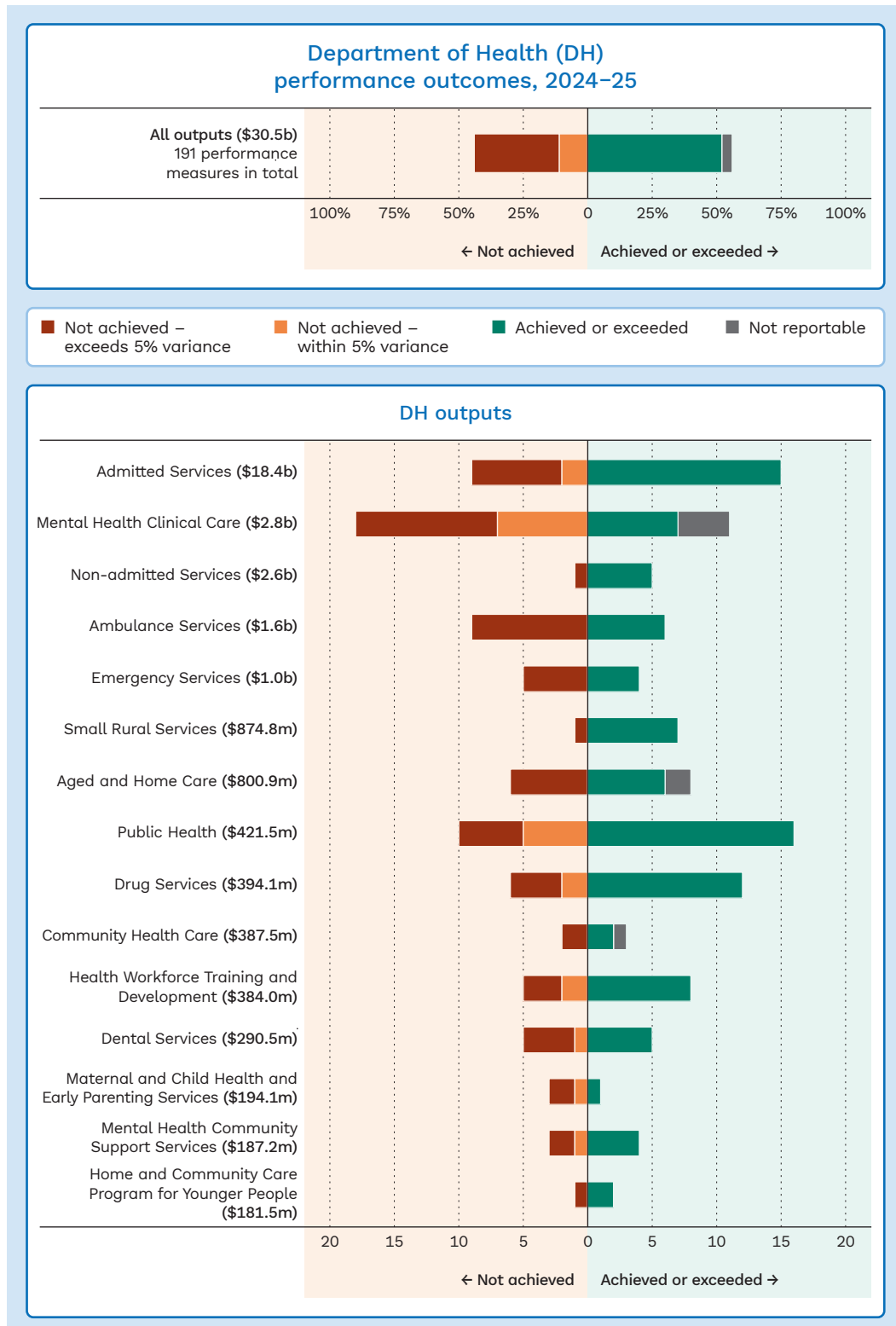
²⁸ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 26.

²⁹ *Ibid.*, p. 35.

³⁰ Department of Health, *Annual Report 2024–25*, pp. 215–231.

³¹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, p. 40; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes*, March 2024, p. 50.

Figure 3.2 In 2024–25 the Department of Health achieved or exceeded 52% of its performance measures



Source: Department of Health, *Annual Report 2024–25*, Melbourne, 2025, pp. 215–231.

Seven of DH's 15 outputs achieved 50% or less of their measures.³² These included Ambulance Services (40% achieved) and Emergency Services (44% achieved), which reflect the least performing programs DH identified for the financial year. The Mental Health Clinical Care output achieved 28% of its measures.³³ These outputs were also some of DH's lowest performing in 2023–24.³⁴

3.5 Key issue: Victoria's pill-testing trial

During the hearings the Committee discussed Victoria's first pill-testing trial with DH representatives. The trial received \$4.4 million in funding in the *2024–25 Budget Update* in December 2024.³⁵ Announced in June 2024, the trial will run for 18 months and aims to reduce drug harm and reduce drug-related emergency department admissions and overdose deaths.³⁶

The Department told the Committee that over the summer of 2024–25 the trial operated at five music festivals, during which 1,500 people accessed the service and 1,400 samples were tested. Ten onsite drug notifications were issued. Notifications are sent via SMS or social media channels of the relevant festival to alert attendees of substances that have been detected as a risk through testing, which could have a harmful effect on individuals if taken.³⁷ Two notifications were escalated to a statewide advisory notification, through which particular high-risk substances get amplified through different channels to notify the public.³⁸

DH outlined further benefits of the trial. Over the summer period, 743 health conversations were delivered alongside testing, representing 65% of people who accessed the testing service. DH advised that for many, this represented the first time they had spoken to a health professional about drug and alcohol safety, stating:

... more than 30 per cent of service users advised that they would take a smaller amount after talking to a health professional, and nearly 40 per cent advised that they would tell their friends about the test results and the advice following the use of the service.³⁹

DH also established a fixed-site service in Fitzroy in August 2025.⁴⁰ The Department advised that the fixed-site testing service publishes detailed reports, which give the public and people working in the sector real-time information about hazards and

³² These calculations do not include the 'Not reportable' performance measures in the totals. Source: Department of Health, *Annual Report 2024–25*, pp. 215–231.

³³ Ibid.

³⁴ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, p. 40.

³⁵ Department of Treasury and Finance, *2024–25 Budget Update*, Melbourne, 2024, p. 138.

³⁶ Department of Health, *Victoria's pill testing trial*, 1 December 2025, <<https://www.health.vic.gov.au/alcohol-and-drugs/pill-testing>> accessed 19 December 2025; Pam Anders, Deputy Secretary, Mental Health and Wellbeing, Department of Health, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 28 November 2025, *Transcript of evidence*, p. 22.

³⁷ Pam Anders, Deputy Secretary, Mental Health and Wellbeing, Department of Health, *Transcript of evidence*, pp. 21–22.

³⁸ Ibid., p. 27.

³⁹ Ibid.

⁴⁰ Ibid.

dangerous substances that are circulating publicly, which DH said ‘really underscores the importance of that service’.⁴¹ The fixed-site trial will operate until June 2026.⁴²

DH’s evidence suggests that there are several benefits arising from the trial which include reduced drug-related harm, changed behaviours around drug taking because of information and education provided, and monitoring the market for new and dangerous substances.⁴³ As such, it would be beneficial for DH to publicly publish its full findings from the trial and future operations of the service once the trial is completed in 2026.

FINDING 20: Victoria’s 18-month pill-testing trial was announced in June 2024. Since its inception it has reported several benefits including reduced drug related harm, changed behaviour related to drug taking and monitoring the market for new and dangerous substances.

RECOMMENDATION 4: Once the pill-testing trial is completed, the Department of Health undertake a review of the trial and make its findings, including information about future operations of the service, publicly available.

3.6 Key issue: Additional hospital system support

During the hearings, the Committee discussed with the Secretary of DH the reasons why the Department received \$1.5 billion in funding post-budget for the initiative *Additional hospital system support*. The Secretary told the Committee that the funding received by the Department in 2024–25 represented an ‘unusual two-stage appropriation process’, aiming to stabilise hospital funding.⁴⁴ The Secretary advised:

One of the key issues that we were trying to settle and give government confidence on was the increasing prices and costs in the system through the COVID period and the COVID recovery ...⁴⁵

The Secretary further informed the Committee that post-budget, further modelling and analysis was undertaken by the Department to finalise the Victorian hospital budgets for 2024–25, which resulted in the provision of the further \$1.5 billion in funding to stabilise hospital funding and have no further unplanned costs arising.⁴⁶

⁴¹ Ibid.

⁴² Department of Health, *Victoria’s pill testing trial*, <<https://www.health.vic.gov.au/alcohol-and-drugs/pill-testing>> accessed 19 December 2025.

⁴³ Pam Anders, Deputy Secretary, Mental Health and Wellbeing, Department of Health, *Transcript of evidence*, pp. 21–22, 27; Parliament of Victoria, *Pill testing: recent developments*, Melbourne, February 2024, p. 3.

⁴⁴ Jenny Atta, Secretary, Department of Health, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 28 November 2025, *Transcript of evidence*, p. 4.

⁴⁵ Ibid., p. 5.

⁴⁶ Ibid., pp. 4–5.

Reflecting cost increases across the system, \$11.5 billion was provided in the Budget for the healthcare system, with \$8.8 billion dedicated to hospitals.⁴⁷ During the release of the 2024–25 Budget, the Minister for Health advised that additional funding to health services was to reflect the modern costs of healthcare by increasing the amount paid to hospitals for each occasion of care under the Government’s funding model.⁴⁸ Additionally, the Committee was advised that this investment would be coupled with a renewed level of financial discipline and accountability for Victoria’s hospitals and fundamental reform for hospital funding, including more financial stability and timelier budgeting.⁴⁹

DH and Victoria’s hospital and health services are undertaking a longer-term period of financial stabilisation and reform which includes activities such as:

- establishing 12 local health service networks to strengthen referral pathways and consolidate duplicated functions among services. This was completed in the 2024–25 financial year⁵⁰
- establishing Hospitals Victoria to provide strategic oversight of hospital finances through the health system as a whole. Hospitals Victoria was also established in the financial year.⁵¹

FINDING 21: As part of a longer-term period of financial stabilisation and reform, the Department of Health established 12 local health service networks and Hospitals Victoria, a new division within the Department.

The Committee has reported on the operating result of health services for previous financial years in previous reports.⁵² The operating results for 2024–25 show that:

- between 2023–24 and 2024–25, the overall operating deficit for health services and hospitals declined to \$695 million, from \$1 billion
- the number of health services and hospitals with an operating deficit increased, from 53 in 2023–24 to 57 in 2024–25—this is 75% of all health services and hospitals
- deficits over \$10 million have decreased from 2023–24 by 26.3%
- there were 23 services or hospitals whose operating deficit in 2024–25 was more than 5% of its revenue for the year.⁵³

⁴⁷ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2024–25 Budget Estimates*, October 2024, p. 34.

⁴⁸ Ibid.

⁴⁹ Hon Mary-Anne Thomas MP, Minister for Health, 2024–25 Budget Estimates hearing, Melbourne, 22 May 2024, *Transcript of evidence*, p. 2.

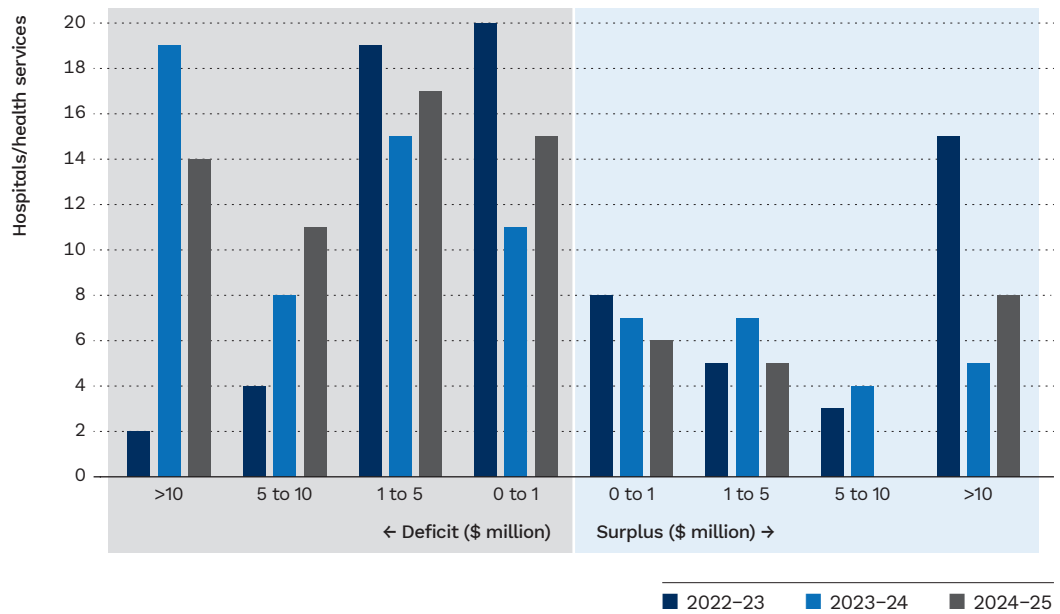
⁵⁰ Department of Health, *Annual Report 2024–25*, p. 6.

⁵¹ Ibid., p. 30.

⁵² Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, p. 45; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2024–25 Budget Estimates*, pp. 34–35.

⁵³ Committee analysis of Victorian health services’ *Annual Report 2024–25*; Victorian Auditor-General’s Office, *Public Hospital Financial Performance and Sustainability*, Melbourne, 2007, p. 23.

Figure 3.3 In 2024–25 the number of Victorian hospitals and health services with an operating deficit increased, but the overall size of the deficit reduced



Source: Committee analysis of Victorian health services' *Annual Report 2024-25*; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023-24 Financial and Performance Outcomes*, April 2025, p. 45.

The Committee notes that while there remains a substantial operating deficit in 2024–25, it has reduced in size, likely in part to the additional funds provided through the Budget and through post-budget funding. Both DH and Victoria’s hospitals and health services are undertaking long-term financial reforms, which may improve financial indicators such as overall operating deficits in coming years. The Committee will continue to track the progress and outcomes of these reforms, as well as the financial stability and sustainability of Victoria’s hospitals and health services, through future inquiries.

FINDING 22: A majority (75%) of Victoria’s hospitals and health services reported operating deficits in 2024–25. While the size of the overall deficit decreased when compared to 2023–24, 23 health services or hospitals had a deficit that was larger than 5% of its revenue for the financial year.

3.6.1 Funding for our hospitals

During the hearings, the Committee also discussed with the Secretary the reasons why DH received a further \$1.5 billion in TAs contingency release after the 2024–25 Budget was released, named *Funding for our hospitals*.⁵⁴ The Secretary told the Committee that this funding was part of finalising the 2024–25 Budget for hospitals, stating:

The Department has always worked to settle budgets for hospitals with an initial draft model budget and then a final budget that, as I understand it, is usually settled in July–August.⁵⁵

This means that as part of the budgeting process for hospitals, DH presents hospitals with a draft budget and negotiates whether the draft budget will be sufficient to fund their services for the year. When this process is completed and the final budget is agreed to after the release of the State Budget, additional required funds for hospital budgets are typically accessed through a Treasurer’s Advance.⁵⁶ DH has maintained this process for several years, however the amount of additional funding for hospitals accessed in this way has increased substantially since 2016–17.⁵⁷

DH told the Committee that the funding would support delivery levels and performance in Victoria’s hospitals, covering areas such as ‘emergency departments, inpatient wards ... operating theatres ... clinical and non-clinical staff, procuring medicines and equipment for patients’.⁵⁸

FINDING 23: The Department of Health received \$1.5 million in Treasurer’s Advance contingency funding post-budget to finalise the budgets for Victoria’s hospitals in 2024–25.

RECOMMENDATION 5: In future financial years, the Department of Health endeavour to better estimate hospital budgets through their draft budgets and finalise these costs through the State Budget process.

The Committee has discussed this issue in previous reports and has noted that the additional funding received through the finalisation of hospital budgets has been significant for some hospitals, totalling as much as 10% of larger hospital’s annual

⁵⁴ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 27–28; Jenny Atta, Secretary, Department of Health, *Transcript of evidence*, p. 6.

⁵⁵ Jenny Atta, Secretary, Department of Health, *Transcript of evidence*, p. 6.

⁵⁶ Ibid.; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, p. 47.

⁵⁷ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, p. 47; Professor Euan Wallace, Secretary, Department of Health, 2023–24 Financial and Performance Outcomes hearing, Melbourne, 22 November 2024, *Transcript of evidence*, p. 3.

⁵⁸ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 27–28.

revenue.⁵⁹ The Committee made a recommendation to increase the transparency of reporting on TAs funding received by public hospitals and health services in its *Report on the 2023–24 Financial and Performance Outcomes*.⁶⁰ To further improve this transparency, the Committee recommends DH publish in its annual reports the amount allocated to each health services for each TAs or contingency release.

RECOMMENDATION 6: The Department of Health to report the amount allocated to each hospital and/or health service for each Treasurer’s Advance or contingency release in its annual report.

3.6.2 National Health Reform Agreement

DH outlined the negotiation and finalisation of the next five-year National Health Reform Agreement (NHRA) as a key challenge to the Department in 2024–25.⁶¹ Outcomes of a forthcoming agreement have the potential to significantly impact the level of healthcare funding the Victorian Government receives from the Commonwealth Government.

Through the NHRA, the Commonwealth Government contributes funds to the states and territories for public hospitals and health services. The 2020–25 Agreement also included six long-term system-wide health reforms agreed to by all states and territories.⁶² The Commonwealth and state and territory governments are currently negotiating a new agreement to run to 2030.⁶³

The Secretary told the Committee that through negotiations, the Department and the Victorian Government were seeking a significant lift in Commonwealth funding to reflect increased costs across the healthcare system.⁶⁴ When outlining the challenge that negotiations present, DH advised it is concerned that outcomes of the negotiations ‘may not optimise financial and reform outcomes for our health system’.⁶⁵

FINDING 24: In 2024–25, states and territories continued negotiations with the Commonwealth Government for the next five-year National Health Reform Agreement, to run to 2030. The Department of Health listed financial outcomes of the negotiations as a key challenge to the Department in the financial year.

⁵⁹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, pp. 47–48; Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2024–25 Budget Estimates*, p. 34.

⁶⁰ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, pp. 47–48.

⁶¹ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 184.

⁶² Australian Government, Department of Health, Disability and Ageing, *National Health Reform Agreement (NHRA)*, 1 September 2025, <<https://www.health.gov.au/our-work/national-health-reform-agreement-nhra>> accessed 14 January 2026.

⁶³ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 184.

⁶⁴ Jenny Atta, Secretary, Department of Health, *Transcript of evidence*, p. 7.

⁶⁵ Department of Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 184.

3.7 Key issue: Occupational violence in health services

During the hearings the Committee discussed with the Secretary and departmental officials the rising number of occupational violence incidents reported by Victoria's health services and Ambulance Victoria in 2024–25.⁶⁶ According to the annual reports of health services, occupational violence is defined as any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.⁶⁷

Occupational violence is a significant occupational hazard in health and emergency services, with 95% of healthcare workers reporting having experienced physical or verbal attacks in the course of their work.⁶⁸ According to Safe Work Australia, occupational violence incidents can have both short and long-lasting effects on a worker's health, and can lead to negative impacts on mental and physical health.⁶⁹ Additionally, there are significant economic costs to the healthcare system associated with occupational violence incidences, such as sick leave, legal action and issues with recruitment and retention of staff.⁷⁰

The Secretary told the Committee that in 2024–25 across all of Victoria's health services, approximately 25,000 incidents of occupational violence were reported, compared to approximately 20,000 in the prior year, representing a 25% increase.⁷¹ The Committee requested questionnaire responses from the six largest Victorian health services in the course of the Inquiry.⁷² Both Alfred Health and Melbourne Health told the Committee that staff safety was one of its main challenges in 2024–25.⁷³ Alfred Health stated 'growing uncivility and aggression of patients and families toward staff and other patients' was leading to occupational violence and impacting staff safety.⁷⁴ Melbourne Health advised a challenging patient cohort within their catchment meant staff were exposed to increases of occupational violence, with Code Black incidents (threats involving weapons) increasing 142% to December 2024 when compared to the previous calendar year.⁷⁵ In its Annual Report, Western Health also noted reported

66 Jenny Atta, Secretary, Department of Health, *Transcript of evidence*, p. 14.

67 For example: Austin Health, *Annual Report 2024–25*, Melbourne, 2025, p. 71.

68 Hon Jill Hennessy MP, *Australian First Policy to Prevent Violence in Hospitals*, media release, 27 September 2017.

69 Monash University Accident Research Centre, *Hospital-treated Injury Resulting From Occupational Violence and Aggression in Healthcare Settings in Victoria 2016/17–2020/21*, February 2023, <https://www.monash.edu/_data/assets/pdf_file/0004/3416224/Hazard-Edition-90_digital-2.pdf> accessed 19 December 2025, p. 4.

70 *Ibid.*, p. 10.

71 Jenny Atta, Secretary, Department of Health, *Transcript of evidence*, p. 14; Australian Medical Association, *Measures needed to tackle rising threat of violence against doctors*, 19 November 2024, <<https://www.ama.com.au/media/measures-needed-tackle-rising-threat-violence-against-doctors>> accessed 23 December 2025.

72 Parliament of Victoria, *Inquiry into the 2024–25 Financial and Performance Outcomes—Questionnaires, 2025*, <<https://www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-the-2024-25-financial-and-performance-outcomes-questionnaires>> accessed 23 December 2025.

73 Alfred Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 20 November 2025, p. 41; Melbourne Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, 20 November 2025, p. 43.

74 Alfred Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 41.

75 Melbourne Health, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 43.

occupational violence incidents both verbal and physical had increased in 2024–25, with the additional mental health services it offered in that year.⁷⁶

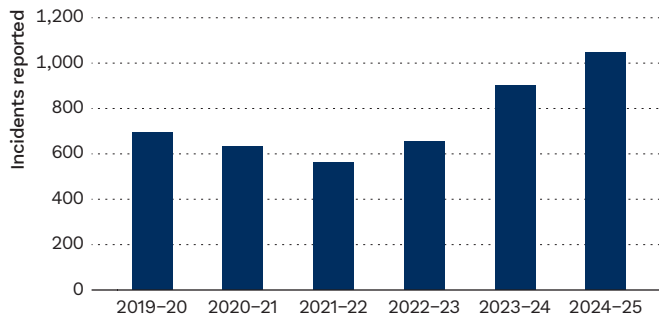
Table 3.2 Reported occupational violence incidents have grown for four of the five largest Victorian health services between 2023–24 and 2024–25

Health Service	Number of occupational violence incidents reported		Change year-over-year (per cent)
	2023–24	2024–25	
Alfred Health	873	920	5.4
Austin Health	861	1,118	29.8
Eastern Health	1,034	1,289	24.7
Melbourne Health	1,096	1,424	29.9
Monash Health	1,576	1,439	-8.7
Western Health	574	1,315	129.1

Source: Committee analysis of Victorian health services' *Annual Report 2024–25*.

Ambulance Victoria has also seen an escalation in the number of reported occupational violence, hazard, incidents or injuries in 2024–25.

Figure 3.4 In 2024–25 Ambulance Victoria’s reported occupation violence incidents increased by 15.7%



Source: Ambulance Victoria, *Annual Report 2024–25*, Melbourne, 2025, p. 44; Ambulance Victoria, *Annual Report 2023–24*, Melbourne, 2024, p. 34.

FINDING 25: Across Victoria’s health services, 25,000 incidents of occupational violence were reported in 2024–25. This represents a 25% increase when compared to 2023–24.

FINDING 26: Ambulance Victoria’s reported occupational violence, hazard, incidents or injuries have increased year over year since 2021–22. In 2024–25, the number increased by 15.7% when compared to 2023–24.

⁷⁶ Western Health, *Annual Report 2024–25*, Melbourne, 2025, p. 43.

DH, individual health services and Ambulance Victoria continued to take steps to reduce occupation violence in 2024–25. In their annual reports, the six largest health services reported several actions and initiatives:

- Alfred Health developed a comprehensive occupational violence and aggression Action Plan. The Plan identified seven key initiatives which are being progressively rolled out into 2025–26.⁷⁷
- Melbourne Health embedded a consistent approach to assessing, identifying, and planning into clinical workflows for patients who may exhibit violence and aggression.⁷⁸
- Monash Health continued with Year 2 of its *2023–25 Prevention of Violence and Aggression Strategy*, through which it undertook several projects.⁷⁹
- Western Health continued to facilitate and evaluate occupational violence virtual reality training for its staff.⁸⁰

Additionally, Ambulance Victoria advised in 2024–25 that it continued its comprehensive occupational violence prevention program, expanded training initiatives and provided resources for its call takers.⁸¹

DH has a significant number of resources and guidance materials available on its website for health services related to reducing, addressing, reporting and responding to occupational violence.⁸² In 2018 and 2022, it also initiated training programs for health services.⁸³ DH's website also shows that approximately 10 years ago there were several reports, audits and inquiries undertaken by different organisations on occupational violence against healthcare workers.⁸⁴ Despite these activities, instances of occupational violence have continued to grow in 2024–25.

A 2023 Victorian Auditor-General's Office (VAGO) report recommended DH implement a framework to monitor and report on hospital employees' mental health and wellbeing, which should include performance measures on occupational violence. VAGO also recommended that the framework and its performance measures should be annually reported on.⁸⁵

⁷⁷ Alfred Health, *Annual Report 2024–25*, Melbourne, 2025, p. 45.

⁷⁸ Melbourne Health, *Annual Report 2024–25*, Melbourne, 2025, p. 27.

⁷⁹ Monash Health, *Annual Report 2024–25*, Melbourne, 2025, p. 25.

⁸⁰ Western Health, *Annual Report 2024–25*, Melbourne, 2025, p. 43.

⁸¹ Ambulance Victoria, *Annual Report 2024–25*, Melbourne, 2025, p. 44.

⁸² Department of Health, *Occupational violence and aggression*, 10 April 2024, <<https://www.health.vic.gov.au/worker-health-wellbeing/occupational-violence-and-aggression>> accessed 14 January 2026.

⁸³ Victorian Auditor-General's Office, *Employee Health and Wellbeing in Victorian Public Hospitals*, Melbourne, 2023, p. 29.

⁸⁴ Department of Health, *Previous reports on occupational violence and aggression*, 11 October 2024, <<https://www.health.vic.gov.au/worker-health-wellbeing/previous-reports-on-occupational-violence-and-aggression>> accessed 14 January 2026.

⁸⁵ Victorian Auditor-General's Office, *Employee Health and Wellbeing in Victorian Public Hospitals*, p. 2.

DH accepted the recommendations in full and advised that the Victorian health services performance framework was updated for 2023–24 to include indicators on occupational violence.⁸⁶ An indicator was added to the performance framework, but was then subsequently removed from the framework for 2024–25.⁸⁷ The 2024–25 and 2025–26 versions of the performance framework do not include measures related to occupational violence.⁸⁸

FINDING 27: Performance related to incidence of, or reducing incidence of occupational violence in Victoria’s health services and Ambulance Victoria did not form part of the health services performance framework in 2024–25.

Additionally, while public reporting on occupational violence reports is comprehensive for each individual health service and organisations such as Ambulance Victoria, there is no aggregate data on the total number of reports each year. As such, it is difficult for the public and Parliament to understand whether occupational violence in the healthcare sector is improving or declining in Victoria, and whether initiatives undertaken by DH and individual health services to reduce occupational violence are working. The Committee recommends DH report on occupational violence data in an aggregate form through an appropriate public website, such as the Victorian Agency for Health Information.

RECOMMENDATION 7: The Department of Health publicly report occupational violence data from all Victorian healthcare services by individual health service and in an aggregate form each year.

⁸⁶ Ibid., p. 45.

⁸⁷ Department of Health, *Victorian Health Services Performance Monitoring Framework 2024–25: Business rules*, Melbourne, 2025, p. 12.

⁸⁸ Department of Health, *Victorian Health Services Performance Monitoring Framework 2024–25: Business rules*, Melbourne, 2024, pp. 19–22; Department of Health, *Victorian Health Services Performance Monitoring Framework 2025–26: Business rules*, Melbourne, 2025, pp. 9–11.

Chapter 4

Department of Education

4.1 Overview

The Department of Education's (DE) vision is a great education for every child and young person—so they can thrive now, and in the future, for a fairer, smarter and more prosperous state.¹

In 2024–25, DE's objectives were to:

- raise development outcomes of three and four-year-old children prior to attending school
- raise standards of learning, development, engagement and wellbeing for all Victorian students
- provide equitable and inclusive schooling to all Victorian students.²

4.2 Outcomes and challenges

In response to the Committee's questionnaire, DE was asked to identify its programs that delivered the most important outcomes in the community and the key challenges faced by the Department in 2024–25.

DE's programs that delivered the most important outcomes included:

- the *Disability Inclusion* (DI) support program, which was fully rolled out in 2024–25 with more than 19,000 DI profiles completed for students and all Government schools allocated DI Tier 2 school-level funding
- the *School Savings Bonus* program which provided one-off financial assistance of \$400 to each government school student and to over 44,000 eligible non-government school students facing disadvantage
- the phonics program to support teaching and reading in Foundation to Year 2 and reduce the workload burden associated with implementing Victoria's Teaching and Learning Model 2.0. This resulted in the publishing of 300 Phonics Plus Victorian Lesson Plans and 441 supporting resources, with 200,000 views of Phonics Plus pages and over 20,000 downloads.³

¹ Department of Education, *2024–25 Annual Report*, Melbourne, 2025, p. 1.

² Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2025, p. 94.

³ Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 6–8; Stephen Fraser, Deputy Secretary, School Education Programs and Support, Department of Education, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 30.

Key challenges included:

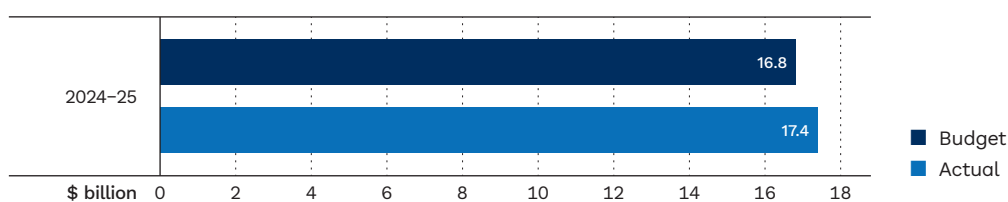
- early publication of the 2024 Victorian Certificate of Education (VCE) examination material. The Government commissioned a ‘root-and-branch’ review of the issue and has accepted the recommendations from stage one of the subsequent report. The 2025 VCE exams were also overseen by an independent monitor
- increasing information security and privacy vulnerabilities which present a key challenge to the education sector, as it manages sensitive private information. DE implemented several initiatives to address these challenges, including mandating secure technology adoption, publishing cyber incident response guidelines, deploying threat protection software and monitoring cyber health across 1,204 schools
- work-related injuries significantly impacting staff wellbeing and retention, and DE’s finances. DE took a multifaceted approach that included early intervention initiatives where possible, initiatives for employee mental health and embedding foundations of occupational health and safety (OHS) management and addressing work-related violence risks.⁴

4.3 Financial analysis

4.3.1 Output expenditure

In 2024–25, DE’s output budget was \$16.8 billion. Actual expenditure for the year was \$17.4 billion, representing a variance of 3.5% (\$581.5 million).⁵

Figure 4.1 In 2024–25 the Department of Education exceeded its output budget by 3.5%



Source: Department of Education, *Annual Report 2024–25*, Melbourne, 2025, pp. 23–42.

⁴ Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 177–180.

⁵ Department of Education, *Annual Report 2024–25*, pp. 23–42.

The largest variances in output costs were in the:

- Additional Supports for Students with Disabilities output, with DE attributing an overspend of 12.4% (\$230.3 million) to an increase in teaching and education support staff employed to meet demand in schools⁶
- Early Childhood Sector Supports and Regulation output, with DE attributing an underspend of 7.5% (\$48 million) to delays in capital grants to kindergarten operators resulting in the need to rephase to 2025–26.⁷

4.3.2 Revenue and expenses

In 2024–25, DE’s actual output appropriations were 1% (\$160.2 million) higher than its original budget. The increase was mainly driven by funding released after the published budget for initiatives such as *Lifting student outcomes – tutor learning* and the *School saving bonus*, as well as additional enrolment-based funding for schools.⁸

DE’s employee benefits expense increased from \$9.9 billion in 2023–24 to \$10.7 billion in 2024–25, an increase of 7.7%. The increase was primarily due to salary increases in line with Enterprise Bargaining Agreement outcomes covering the teaching service and Victorian Public Service staff, growth in the number of teaching and education support staff and an increase in the superannuation guarantee.⁹

Savings

DE advised that for savings initiatives listed in both the 2023–24 and 2024–25 Budgets, it achieved a total of \$75.8 million in savings in 2024–25. It reduced its consultancy, labour hire and discretionary professional services spend by \$14.3 million and its advertising services spend in the Children portfolio by \$5.6 million.¹⁰

DE made \$55.9 million in savings as part of the *COVID Debt Repayment* initiative through implementing corporate and regional office efficiencies, other procurement efficiencies and reduced reliance on contractors and consultants. DE reported this had no impact on frontline services—rather, corporate and regional office functions were reduced.¹¹

DE also reduced a total of 238 full-time equivalent (FTE) roles from corporate groups and regional office functions, again with no impact on frontline services.¹²

6 Ibid., p. 42.

7 Ibid., p. 25.

8 Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 113.

9 Ibid., p. 115.

10 Ibid., pp. 118–119.

11 Ibid.

12 Ibid., pp. 119–120.

Overall financial performance

Table 4.1 below summarises DE's financial performance in 2024–25.

Table 4.1 In 2024–25 the Department of Education's income exceeded its expenses by \$23 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	17,359	17,411
Expenses from transactions	16,807	17,389
Net result	551	23

Source: Department of Education, *Annual Report 2024–25*, Melbourne, 2025, p. 202.

4.3.3 Capital expenditure

DE had a capital program totalling \$8.4 billion in 2024–25, comprising 11.1% of all government infrastructure projects.¹³ Of the \$8.4 billion, \$1.6 billion was for new capital projects.¹⁴

The Committee asked DE which of its capital projects had variances in total estimated investment (TEI), estimated completion date and project scope. In 2024–25, DE revised the TEI for 43 projects, the completion date for 17 and the scope of four.¹⁵

Of the 43 initiatives that had a revised TEI, 23 were revised by under 25% of the original TEI and eight were revised by over 50% of the TEI.¹⁶ Three projects had revised TEIs over 100%, predominantly due to school contributions, market escalation in the construction sector and an increase to the *School Upgrades Delivery Fund 2023–24*.¹⁷

Of the 17 projects with revised completion dates, 53% were revised by a year or more.¹⁸ The completion dates of six projects were revised by over two years, due to adverse tender results and market volatility.¹⁹ DE advised that 93% of capital projects were completed on time.²⁰

In 2024–25, DE completed 125 early childhood facility projects, creating 7,000 kindergarten places. DE also opened six new schools in 2024–25, and completed

¹³ Department of Treasury and Finance, *Budget Paper No. 4: 2024–25 State Capital Program*, Melbourne, 2025, pp. 28–29.

¹⁴ *Ibid.*, p. 28.

¹⁵ Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 49–62.

¹⁶ *Ibid.*, pp. 49–59.

¹⁷ *Ibid.*, pp. 49, 56–57, 64.

¹⁸ *Ibid.*, pp. 59–61.

¹⁹ *Ibid.*

²⁰ Tony Bates, Secretary, Department of Education, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 8.

108 school upgrades and modernisation projects.²¹ DE advised that its total school building and upgrade budget in 2024–25 of \$1.9 billion is the largest school infrastructure building program in Australia.²²

During the hearings, the Committee discussed with the Department how schools receive funding for capital and maintenance programs. DE explained that they have a rolling facilities evaluation program, during which the condition of school buildings are assessed on a five year cycle.²³ DE added that schools receive different types of funding for maintenance—student resource package funding for basic maintenance, and funding through the planned maintenance program, which is related to the rolling facilities evaluation program.²⁴ The Committee asked about the number of government schools without air conditioning with reference to DE’s overall school maintenance program.²⁵ DE advised that it does not centrally hold data on the number of classrooms without air conditioning.²⁶

FINDING 28: In 2024–25, the Department of Education completed 125 early childhood facility projects, 108 school upgrades and modernisation projects, and opened six new schools.

RECOMMENDATION 8: The Department of Education annually collect and publish data on the number of classrooms in government schools without air conditioning.

4.4 Performance information

In 2024–25, DE achieved or exceeded 75% of its 100 performance measures published in its Annual Report. The Department did not meet 18% of its measures within a 5% variance and did not meet 7% of its measures exceeding a 5% variance.²⁷ These results are a noticeable improvement from 2023–24, in which DE achieved or exceeded 64% of its 84 performance measures.²⁸

²¹ Tony Bates, Secretary, Department of Education, *2024–25 Financial and Performance Outcomes hearings presentation: Department of Education*, supplementary evidence received 21 November 2025, pp. 8, 21.

²² Tony Bates, Secretary, Department of Education, *Transcript of evidence*, p. 10; Joanne Wandel, Chief Executive Officer, Victorian School Building Authority, Department of Education, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 10.

²³ Joanne Wandel, Chief Executive Officer, Victorian School Building Authority, *Transcript of evidence*, p. 15.

²⁴ Tony Bates, Secretary, Department of Education, *Transcript of evidence*, p. 10.

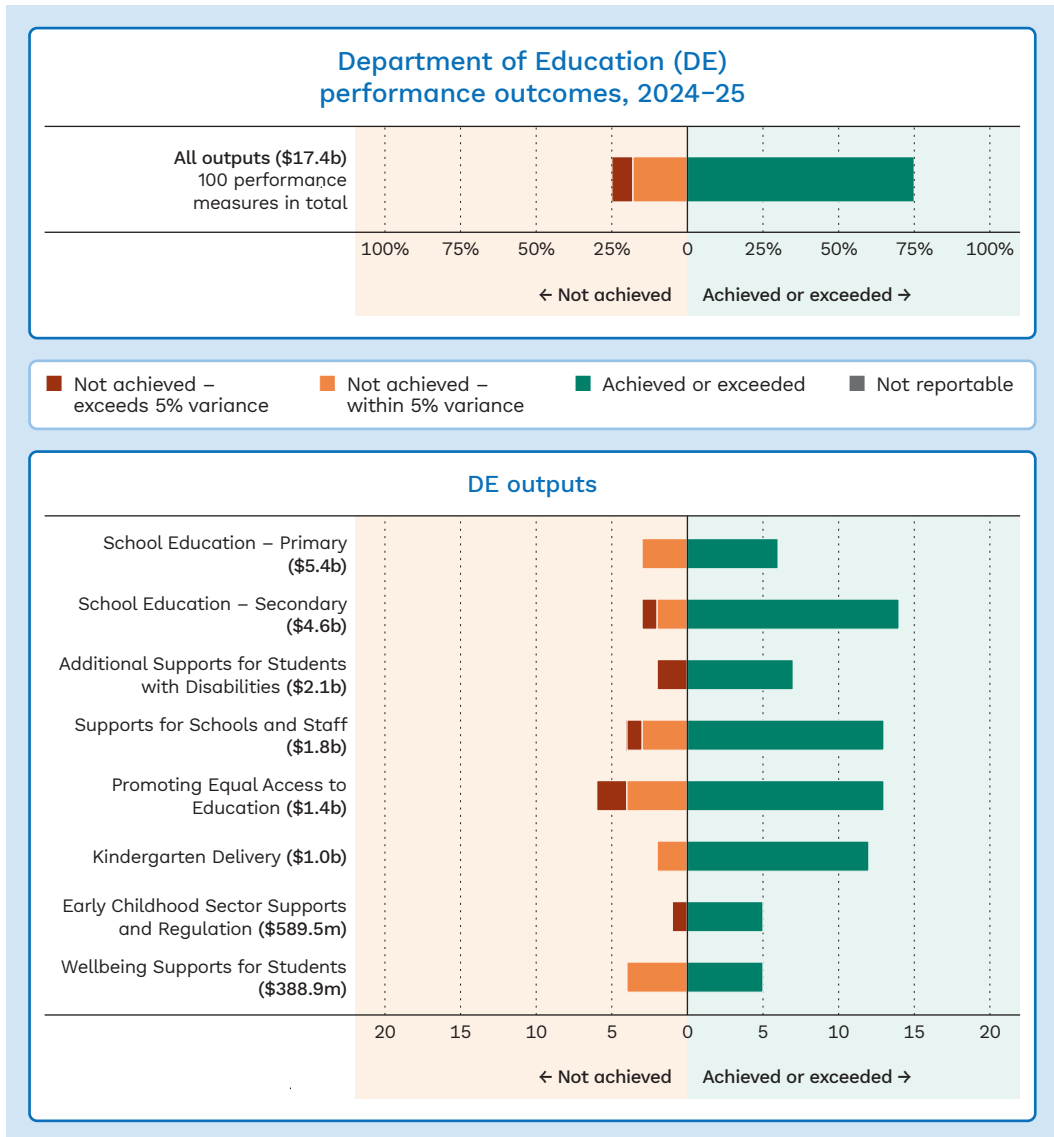
²⁵ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Education, Melbourne, 24 November 2025, *Transcript of evidence*, pp. 15–16.

²⁶ Tony Bates, Secretary, Department of Education, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 3 December 2025, p. 5.

²⁷ Department of Education, *Annual Report 2024–25*, pp. 20–42.

²⁸ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, p. 61.

Figure 4.2 The Department of Education achieved 75% of its performance measures in 2024–25



Source: Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 20–42.

DE performed strongly in the Kindergarten Delivery output, the Early Childhood Sector Supports and Regulation output and the School Education – Secondary output, achieving 86%, 83% and 82% of the performance measures respectively. DE’s least performing output was Wellbeing Supports for Students, where it achieved 56% of its performance measures.²⁹

²⁹ Department of Education, *Annual Report 2024–25*, pp. 20–42.

4.5 Key issue: Disability Inclusion reform

During the hearings, the Committee discussed DE's *Disability Inclusion (DI)* reform in detail with the Department.³⁰ DI is an area of interest to the Committee and one that has been explored in previous inquiry reports.³¹ Funded in the 2020–21 Budget, the Government has called DI the 'biggest change to inclusive learning in the State's history' and a 'once in a generation reform'.³² The reform aims to put in place a better funding and support model for students with a disability across Victorian government schools, to improve inclusive education.³³

In 2024–25, DE continued to roll out DI across the Victorian education system, with all government schools coming under the new funding and support model by the end of the financial year.³⁴ Every school transitioned to the use of disability inclusion profiles, which assess the needs of students with a disability—both where they are excelling and where they require further help, and the adjustments that can be made to support their learning.³⁵ DE told the Committee that due to the scale of reform, while all schools were now working with the new model, a complete system-wide transition would take at least until 2030.³⁶

DE also told the Committee that reform included changes to the system around schools to support the new approach to inclusive learning. These included initiatives such as professional learning for teachers, and coaching and partnerships between schools. DE spoke about how inclusion outreach coaches were supporting schools. Inclusion outreach coaches are specialised teachers from specialist schools, who have expertise in teaching students with a disability. As coaches, they work in mainstream schools four out of five days a week to pass on the knowledge and skills to mainstream teachers.³⁷

The Committee asked what work the Department had undertaken relating to the different cultural approaches or attitudes that exist in school communities, and what impacts this has. DE acknowledged that in some communities there is stigma attached to disability. DE advised that schools endeavour to work with leaders and families from different communities and cultural backgrounds:

... we work in whatever way is going to work for that family and that student to overcome those barriers, we take the time to work through that and have the

³⁰ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Education, *Transcript of evidence*, pp. 20–23.

³¹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes*, March 2024, pp. 73–77.

³² Department of Treasury and Finance, *Budget Paper No. 1: 2020–21 Treasurer's Speech*, Melbourne, 2020, p. 9.

³³ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes*, pp. 73–74.

³⁴ Tony Bates, Secretary of Education, *Transcript of evidence*, p. 3.

³⁵ Stephen Fraser, Deputy Secretary, School Education Programs and Support, Department of Education, *Transcript of evidence*, p. 20.

³⁶ *Ibid.*, p. 21.

³⁷ *Ibid.*, p. 20.

conversations with the families, with the student and with the teachers to ensure that we are adjusting for those cultural differences.³⁸

DE added that they liaise with the Marrung central governance committee to work with First Nations communities, who are over-represented in disability statistics.³⁹ DE stated that as part of the reform, it is important to the Department to accommodate cultural inclusion and disability inclusion aspects to ensure better outcomes for First Nations students with a disability.⁴⁰

When asked how and where the Department was seeing indicators of the success of the DI reform, DE advised that teachers were increasingly reporting their awareness of inclusion adjustments and reporting that these adjustments were making a real difference for their students. DE also indicated that while supporting students with a disability is a compulsory component of initial teacher education, the DI reform was allowing for more depth of understanding and more support for teachers to build inclusive classrooms and respond to the needs of their students.⁴¹

DE has undertaken multiple reviews and evaluations to measure the success of the reform roll out and of the DI model itself.⁴² This includes an evaluation of its implementation that was completed in 2022. The Committee recommended this evaluation be published. While DE agreed with this recommendation, it is yet to publish the evaluation or its findings.⁴³

DE reported in its response to the questionnaire that two further evaluations were completed. The more in-depth of the two is a four-year evaluation of DI's implementation and continuous improvement, which has been completed and was expected to cost approximately \$1.2 million.⁴⁴ This evaluation was in collaboration with Monash University and Deloitte, who investigated 'the perspectives and experiences of students with disability, their parents/carers, as well as the teaching and administrative staff involved in the planning, implementing and oversight'.⁴⁵ The evaluation looked at the effectiveness of the DI model, and the outcomes of the model.⁴⁶ The Committee previously recommended that DE evaluate DI, focusing on the outcomes of the reform

³⁸ Ibid., p. 22.

³⁹ The Marrung central governance committee oversees the implementation of *Marrung, Aboriginal Education Plan 2016–2026*. Source: First Peoples—State Relations, *Targets and Outcomes*, 24 January 2024, <<https://www.firstpeoplesrelations.vic.gov.au/victorian-closing-gap-implementation-plan/outcomes>> accessed 29 January 2026; Victorian Government, *Marrung*, 19 September 2025, <<https://www.vic.gov.au/marrung>> accessed 29 January 2026.

⁴⁰ Stephen Fraser, Deputy Secretary, School Education Programs and Support, Department of Education, *Transcript of evidence*, p. 22.

⁴¹ Ibid., *Transcript of evidence*, p. 20.

⁴² Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 137–138, 186; Monash University, *Evaluation of Disability Inclusion*, 2025, <<https://research.monash.edu/en/projects/evaluation-of-disability-inclusion>> accessed 29 January 2026.

⁴³ Government of Victoria, *Response to the Parliament of Victoria, Public Accounts and Estimates Committee, Inquiry into the 2021–22 and 2022–23 Financial and Performance Outcomes*, 17 October 2024, p. 6; Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 186.

⁴⁴ Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 138.

⁴⁵ Monash University, *Evaluation of Disability Inclusion*, 2025, <<https://research.monash.edu/en/projects/evaluation-of-disability-inclusion>> accessed 29 January 2026.

⁴⁶ Ibid.

on all impacted parties, including students, parents and teachers.⁴⁷ Considering the finalisation of the evaluation and its alignment with the Committee's previous recommendations, the Committee recommends DE publish the four-year evaluation publicly.

RECOMMENDATION 9: The Department of Education publish its four-year evaluation of *Disability Inclusion's* implementation on its website.

4.6 Key issue: Early-childhood education and care

4

In June 2025, it became publicly known that Victoria Police were investigating a number of alleged sexual assaults of children attending Victorian childcare centres, linked to a former childcare worker between 2017 and 2025.⁴⁸ In response, on 2 July 2025 the Government commissioned an independent rapid review to identify key actions the Government could take immediately to improve child safety.⁴⁹

The *Rapid Child Safety Review 2025* was provided to Government on 15 August 2025 and the Government accepted all recommendations made.⁵⁰ A majority of the recommendations proposed advocacy to the Commonwealth or in national forums. Others were made to strengthen the Victorian early childhood education and care (ECEC) regulator, reforms around governance and regulatory functions including the Working with Children Check (WWCC) and improvements to training and professional development for those working in the sector.⁵¹ Several recommendations related to legislative and regulatory change were made at the national level.⁵²

On 20 August 2025, the Government announced a \$42 million investment to take immediate action. This included legislative reform to allow for the immediate suspension of individual WWCCs and increasing the responsibilities of the Social Services Regulator to removing 'silos' in regulation. The announcement included a significant change in ECEC regulation—an independent regulator would be established outside of DE.⁵³ The Victorian Early Childhood Regulatory Authority (VECRA) was established on 1 January 2026.⁵⁴

⁴⁷ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes*, p. 77.

⁴⁸ Victorian Government, *Investigation of alleged incidents in childcare centres*, 4 December 2025, <<https://www.vic.gov.au/childcare-centres-investigation>> accessed 29 January 2026; Melissa Brown & Kate Higgins, 'Testing urged for 1,200 after south-west Melbourne childcare worker charged with sexual assaults', *ABC News*, 1 July 2025, <<https://www.abc.net.au/news/2025-07-01/childcare-worker-alleged-sexual-assaults-melbourne-west/105480228>> accessed 29 January 2026.

⁴⁹ Victorian Government, *Rapid Child Safety Review*, 4 September 2025, <<https://www.vic.gov.au/rapid-child-safety-review>> accessed 29 January 2026.

⁵⁰ Premier of Victoria, *Child Safety Overhaul*, media release, 20 August 2025.

⁵¹ Ibid.

⁵² Jay Weatherill AO & Pam White PSM, *Rapid Child Safety Review*, 15 August 2025, Melbourne, pp. 5–7.

⁵³ Premier of Victoria, *Child Safety Overhaul*, media release.

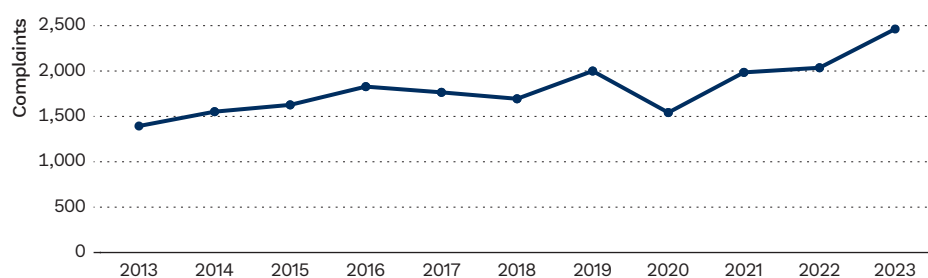
⁵⁴ Victorian Government, *A new regulatory authority for early childhood education*, 7 January 2026, <<https://www.vic.gov.au/new-regulatory-authority-early-childhood-education>> accessed 29 January 2026.

Regulation of the childcare and early childhood education sectors is complex, with regulatory and legal oversight shared between the Commonwealth and state and territory governments.⁵⁵ In 2024–25, DE was responsible for regulating ECEC services and overseeing child safety and the quality of ECEC services in Victoria. Prior to 1 January 2026, regulation of ECEC services was the responsibility of a division of DE—the Quality Assessment and Regulation Division (QARD). QARD enforced the law and regulations in relation to ECEC services and had the regulatory powers to inspect and suspend services where required.⁵⁶ During the hearings, the Committee discussed the performance of QARD in the 2024–25 financial year, in the context of the abuse allegations of late 2025.⁵⁷

4.6.1 Complaints to the regulator and serious incidents

During the hearings the Committee discussed with departmental officials the number of complaints QARD had received over recent years.⁵⁸ Complaints to the regulator had grown by 76.7% since 2013, to the last year of available data—2023.⁵⁹

Figure 4.3 Complaints to the Quality Assessment and Regulation Division grew by 76.7% between 2013 and 2023



Source: Department of Education, *Quality Assessment & Regulation Division Annual Report 2023*, Melbourne, 2024, p. 60.

The Secretary advised the Committee that increased complaints reflected the growth in the sector over the same time period, and that between 2018 and 2025 there had been a large growth in for-profit companies entering the ECEC sector.⁶⁰ The Secretary added that DE had been working to provide information to parents and staff to encourage them to report anything suspicious, ‘effectively saying that if you see something and you are not sure, contact the regulator. We are trying to encourage

⁵⁵ Hon Lizzie Blandthorn MLC, Minister for Children, 2025–26 Budget Estimates hearing, Children, Melbourne, 10 June 2025, *Transcript of evidence*, p. 18.

⁵⁶ Tony Bates, Secretary, Department of Education, Inquiry into the Early Childhood Education and Care Sector in Victoria hearing, Melbourne, 8 December 2025, *Transcript of evidence*, p. 20.

⁵⁷ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Education, Melbourne, 24 November 2025, *Transcript of evidence*, pp. 34–35.

⁵⁸ While QARD was in operation, any person had the ability to make a complaint to QARD to raise concerns about the safety, health or wellbeing of children, the behaviour and practices of staff an early childhood service, allegations that incidents of physical and sexual abuse of a child at an early childhood service, and allegations that national or state law had been contravened. Source: Department of Education, *Quality Assessment & Regulation Division Annual Report 2023*, Melbourne, 2024, p. 43.

⁵⁹ Department of Education, *Quality Assessment & Regulation Division Annual Report 2023*, p. 60.

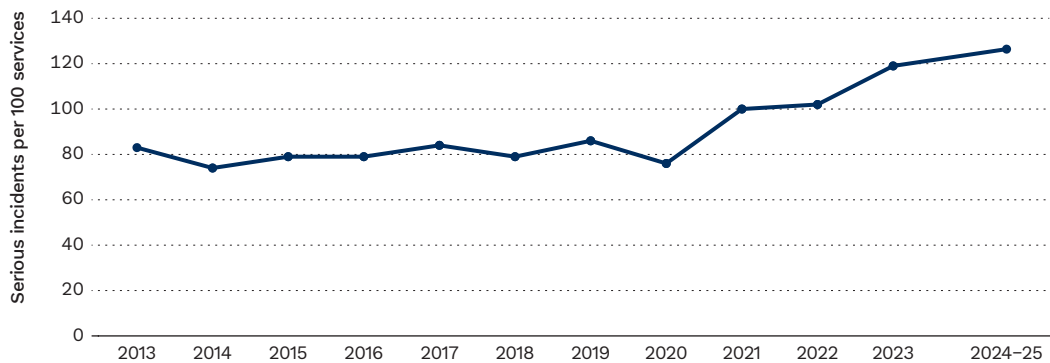
⁶⁰ Tony Bates, Secretary, Department of Education, *Transcript of evidence*, p. 23.

reporting'.⁶¹ The Secretary added more reports were welcomed by the Department because it provided intelligence to direct QARD's activity.⁶²

FINDING 29: Between 2013 and 2023, complaints to the Quality Assessment and Regulation Division of the Department of Education grew by 76.7%. The Department attributes this to growth in the sector and actions to encourage reporting.

The Committee also asked departmental officials about the incidents of abuse reported to QARD in 2024–25. DE advised the Committee that these incidents were measured through the number of serious incidents per 100 services.⁶³ In 2024–25, this rate was 126.4 serious incidents per 100 services, demonstrating an increase over the last decade.⁶⁴ However in 2024–25, Victoria recorded the second-lowest rate of serious incidents of all Australian jurisdictions.⁶⁵

Figure 4.4 Serious incidents per 100 national quality framework early childhood service increased by 52.3% between 2013 and 2024–25



Source: Department of Education, *Quality Assessment & Regulation Division Annual Report 2023*, Melbourne, 2024, p. 59.

FINDING 30: Serious incidents per 100 national quality framework early childhood education services have increased in Victoria by 52.3% between 2013 and 2024–25. In 2024–25, Victoria had the second lowest rate of incidents of all Australian jurisdictions.

61 Ibid., p. 24.

62 Ibid.

63 Bronwen FitzGerald, Deputy Secretary, Early Childhood Education, Department of Education, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 34. Serious incidents that occur while a child is being educated and cared for by an education and care service include: the death of a child; a serious injury or trauma to a child; the serious illness of a child requiring hospital attendance; an emergency for which emergency services attended; circumstances where a child is missing or unaccounted for/is taken or removed/is mistakenly locked in or out of the service/ service premises. Source: Department of Education, *Quality Assessment & Regulation Division Annual Report 2023*, p. 44.

64 Bronwen FitzGerald, Deputy Secretary, Early Childhood Education, Department of Education, *Transcript of evidence*, p. 34; Department of Education, *Quality Assessment & Regulation Division Annual Report 2023*, p. 59.

65 Bronwen FitzGerald, Deputy Secretary, Early Childhood Education, Department of Education, *Transcript of evidence*, p. 34.

The Committee notes that when in operation, QARD published an annual report for the calendar year each year. This report included information that is not published anywhere else by DE about QARD's performance, activities and regulatory outcomes. This included data on the number of services in Victoria, overall quality ratings, assessment and rating and compliance visits undertaken by QARD and data on complaints and serious incidents.⁶⁶ The last published QARD annual report was for the year 2023.⁶⁷

RECOMMENDATION 10: The Department of Education publish Quality Assessment and Regulation Division performance, activities and regulatory outcomes information for 2024 and 2025 on its website.

4.6.2 Regulatory performance

During the hearings, the Committee also discussed with the Department the results of performance measures related to QARD and ECEC regulation in 2024–25.⁶⁸ Performance related to the three relevant measures is shown in Table 4.2.

Table 4.2 In 2024–25 the Department of Education met two of its three performance measures related to early childhood sector regulation

Performance measure	Unit of measure	Target	Actual	Explanation provided by the Department of Education
Number of inspections of early childhood services	Number	4,000	4,729	This performance measure relates to the calendar year. The 2024–25 outcome is higher than the 2024–25 target due to a focused effort to maintain a high level of service assessment and rating visits.
Percentage of approved eligible services assessed and rated	Per cent	25	28.6	This performance measure relates to the calendar year. The 2024–25 outcome is higher than the 2024–25 target due to a focused effort to maintain a high level of service assessment and rating visits to manage regulatory priorities post COVID-19.
Average days taken to report and issue a notice of a quality rating	Number	50	54.4	This performance measure relates to the calendar year. The 2024–25 outcome did not meet the 2024–25 target due to a range of regulatory demands including sustained high levels of assessment and rating visits to manage regulatory priorities post COVID-19 and required reports.

Source: Department of Education, *Annual Report 2024–25*, Melbourne, 2025, pp. 24–25.

⁶⁶ Department of Education, *Quality Assessment & Regulation Division Annual Report 2023*, pp. 45–60.

⁶⁷ Victorian Government, *Quality Assessment and Regulation Division (QARD) annual reports*, 7 January 2026, <<https://www.vic.gov.au/quality-assessment-and-regulation-division-qard-annual-reports>> accessed 23 February 2026.

⁶⁸ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Education, Melbourne, *Transcript of evidence*, pp. 25, 33, 38.

DE told the Committee that it did not meet its measure ‘Average days taken to report and issue a notice of a quality rating’ because of the larger number of compliance and inspections visits undertaken in 2024, which meant a ‘trade-off’ between the speed of reporting and the number of inspections completed.⁶⁹ DE told the Committee that inspections were prioritised over meeting report completion timelines in an effort to lift the standards of child safety in the sector.⁷⁰

FINDING 31: The Quality Assessment and Regulation Division prioritised conducting inspections of early childhood services over meeting report completion deadlines in 2024–25, and as a result it met two of its three performance measures. It did not meet its measure regarding average days taken to report and issue a notice of a quality rating.

DE advised that during 2024 there were 100 FTE QARD authorised officers who were responsible for conducting ratings and assessments of ECEC services, which included conducting unannounced compliance visits, investigations and assessments and writing up reports after service visits.⁷¹ The rapid child safety review noted that QARD had lower levels of resourcing when compared to other states, and recommended that the Government should, within three months of the review, recruit more authorised officers to increase the rigor of the regulator.⁷²

DE told the Committee that in response to the *Rapid Child Safety Review 2025*, the Government provided investment for 60 additional authorised officers for the regulator, to bring the number to 160 FTE.⁷³ DE expects that in future years, an increased number of authorised officers will allow for improved regulation and higher performance in terms of the areas represented in the three performance measures.⁷⁴ However, the Department noted this uplift will take time as ‘it does take nine to 12 months to train those authorised officers in the specialist skills that are needed for their work, up to their full capacity’.⁷⁵

FINDING 32: In 2024, there were 100 full-time equivalent authorised officers working for the Quality Assessment and Regulation Division, which was lower than other states. In response to the *Rapid Child Safety Review 2025*, the Department of Education received funding for an additional 60 authorised officers, which will allow for more effective regulation and higher performance in future years.

⁶⁹ Bronwen FitzGerald, Deputy Secretary, Early Childhood Education, Department of Education, *Transcript of evidence*, p. 25.

⁷⁰ Tony Bates, Secretary, Department of Education, *Transcript of evidence*, p. 33.

⁷¹ Bronwen FitzGerald, Deputy Secretary, Early Childhood Education, Department of Education, *Transcript of evidence*, p. 33.

⁷² Jay Weatherill AO & Pam White PSM, *Rapid Child Safety Review*, pp. 19, 52, 55.

⁷³ Tony Bates, Secretary, Department of Education, *Transcript of evidence*, p. 24.

⁷⁴ Bronwen FitzGerald, Deputy Secretary, Early Childhood Education, Department of Education, *Transcript of evidence*, p. 25.

⁷⁵ *Ibid.*, p. 33.

4.7 Key issue: Independent Review into administrative and compliance activities in Victorian government schools

During the hearings, the Committee and DE discussed the *Independent Review into administrative and compliance activities in Victorian government schools* (the Review), which was commissioned in May 2024 and published in April 2025.⁷⁶

Government school workforce supply is an ongoing issue for DE, who have regularly identified workforce attraction and retention issues as key challenges.⁷⁷ DE has various retention initiatives to support teachers remaining in the profession.⁷⁸ Two recent retention initiatives implemented by DE focus on easing administrative workloads on teachers by reducing face-to-face teaching time, and by providing operational teaching assistants to undertake administrative tasks.⁷⁹ This focus reflects the reality that administrative and compliance workloads for teachers have been growing over time and are a known issue for teachers.⁸⁰

DE commissioned the Review ‘to examine the underlying drivers of administrative and compliance activities in Victorian government schools and to provide advice on options to reduce and better manage this work’.⁸¹ The Review made seven key findings and 28 recommendations.⁸²

The recommendations of the Review focus on how to allocate operational responsibilities for schools, better support principals, teachers and other classroom-based staff, business managers and administrative support staff, and include all staff in evidence-gathering for policy change.⁸³ The Review also included a list of actions it encouraged DE to implement to support the recommendations.⁸⁴

76 Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Education, *Transcript of evidence*, pp. 17–18; Victorian Government, *Independent Review into administrative and compliance activities in Victorian government schools*, 1 June 2025, <<https://www.vic.gov.au/independent-review-administrative-and-compliance-activities-victorian-government-schools>> accessed 30 January 2026; Katie Roberts-Hull, *Independent Review into administrative and compliance activities in Victorian government schools*, Melbourne, 2025.

77 Department of Education, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 128; Department of Education, *Response to the 2023–24 Financial and Performance Outcomes Questionnaire*, received 6 January 2025, p. 120; Department of Education, *Response to the 2021–22 and 2022–23 Financial and Performance Outcomes Questionnaire*, received 12 April 2024, p. 222.

78 Department of Education, *Workforce Support and Initiatives for Schools*, 20 October 2025, <<https://www2.education.vic.gov.au/pal/workforce-support-and-initiatives-schools/policy-and-guidelines/retention>> accessed 30 January 2026.

79 Ibid.

80 Katie Roberts-Hull, *Independent Review into administrative and compliance activities in Victorian government schools*, pp. 25–26.

81 Victorian Government, *Independent Review into administrative and compliance activities in Victorian government schools*, <<https://www.vic.gov.au/independent-review-administrative-and-compliance-activities-victorian-government-schools>> accessed 30 January 2026.

82 Ibid.

83 Katie Roberts-Hull, *Independent Review into administrative and compliance activities in Victorian government schools*, pp. 12–14.

84 Ibid., pp. 14–22.

FINDING 33: The *Independent Review into administrative and compliance activities in Victorian government schools* was commissioned by the Department of Education in May 2024 and published in April 2025. It made seven findings and 28 recommendations as to how better support school staff in making administrative and compliance workloads more manageable.

During the hearings, DE stated that it would be implementing six of the Review’s recommendations from the beginning of 2026.⁸⁵ DE also provided information to the Committee regarding its current programs in reducing the administrative burden on teachers—some of these programs overlap with the recommendations.⁸⁶ It named four:

1. *Operational Teaching Assistant (OTA) pilot*
2. *School Administration Support Hub (SASH)*
3. *Small Schools Program*
4. *Statewide Occupational Health and Safety (OHS) Services Program*.⁸⁷

In April 2025, the Victorian and Commonwealth Governments agreed to deliver an OTA pilot, which would trial 32 new FTE administrative education support staff roles in Victorian government schools between 2025 and 2027. OTAs are intended to reduce the operational, administrative and compliance burdens on teachers. DE added that the pilot would be evaluated upon its conclusion, and potentially expanded.⁸⁸

SASH is a centralised program for small schools (up to 200 students enrolled). SASH provides support with financial and payroll administration processes to reduce the administrative workload for small school principals. There are 12 departmental FTE roles allocated to SASH, and in 2024–25 the program supported 170 schools.⁸⁹

The *Small Schools Program* offers over 300 small rural and regional schools access to a coordinator to support various administrative functions, including OHS compliance and return to work obligations. The program employs 20 regionally-based coordinators who provide this support.⁹⁰

The *Statewide OHS Services Program* delivers OHS services to government schools to reduce the administrative workload and employs 40 regionally-based OHS professionals to do so. It includes an in-person service, where schools are supported to ensure they are compliant with OHS requirements and have appropriate safety documents.⁹¹

⁸⁵ David Robinson, Acting Deputy Secretary, Schools Workforce, Department of Education, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 18.

⁸⁶ Tony Bates, Secretary, Department of Education, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 3 December 2025, pp. 6–8.

⁸⁷ Tony Bates, Secretary, Department of Education, response to questions on notice, pp. 6–8.

⁸⁸ *Ibid.*, pp. 6–7.

⁸⁹ *Ibid.*, p. 7.

⁹⁰ *Ibid.*, p. 7.

⁹¹ *Ibid.*, p. 7.

FINDING 34: The Department of Education has four main initiatives to reduce the administrative and compliance burden on teachers. They are: the *Operational Teaching Assistant pilot*, the *School Administration Support Hub*, the *Small Schools Program* and the *Statewide Occupational Health and Safety Services Program*.

Chapter 5

Department of Justice and Community Safety

5.1 Overview

The Department of Justice and Community Safety (DJCS) leads the delivery of justice and community safety services in Victoria by providing policy and operational management. It manages the development and implementation of a range of laws, regulations and policy in areas across the portfolio, and endeavours to ensure that all elements of the justice and community safety system are working efficiently and effectively.¹

DJCS's vision is '[a] trusted justice and community safety system that works together to build a just, safe, and resilient Victoria'.²

In 2024–25, DJCS had seven objectives:

- ensuring community safety through policing, law enforcement and crime prevention activities
- reducing the impact of, and consequences from, natural disasters and other emergencies on people, infrastructure, the economy and the environment
- effective management of prisoners and offenders and provision of opportunities for rehabilitation and reparation
- effective supervision of children and young people through the provision of youth justice services promoting rehabilitation
- a fair and accessible justice system that supports confidence in the Victorian community
- Victorians are protected with equal opportunities, information freedoms and privacy rights
- responsible and sustainable liquor, gambling and racing sectors.³

¹ Department of Justice and Community Safety, *Annual Report 2024–25*, Melbourne, 2025, p. 5.

² Department of Treasury and Finance, *Budget Paper No 3: 2024–25 Service Delivery*, Melbourne, 2024, p. 150.

³ *Ibid.*, pp. 150–151.

5.2 Outcomes and challenges

In response to the Committee's questionnaire, DJCS was asked to identify its programs that delivered the most important outcomes in the community and the key challenges faced by the Department in 2024–25.

DJCS's programs that delivered the most important outcomes included:

- optimising the men's prison network, including reconfiguring the prison system to improve safety, efficiency and effectiveness. This included the formal opening of Western Plains Correctional Centre in June 2025
- providing reparation payments, written and in-person apologies as part of the *Stolen Generations Reparations Package*
- the Multisystemic Therapy and Functional Family Therapy programs delivered by OzChild in the South-East metropolitan area. Both programs worked with complex young people and families to prevent young people from becoming embedded in the justice system
- the Victims of Crime Financial Assistance Scheme (FAS), which replaced the Victims of Crime Assistance Tribunal. While DJCS set up several FAS systems, it noted that demand for the Scheme, recruitment and developing workforce capability resulted in processing delays, which DJCS endeavoured to improve over 2024–25.⁴

DJCS identified the key challenges faced by the Department including:

- an increased demand on the youth justice and corrections systems due to strengthened bail laws passed by the Parliament in March 2025. DJCS undertook several activities to expand capacity across youth justice and adult corrections facilities, and to increase staffing levels. This is discussed further in Section 5.6
- increased extreme weather and emergency events, which put increased pressure on DJCS' Emergency Services functions. Emergency Services are discussed further in Section 5.5
- the Department's fiscal position. DJCS advised it is operating in a constrained fiscal environment with increased service demand and infrastructure pressures. The Department managed this challenge by focusing on core service delivery and documenting an unmet and increased demand of \$800 million to support budget bids.⁵

⁴ Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 17 November 2025, pp. 17–20, 22.

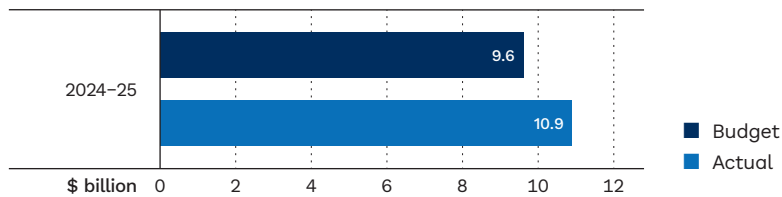
⁵ *Ibid.*, pp. 157–158.

5.3 Financial analysis

5.3.1 Output expenditure

In 2024–25, DJCS’s output budget was \$9.6 billion. Actual expenditure for the year was \$10.9 billion, representing a variance of 13.5% (\$1.3 billion).⁶

Figure 5.1 In 2024–25 the Department of Justice and Community Safety exceeded its output budget by 13.5%



Source: Department of Justice and Community Safety, Annual Report 2024–25, Melbourne, 2025, pp. 24–64.

In 2024–25, 13 of DJCS’s 14 outputs exceeded their budgets.⁷ Notable variances between budgeted and actual output expenditure included:

- the Emergency Management Capability output, which exceeded its budget by 33.5% (\$578.6 million). This was due to further funding post-budget for Emergency Service Organisations’ operations and implementing the *Emergency Management Operational Communications Program*
- the Racing, Gambling, Liquor and Casino Regulation output, which exceeded its budget by 127.9% (\$136.6 million). This was due to funding post-budget to reflect new funding agreements in the racing industry, and to allow the Victorian Gambling and Casino Control Commission (VGCCC) to fulfil their duties
- the Community Crime Prevention output, which exceeded its budget by 117.8% (\$15.2 million). This was explained by the further release of funding after the budget for multiple initiatives.⁸

5.3.2 Revenue and expenses

Revenue

In 2024–25, DJCS’s actual output appropriations were 9.7% higher (\$912.4 million) than its original budget.⁹ This is comparable to 2023–24, where its output appropriations

⁶ Department of Justice and Community Safety, *Annual Report 2024–25*, pp. 24–64.

⁷ *Ibid.*, pp. 24–64.

⁸ *Ibid.*, pp. 26, 32, 62.

⁹ Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 79.

were 9.9% higher than its budget.¹⁰ In 2024–25, the variance was due to post-budget funding supplementation for agencies and service delivery areas including Emergency Services organisations, Victoria Police, the racing industry and to support the corrections system.¹¹

When comparing revenue line items between 2023–24 and 2024–25, DJCS had decreases in sale of goods and services, grants, and fair value of asset and services received free of charge or for nominal consideration revenue. DJCS explained that these decreases did not have any community impact.¹²

Expenses

DJCS employee expenses increased from \$4.9 billion in 2023–24 to \$5.4 billion in 2024–25, an increase of 8.6%. The increase predominantly reflected entitlements in the Victoria Police Enterprise Agreement 2025, additional resources for policing capacity and payments within the Victorian Public Sector Enterprise Agreement.¹³

DJCS reduced its contractor, consultant and labour hire spending between 2023–24 and 2024–25. It reduced its contractor and labour hire spend by 49.9% (\$103.2 million) due to reduced costs relating to flood response and recovery, and due to lapsing of funding for initiatives.¹⁴ The Department also reduced its consultancy spend by 11.3% (\$930,000) for similar reasons.¹⁵ As noted below DJCS made \$8.6 million in savings due to a reduced contractor and consultant spend, however how this was achieved was not referenced or outlined in the Department's response to the consultant, contractor and labour hire questions in the questionnaire.¹⁶

Savings

DJCS advised that for savings initiatives listed in both the 2023–24 and 2024–25 Budgets, it achieved a total of \$41.4 million in savings in 2024–25. It reduced its contractor and consultancy spend by \$8.6 million and its marketing and advertising spend by \$240,000. It found \$32.5 million in savings through reducing office related spending and by reducing roles against several functions.¹⁷ Reducing these roles resulted in 'a reduction on the breadth and depth of delivery ... includ[ing] the cessation or rescoping of some work'.¹⁸

¹⁰ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, p. 74.

¹¹ Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 79.

¹² *Ibid.*, pp. 75–77.

¹³ *Ibid.*, p. 83.

¹⁴ *Ibid.*, p. 92.

¹⁵ *Ibid.*, p. 95.

¹⁶ *Ibid.*, pp. 89–96.

¹⁷ *Ibid.*, p. 86.

¹⁸ *Ibid.*

As part of its savings, DJCS reduced a total of 187 full-time equivalent roles from areas such as Policy, Strategy and Coordination and Emergency Management. DJCS advised that changes were made to the structure and operations of its Learning and Capability Team, which resulted in a reduction in the scope of training offered to non-frontline staff.¹⁹

Overall financial performance

Table 5.1 below summarises DJCS's financial performance in 2024–25.

Table 5.1 In 2024–25 the Department of Justice and Community Safety's expenses exceeded its income by \$287 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	9,637	10,607
Expenses from transactions	9,601	10,894
Net result	36	(287)

Source: Department of Justice and Community Safety, *Annual Report 2024–25*, Melbourne, 2025, p. 125.

5.4 Performance information

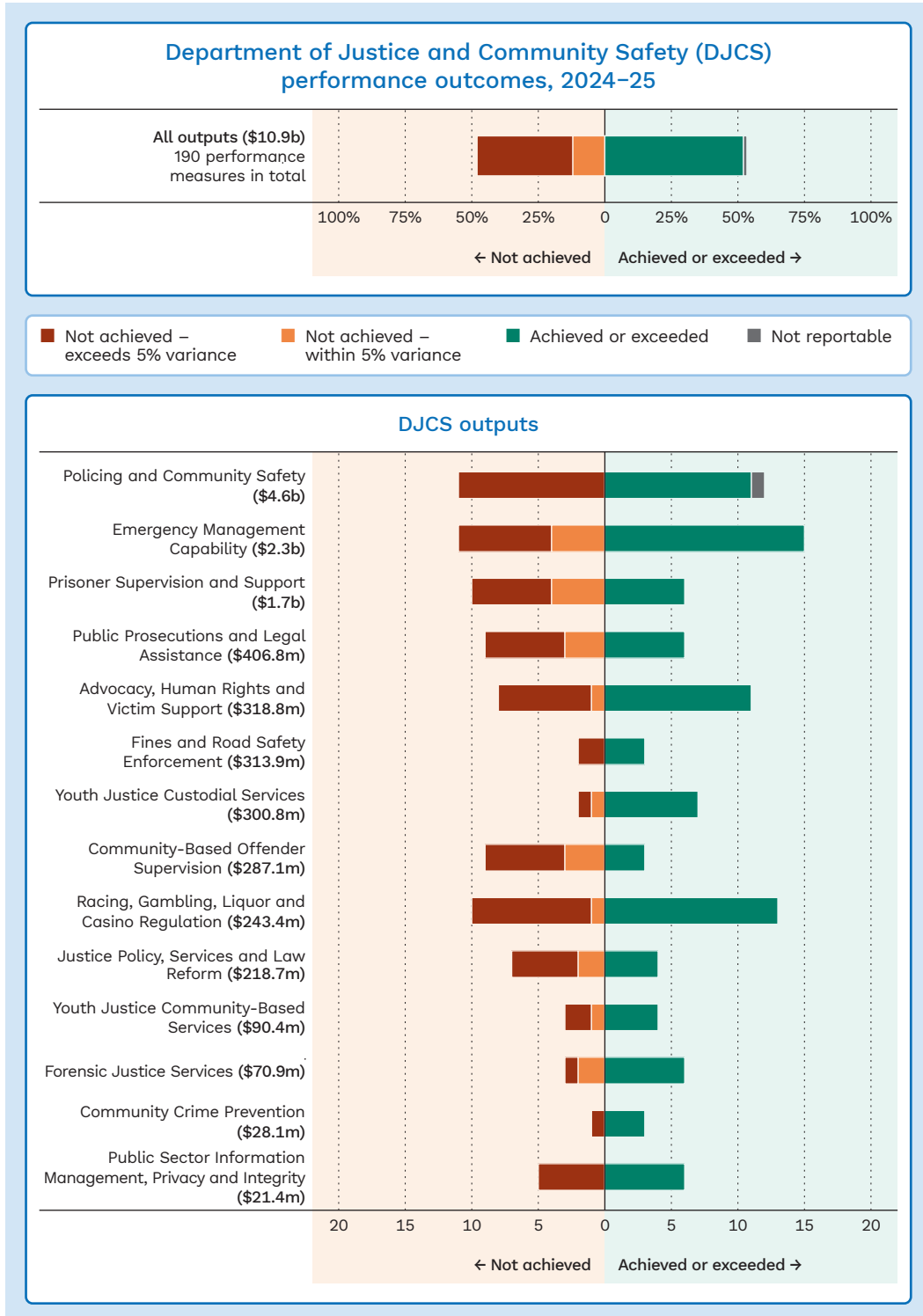
In 2024–25, DJCS achieved or exceeded 52% of its 189 performance measures published in its Annual Report. The Department did not meet 12% of its measures within a 5% variance and did not meet 36% of its measures exceeding a 5% variance.²⁰ These results were similar to 2023–24, in which DJCS achieved or exceeded 51% of its measures.²¹

¹⁹ Ibid., p. 88.

²⁰ Department of Justice and Community Safety, *Annual Report 2024–25*, pp. 24–64.

²¹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, p. 76.

Figure 5.2 The Department of Justice and Community Safety achieved 52% of its performance measures in 2024–25



Source: Department of Justice and Community Safety, *Annual Report 2024–25*, Melbourne, 2025, pp. 24–64.

The Committee noted in its *Report on the 2023–24 Financial and Performance Outcomes* that DJCS had not met several of its Policing and Community Safety measures since 2019–20.²² These measures were also not met in 2024–25 and included:

- the proportion of the community who have confidence in police
- the percentage of the community satisfied with policing services
- the proportion of crimes against the person resolved within 30 days
- the proportion of property and deception offences resolved within 30 days.²³

The Local Government Inspectorate (LGI) did not meet any of its three measures:

- independent internal review requests processed within 30 days
- initial complaints assessed by the LGI and a triage outcome communicated to the complainant within 10 business days
- investigations finalised by LGI within six months.

All measures were impacted by ‘capacity constraints’. The LGI works to ensure Victorian councils comply with the *Local Government Act 2020*.²⁴

5.5 Key issue: Emergency management capability

5.5.1 Emergency Management Capability output budget

The 2024–25 Budget allocated \$1.7 billion to the Emergency Management Capability output to reduce the risk of emergency occurrences and the adverse effects of emergency events through funding:

- adoption of emergency prevention and mitigation strategies
- provision of fire suppression and road crash rescue services
- support for local government and communities in disaster mitigation and recovery.²⁵

The Emergency Management Capability output funds Victorian Emergency Service Operators (ESOs): the Country Fire Authority (CFA), Fire Rescue Victoria (FRV), Triple Zero Victoria (TZV) and the Victorian State Emergency Service (VicSES).²⁶

DJCS advised the Committee that the Emergency Management Capability output exceeded its 2024–25 Budget by 33.5% (\$578.6 million), as funding was required post-budget to support the operations of ESOs and the implementation of the

²² Ibid., p. 78.

²³ Department of Justice and Community Safety, *Annual Report 2024–25*, pp. 24–25.

²⁴ Ibid., pp. 58, 59.

²⁵ Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, p. 155.

²⁶ Ibid.

*Emergency management operational communications program.*²⁷ At the hearings, DJCS outlined the additional funding sources and expenditure for the Emergency Management Capability output, with \$477.4 million utilised in central contingency releases for ESO operations and initiatives such as the *Fiskville off-site remediation and redress scheme* and TZV's *Next-Generation Computer Aided Dispatch* platform.²⁸ Additionally, \$31.5 million in Treasurer's Advances (TAs) were provided to ESOs to meet unforeseen costs associated with responding to fire and storm emergencies, and for VicSES heavy rescue truck rectification and the operationalisation of its facilities.²⁹

ESOs have received significant supplementary funding post-budget to support their operations and the response to emergency events, via the *Support for ESOs program*, over multiple years.³⁰ At the hearings, DJCS explained that the program received a \$1.1 million TA in 2024–25. This funding aimed to identify the cost drivers and demands of ESOs to ensure their financial sustainability and access to necessary resources, with consideration of the increasing risks and impacts of climate change.³¹

FINDING 35: The Department of Justice and Community Safety exceeded its Emergency Management Capability output budget by 33.5% (\$578.6 million) in 2024–25. Additional funding was mainly provided to support Emergency Service Organisation operations and the costs associated with responding to emergency events.

Analysis of budgetary performance shows that DJCS has exceeded its Emergency Management Capability output budget each year since 2013–14 (Figure 5.3). The percentage difference increased from 3.5% in 2018–19 to 40% in 2019–20, primarily due to the provision of supplementary funding for the CFA and the Melbourne Fire Brigade to respond to the Black Summer bushfires, as well as investigations into the fire season and implementation of reforms in response to the Victorian Government's 2017 *Fire Services Statement*.³² The Emergency Management Capability output budget increased from \$1.2 billion in 2019–20 to \$1.7 billion in 2020–21.³³ The output's budget has been similar since 2020–21.³⁴

27 Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 142.

28 Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, p. 13; Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 43–47.

29 Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, *Transcript of evidence*, pp. 12–13; Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 25–33, 37.

30 Department of Treasury and Finance, *2024–25 Financial Report*, Melbourne, 2025, p. 157; Department of Treasury and Finance, *2023–24 Financial Report*, Melbourne, 2024, p. 161; Department of Treasury and Finance, *2022–23 Financial Report*, Melbourne, 2023, p. 164.

31 Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, *Transcript of evidence*, p. 15.

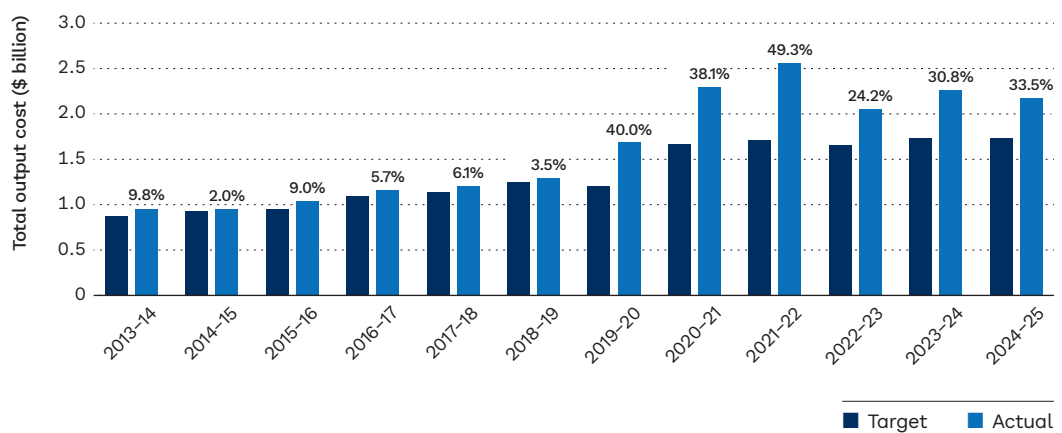
32 Department of Justice and Community Safety, *Response to the 2019–20 Financial and Performance Outcomes Questionnaire*, received 5 February 2021, p. 186; Victorian Government, *Fire Services Reform*, 17 November 2025, <<https://www.vic.gov.au/fire-services-reform>> accessed 4 February 2026; Department of Treasury and Finance, *Departmental performance statement: Department of Justice and Community Safety—output performance measures 2025–26*, 2025, <<https://www.dtf.vic.gov.au/departmental-statements#departmental-performance-measures>> accessed 19 December 2025.

33 Department of Treasury and Finance, *Departmental performance statement: Department of Justice and Community Safety—output performance measures 2025–26*.

34 Ibid.

The difference between the Emergency Management Capability output total cost targets and results have remained elevated between 2022–23 and 2024–25, with the total spend consistently exceeding \$2 billion.³⁵ In 2021–22, there were significant flood and storm emergency events which led to clean up and recovery efforts to support severely impacted communities.³⁶ From 2022–23 to 2024–25, there were also several fire, storm and flood emergency events that impacted the state, with the Emergency Management Capability output receiving funding supplementation for relief and recovery initiatives.³⁷ The 2025–26 Budget allocated \$2 billion to the Emergency Management Capability output.³⁸

Figure 5.3 The Department of Justice and Community Safety has exceeded its Emergency Management Capability output budget since 2013–14



Source: Department of Treasury and Finance, *Departmental performance statement: Department of Justice and Community Safety—output performance measures 2025–26*, 2025, <<https://www.dtf.vic.gov.au/departmental-statements#departmental-performance-measures>> accessed 19 December 2025; Department of Justice and Community Safety, *Annual Report 2024–25*, Melbourne, 2025, p. 32.

FINDING 36: The Department of Justice and Community Safety has exceeded its Emergency Management Capability output budget since 2013–14, and since 2019–20 has exceeded its budget by over 20%. Between 2020–21 and 2024–25 several significant emergencies impacted Victoria, including the COVID-19 pandemic and floods, fires and storms.

³⁵ Ibid..

³⁶ Department of Justice and Community Safety, *Response to the 2021–22 and 2022–23 Financial and Performance Outcomes Questionnaire*, received 10 November 2023, pp. 33.

³⁷ Ibid., pp. 47, 67; Department of Justice and Community Safety, *Response to the 2023–24 Financial and Performance Outcomes Questionnaire*, received 13 November 2024, pp. 37, 40, 48, 54; Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 26, 27, 29, 30, 37, 39, 40, 41, 140; Australian Government, Department of Home Affairs, *Australian Disasters – Victoria*, 2026 <<https://www.disasterassist.gov.au/find-a-disaster/australian-disasters?state=vic>> accessed 5 February 2026.

³⁸ Department of Treasury and Finance, *Budget Paper No. 3: 2025–26 Service Delivery*, Melbourne, 2025, p. 158.

At the hearings, DJCS explained that there was:

... a lot of variability in that emergency management capability output year on year, and within the year as well, due to the dynamic nature of the emergency management portfolio within the department.³⁹

During previous Budget Estimates hearings, the Minister for Emergency Services explained the Government's approach to budgeting for emergencies. Base funding is allocated for facilities and equipment, and TAs are used to cover the costs associated with responding to fire, flood and storm emergency events.⁴⁰ The Deputy Secretary told the Committee 'there is a lot of variability in that emergency management capability output year on year, and within the year as well, due to the dynamic nature of the emergency management portfolio within the [D]epartment'.⁴¹

FINDING 37: The Victorian Government's approach to budgeting for emergencies allocates base funding for facilities and equipment and supplementary funding through Treasurer's Advances to cover the costs associated with responding to fire, flood and storm emergency events.

5.5.2 Funding for Emergency Service Organisations

In response to questions on notice taken at the hearings, the Secretary of DJCS highlighted the fluctuating nature of ESO budgets:

Each year, the Victorian Government works with [ESOs] to understand their resource requirements. ESO budgets are subject to change throughout the financial year due to government policy decisions, the release of contingency funds, responses to declared emergency events, and reform in the sector.⁴²

Much of the detail regarding ESO funding can be found in the financial statements in their annual reports.

ESO budgets include different sources of Government funding:

- Grants from government fund service delivery to support program and policy outcomes. These grants include 'appropriation funding received from [DJCS], and other departments and authorities'.⁴³ Cash received through grants is also reflected in 'receipts from government' under the cash flow statement.

³⁹ Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, *Transcript of evidence*, p. 13.

⁴⁰ Jaclyn Symes MLC, Minister for Emergency Services, 2024–25 Budget Estimates hearing, Melbourne, 24 May 2024, *Transcript of evidence*, p. 14.

⁴¹ Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, *Transcript of evidence*, p. 13.

⁴² Emma Cassar, Secretary, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 15 December 2025, p. 8.

⁴³ Emma Cassar, Secretary, Department of Justice and Community Safety, response to questions on notice, p. 8.

- Capital appropriations fund capital projects and the creation of assets. This is shown in ‘Owner contributions’ in the cash flow statement, with financial and non-financial contributions also reflected in the statement of changes in equity.

The total amount of funding ESO’s have received from all government streams has varied since 2019–20. Funding for:

- VicSES has trended upwards
- TZV has trended upwards from 2019–20 to 2023–24, decreasing in the last financial year due to the transfer of emergency services communications contracts to DJCS⁴⁴
- CFA in 2024–25 was the highest it has been since the 2019–20 Black Summer bushfires
- FRV has trended upwards since 2019–20, apart from a slight decrease in 2021–22.⁴⁵

FINDING 38: Victorian Emergency Service Organisations receive funding from Government via various streams, which are outlined in their annual report operating statements.

5.5.3 Emergency management appliance upgrades

At the hearings, the Committee and Departmental representatives discussed investments into the upgrade of emergency management appliances to support the activities of ESOs.⁴⁶ Asset funding allocated in 2024–25 included:

- \$70 million to CFA and VicSES as part of the Emergency Services and Volunteers Fund to establish a rolling fleet replacement program
- \$4.77 million through the *Volunteer Emergency Services Equipment Program* to support the purchase of appliances for CFA brigades⁴⁷

⁴⁴ Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, *Transcript of evidence*, p. 13.

⁴⁵ Country Fire Authority, *Annual Report 2019–20*, Melbourne, 2020, pp. 53, 55–56; Country Fire Authority, *Annual Report 2020–21*, Melbourne, 2021, pp. 54–56; Country Fire Authority, *Annual Report 2021–22*, Melbourne, 2022, pp. 60, 62–63; Country Fire Authority, *Annual Report 2023–24*, Melbourne, 2024, pp. 62, 64–65; Country Fire Authority, *Annual Report 2024–25*, Melbourne, 2025, pp. 74, 76–77; Metropolitan Fire Brigade, *Annual Report 2019–20*, Melbourne, 2020, pp. 98, 100–101; Fire Rescue Victoria, *Annual Report 2020–21*, Melbourne, 2021, pp. 94, 96; Fire Rescue Victoria, *Annual Report 2021–22*, Melbourne, 2022, pp. 110, 112; Fire Rescue Victoria, *Annual Report 2022–23*, Melbourne, 2024, pp. 104, 106; Fire Rescue Victoria, *Annual Report 2023–24*, Melbourne, 2024, pp. 112, 114; Fire Rescue Victoria, *Annual Report 2024–25*, Melbourne, 2026, pp. 124, 126; Victorian State Emergency Service, *Annual Report 2019–20*, Melbourne, 2020, pp. 64, 66–67; Victorian State Emergency Service, *Annual Report 2020–21*, pp. 78, 79, 82; Victorian State Emergency Service, *Annual Report 2021–22*, pp. 79, 81–82; Victorian State Emergency Service, *Annual Report 2022–23*, Melbourne, 2023, pp. 71, 73–74; Victorian State Emergency Service, *Annual Report 2023–24*, Melbourne, 2024, pp. 77, 79–80; Victorian State Emergency Service, *Annual Report 2024–25*, Melbourne, 2025, pp. 75, 78–79; Emergency Services Telecommunications Authority, *Annual Report 2019–20*, Melbourne, 2020, pp. 49, 54; Triple Zero Victoria, *Annual Report 2020–21*, Melbourne, 2021, pp. 52–54, 56; Triple Zero Victoria, *Annual Report 2021–22*, Melbourne, 2022, pp. 59–60; Triple Zero Victoria, *Annual Report 2022–23*, Melbourne, 2023, pp. 66, 68–69; Triple Zero Victoria, *Annual Report 2023–24*, Melbourne, 2024, pp. 63, 65–66; Triple Zero Victoria, *Annual Report 2024–25*, Melbourne, 2025, pp. 65–66.

⁴⁶ Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, *Transcript of evidence*, pp. 13, 21, 23, 24, 33.

⁴⁷ *Ibid.*, p. 23.

- \$4.9 million (total estimated investment (TEI) \$13.7 million) to FRV for new aerial pumpers to increase firefighting capability in high built-up areas⁴⁸
- \$0.1 million (TEI \$16.7 million) to CFA for 15 new urban pumpers.⁴⁹

These funding announcements build on significant investment in emergency management appliances during the 60th Parliament, including:

- \$50.8 million in 2020–21 for *Fire Services Reform implementation*, including 50 replacement dual cab firefighting appliances for CFA⁵⁰
- \$8.9 million in 2022–23 to VicSES for 21 heavy rescue trucks and nine medium rescue trucks⁵¹
- \$15 million in 2023–24 to VicSES for 35 replacement NextGen heavy rescue trucks as part of its fleet replacement program⁵²
- \$40 million in 2025–26 to FRV to kickstart its appliance rolling replacement program.⁵³

The annual reports of the CFA and FRV list fleet appliance numbers by type, and FRV and VicSES note plans for the introduction of new appliances in their fleets. However, they do not outline the age of appliances, the rate at which appliances that are no longer fit-for-purpose are being replaced, or further information concerning the utility of appliances, such as benchmarks around when appliances should be retired.⁵⁴ CFA, FRV and VicSES explained that the process of vehicle acquisition, use and disposal is managed by experienced fleet managers who set relevant depreciation rates during use to reflect utilisation.⁵⁵

At the hearings, the Committee sought data on the number and age of appliances in CFA, FRV and VicSES fleets.⁵⁶ In response to questions on notice, DJCS provided the following detail on appliance numbers and their age range as at 30 June 2025,

⁴⁸ Department of Treasury and Finance, *Budget Paper No. 4: 2024–25 State Capital Program*, Melbourne, 2024, p. 95.

⁴⁹ *Ibid.*, p. 93; Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, *Transcript of evidence*, p. 23.

⁵⁰ Department of Treasury and Finance, *Budget Paper No. 3: 2020–21 Service Delivery*, Melbourne, 2020, pp. 106, 116; Victorian Government, *Year Two to Five Fire Services Reform Implementation Plan: May 2023 Update*, 2023, <https://www.parliament.vic.gov.au/496113/globalassets/tables-paper-documents/tables-paper-7179/fsr_implementation-plan_may-2023-update-final-v1.pdf> accessed 22 January 2026, p. 14.

⁵¹ Jaclyn Symes MP, Minister for Emergency Services, 2022–23 Budget Estimates hearing, Melbourne, 18 May 2022, *Transcript of evidence*, p. 6.

⁵² Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, 2023–24 Financial and Performance Outcomes hearing, Melbourne, 21 November 2024, *Transcript of evidence*, p. 11.

⁵³ Kate Fitzgerald, Deputy Secretary, Emergency Management, Department of Justice and Community Safety, *Transcript of evidence*, p. 24.

⁵⁴ Country Fire Authority, *Annual Report 2024–25*, p. 56; Victorian State Emergency Service, *Annual Report 2024–25*, p. 58; Fire Rescue Victoria, *Annual Report 2024–25*, p. 83.

⁵⁵ Country Fire Authority, *Annual Report 2024–25*, p. 110; Fire Rescue Victoria, *Annual Report 2024–25*, p. 167; Victorian State Emergency Service, *Annual Report 2024–25*, p. 109.

⁵⁶ Public Accounts and Estimates Committee, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, p. 10.

rather than a breakdown.⁵⁷ In previous inquiries DJCS has provided a breakdown of appliances by age.⁵⁸

- CFA—2,260 appliances ranging in age from 0–40 years: 219 pumpers, 44 pumper tankers and 1,997 tankers
- FRV—212 appliances (no age range provided): 156 primary, 25 aerial and 31 specialist
- VicSES—245 appliances ranging in age from 0 to 25 years: 52 light rescue vehicles, 116 medium rescue trucks and 77 heavy rescue trucks.⁵⁹

The Committee wrote to DJCS to request the information about appliance ages that had not been provided, but the Department did not respond in time for preparation of the report.

RECOMMENDATION 11: The Department of Justice and Community Safety explore ways to report on investments into Emergency Service Organisation appliances to demonstrate well maintained, fit-for purpose fleets, including detail on the safety, utility, age and effectiveness of emergency response appliances.

5.5.4 Country Fire Authority and Victorian State Emergency Services operational volunteer numbers

In response to the Committee’s questionnaire, DJCS advised that CFA and VicSES operational volunteer numbers were below target in 2024–25 (although there was an increase from previous years) due to fluctuations in volunteer numbers, which is ‘common across volunteer organisations’.⁶⁰ DJCS deems the current volunteer count to be sufficient to meet operational needs.⁶¹

⁵⁷ Kate Houghton, Secretary, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 15 December 2025, p. 6.

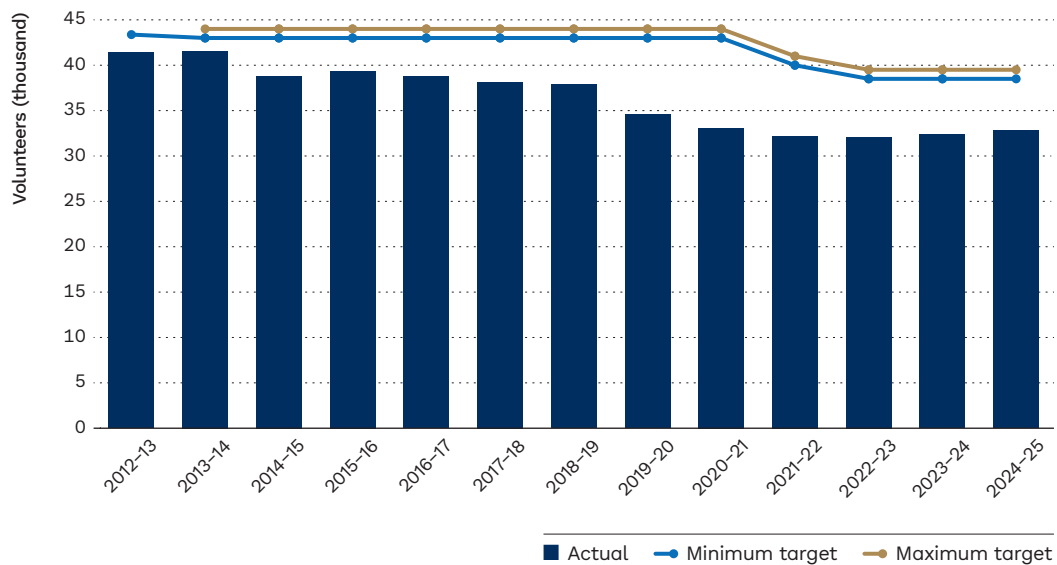
⁵⁸ Jaclyn Symes MP, Minister for Emergency Services, 2024–25 Budget estimates hearing, response to questions on notice, received 5 June 2024, pp. 2–3.

⁵⁹ Kate Houghton, Secretary, Department of Justice and Community Safety, response to questions on notice, p. 6.

⁶⁰ Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 140.

⁶¹ Department of Justice and Community Safety, *Annual Report 2024–25*, p. 30; Department of Justice and Community Safety, *Annual Report 2023–24*, Melbourne, 2024, p. 47.

Figure 5.4 The Department of Justice and Community Safety has not met its target for the number of Country Fire Authority and Victorian State Emergency Services operational volunteers since 2012–13



Source: Department of Justice and Community Safety, *Annual Report 2024–25*, Melbourne, 2025, pp. 47–48; Department of Treasury and Finance, *Departmental performance statement: Department of Justice and Community Safety—output performance measures 2025–26*, 2025, <<https://www.dtf.vic.gov.au/departamental-statements>> accessed 19 December 2025.

In light of findings that targets for the number of operational volunteers in the emergency management sector were not being met, the previous Public Accounts and Estimates Committee recommended in 2020–21 that DJCS add specific performance measures and targets for recruiting operational and support volunteers to the CFA in the 2021–22 Budget.⁶² DJCS supported this recommendation, stating it would review its Emergency Management Capability output performance measures as part of the 2022–23 Budget Process and consider other mechanisms for enhancing transparency for recruiting volunteers to the CFA.⁶³ However, these performance measures have not changed.⁶⁴

The CFA’s quarter 4 2024–25 report against its *Year Five Outcomes Framework 2020–2030* discussed the long-term trend in the decline of operational volunteer numbers, stating that it is continuing to support brigades, especially in rural areas, with sustainability and succession planning:

A strength of the CFA operating model is that the 1,210 brigades operate as a network of resources that can be combined in an escalating fashion where a need or incident complexity requires resourcing beyond the level that can be met by any one brigade alone.⁶⁵

⁶² Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2020–21 Budget Estimates*, April 2021, p. xli.

⁶³ Government of Victoria, *Response to the Parliament of Victoria, Public Accounts and Estimates Committee, Inquiry into the 2020–21 Budget Estimates*, 28 October 2021, p. 9.

⁶⁴ Department of Justice and Community Safety, *Annual Report 2024–25*, pp. 47–48; Department of Treasury and Finance, *Departmental performance statement: Department of Justice and Community Safety—output performance measures 2025–26*.

⁶⁵ Fire Services Implementation Monitor, *Fire Services Outcomes Framework Progress Report—Quarter 4 2024–25*, November 2025 <<https://www.vic.gov.au/sites/default/files/2025-12/Fire-Services-Outcomes-Framework-Progress-Report-Quarter-4-2024-25.pdf>> accessed 22 January 2025, p. 16.

The Fire Services Implementation Monitor, which tracks progress against the *Fire Services Reform Implementation Plan*,⁶⁶ reported on CFA operational volunteer numbers in its 2024–25 Q4 report.⁶⁷

FINDING 39: The Department of Justice and Community Safety (DJCS) did not meet its target for the number of Country Fire Authority and Victorian State Emergency Services operational volunteers in 2024–25, however, DJCS maintains that the current volunteer count remains sufficient. It has not met its target for this performance measure in the last 10 years.

5.6 Key issue: Bail reform

During the hearings, Department officials spoke about law reform delivered in 2024–25. This included the first tranche of new bail laws, with a second tranche developed by the Department for introduction to Parliament in August 2025.⁶⁸ DJCS’s 2024–25 Annual Report notes the key focus of reforms was to improve community safety, acquitting the Government’s commitment to introducing bail laws that target repeat, high-harm offending.⁶⁹

In 2017, bail laws were reviewed and the Government instituted very restrictive bail eligibility.⁷⁰ This led to an increase in prisoners held on remand.⁷¹ The *Bail Amendment Bill 2023* (Vic) was introduced by the Government to reduce unnecessary remand for people accused of low-level offending.⁷² These changes were made to address key recommendations of the coronial Inquest into the death in custody of Veronica Nelson, an Aboriginal woman, and the Parliamentary Inquiry into Victoria’s criminal justice system.⁷³

In March 2025, the Government announced it would introduce ‘Australia’s toughest bail laws’ to prevent reoffending by individuals on bail. Key changes included making community safety the overarching principles for bail decision-making including for youth offenders and removing the requirement for remand as a last resort for youth offenders. Certain offences were also given harsher bail requirements.⁷⁴ Further

66 Victorian Government, *Fire Services Reform*, 17 November 2025, <<https://www.vic.gov.au/fire-services-reform>> accessed 22 January 2026.

67 Fire Services Implementation Monitor, *Fire Services Outcomes Framework Progress Report—Quarter 4 2024–25*.

68 Emma Cassar, Secretary, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025 *Transcript of evidence*, p. 2; Victorian Legislation, *Bail Further Amendment Bill 2025*, 2025, <<https://www.legislation.vic.gov.au/bills/bail-further-amendment-bill-2025>> accessed 9 February 2026.

69 Department of Justice and Community Safety, *Annual Report 2024–25*, p. 3.

70 Parliament of Victoria, *Bill Brief examines bail law amendments*, 4 October 2023, <<https://www.parliament.vic.gov.au/news/justice/bail-amendment>> accessed 9 February 2026; Parliament of Victoria, *Bail Amendment Bill 2023: No. 5*, August 2023, <https://www.parliament.vic.gov.au/4a7d73/globalassets/images/news/library-papers/2023_5_bailamendmentbill- rn_billbrief.pdf> accessed 19 February 2025, pp. 6–7.

71 Parliament of Victoria, *Bill Brief examines bail law amendments*; Parliament of Victoria, *Bail Amendment Bill 2023: No. 5*, p. 7.

72 Parliament of Victoria, *Bill Brief examines bail law amendments*; Premier of Victoria, *New reforms to make Victoria’s bail laws fairer*, media release, 14 August 2023.

73 Premier of Victoria, *New reforms to make Victoria’s bail laws fairer*, media release.

74 Premier of Victoria, *Tough bail laws to keep Victorian’s safe*, media release, 12 March 2025.

bail reform to restrict the granting of bail passed Parliament in August 2025.⁷⁵ The Government noted that because of the reforms in March 2025, remand numbers in adult and youth corrections facilities increased by May 2025.⁷⁶

5.6.1 Increases to the number of people held in corrections and youth justice facilities

When fewer individuals are bailed, more individuals are held on remand in corrections and youth justice facilities. The latest Australian Institute of Health and Welfare data for youth justice only covers 2023–24⁷⁷ but the Government advised that at May 2025 there were 39 more young people on remand in youth justice compared to April 2024, an increase of 71%.⁷⁸ Expected increases in prison populations are also outlined in DJCS's Annual Report. It notes that young people under community corrections orders were lower in 2024–25 due to 'a reduction in community-based supervision driven by new laws to strengthen Victoria's bail system'.⁷⁹ For its two measures related to the average daily number of young people in custody, the Department notes '[t]he number of young people in custody is expected to increase in subsequent reporting years as new bail laws take effect'.⁸⁰

Data on the change in remanded or unsentenced prison populations in corrections from January 2023 are shown below. This shows changes to the number of individuals remanded in custody and relevant legislative changes to bail laws since January 2023.

⁷⁵ Premier of Victoria, *Even tougher bail test to keep Victorian's safe*, media release, 29 July 2025; *Bail Further Amendment Bill 2025* (Vic).

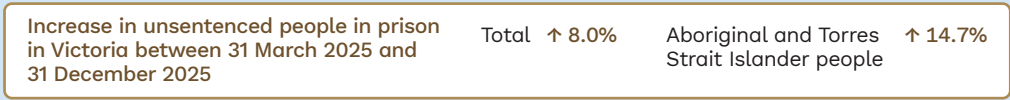
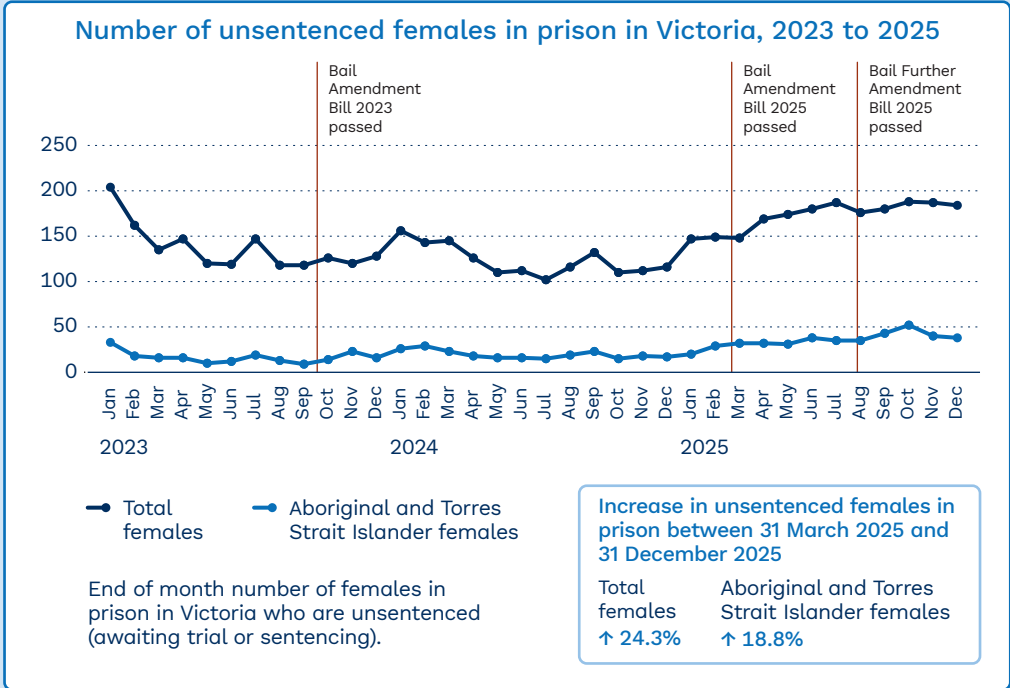
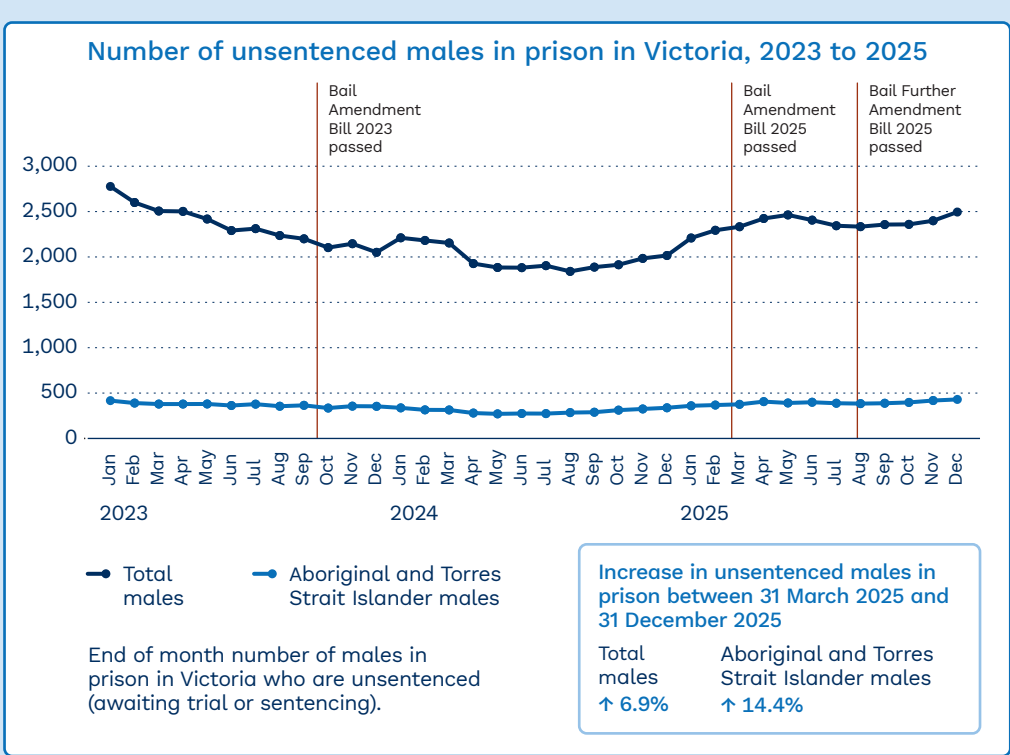
⁷⁶ Premier of Victoria, *Tough new bail laws demand more prison beds*, media release, 13 May 2025.

⁷⁷ National data on youth justice lag by a year because they are complex data that must be compiled from different jurisdictions and verified. Australian Institute of Health and Welfare, *Youth Justice*, 16 October 2025, <<https://www.aihw.gov.au/reports/australias-welfare/youth-justice>> accessed 26 February 2026.

⁷⁸ Premier of Victoria, *Tough new bail laws demand more prison beds*, media release.

⁷⁹ Department of Justice and Community Safety, *Annual Report 2024–25*, p. 42.

⁸⁰ *Ibid.*, p. 43.



Source: Corrections Victoria, *Monthly time series prison and community corrections data: Aboriginal and Torres Strait Islander monthly time series prison and community corrections data –December 2025: Table 1—People in prison*, December 2025, <<https://www.corrections.vic.gov.au/about-the-corrections-system/statistics-and-research/monthly-time-series-prison-and-community>> accessed 11 February 2026; Sentencing Advisory Council, *Victoria's Prison Population*, 10 November 2025, <<https://www.sentencingcouncil.vic.gov.au/sentencing-statistics/victorias-prison-population>> accessed 11 February 2025; Victorian Legislation, *Bail Amendment Bill 2023*, 2026, <<https://www.legislation.vic.gov.au/bills/bail-amendment-bill-2023>> accessed 11 February 2026; Victorian Legislation, *Bail Amendment Bill 2025*, 2026, <<https://www.legislation.vic.gov.au/bills/bail-amendment-tough-bail-bill-2025>> accessed 11 February 2026; Victorian Legislation, *Bail Further Amendment Bill 2025*, 2026, <<https://www.legislation.vic.gov.au/bills/bail-further-amendment-bill-2025>> accessed 11 February 2026.

FINDING 40: In 2024–25, the Department of Justice and Community Safety delivered bail law reform, making the granting of bail in Victoria more restrictive. This has increased the number of adult and youth prisoners in the justice system held on remand.

During the hearings, the Committee asked the Department how it was managing more individuals in the prison system in terms of the capacity of corrections facilities.⁸¹ The Secretary advised that corrections was prepared to ‘pivot’ to make necessary changes in relation to bail reform and advised bed capacity had increased in response.⁸² Since March 2025, 1,159 prison beds were opened across the system. The Commissioner for Corrections added with the closing of Port Phillip prison, a net increase of 392 beds had been recorded, with a further 748 to be opened by early 2026. The Commissioner stated that this was expected to be sufficient for prisoner increases related to both tranches 1 and 2 of bail reform in 2025.⁸³

The Department stated that new prison beds were facilitated by funding from the *Community safety package*, which received \$727 million in the 2025–26 Budget.⁸⁴ The *Community safety package* was intended to increase capacity in the corrections and youth justice systems because of more individuals being held on remand.⁸⁵ The Department advised that the package also includes funding for more staff in corrections and youth justice, additional training for corrections staff, and expanded healthcare, rehabilitation and support services across both the adult and youth systems.⁸⁶

An increase in the number of prisoners, both adult and youth, will mean the cost of corrections and youth justice will increase. The actual cost of the Prisoner Supervision and Support output has grown by 86% to \$1.7 billion since 2014–15, while the Youth Justice Custodial Services cost has grown by 340.4% to \$300.8 million.⁸⁷

FINDING 41: The Victorian Government has invested \$727 million in the *Community safety package* to increase capacity in adult and youth corrections facilities, in response to bail reforms enacted in 2024–25 and 2025–26. By early 2026, approximately 1,000 new beds were opened across the system. An increase in prisoners will mean an increase in cost to the State for corrections and youth justice.

⁸¹ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Justice and Community Safety, *Transcript of evidence*, p. 6.

⁸² Emma Cassar, Secretary, Department of Justice and Community Safety, *Transcript of evidence*, p. 6.

⁸³ Larissa Strong, Commissioner, Corrections Victoria, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, pp. 6–7.

⁸⁴ Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, pp. 70–75; Emma Catford, Deputy Secretary, Corrections and Justice Services, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, pp. 46–47.

⁸⁵ Premier of Victoria, *Tough new bail laws demand more prison beds*, media release.

⁸⁶ Larissa Strong, Commissioner, Corrections Victoria, *Transcript of evidence*, pp. 46–47; Emma Catford, Deputy Secretary, Corrections and Justice Services, *Transcript of evidence*, p. 46; Premier of Victoria, *Tough new bail laws demand more prison beds*, media release.

⁸⁷ Department of Justice and Community Safety, *Annual Report 2024–25*, pp. 38, 43; Department of Treasury and Finance, *Departmental Statements: Departmental Performance Statements—Department of Justice and Community Safety*, 22 May 2025, <<https://www.dtf.vic.gov.au/departmental-statements>> accessed 10 February 2026.

5.6.2 Increased use of Victoria Police cells

People arrested by police can be held in police cells while awaiting their court appearance or to be transferred into the prison system. Under the *Corrections Act 1986*, Victoria Police operate cells where people can be detained, including when they are awaiting interview or a bail/remand hearing, and when individuals are sentenced or remanded.⁸⁸

During the hearings, the Committee asked for data on the number of people in 2024–25 who completed a whole sentence in police cells, who were held for more than 14 days in police cells, and the number of times prisoners were decanted—moved between police cell locations.⁸⁹ Corrections Victoria notes that police cells should only be used to accommodate prisoners for short periods.⁹⁰ Additionally, Corrections Victoria and Victoria Police have a memorandum of understanding that states where practicable, no prisoner should remain continuously in police cells for more than 14 days.⁹¹

DJCS told the Committee that 58 people completed their entire sentence in police cells, while 94 people were held for more than 14 days in 2024–25.⁹² Additionally, decants between police cells had increased from eight in 2023–24 to 43 in 2024–25 due to capacity constraints.⁹³ The Secretary noted there was an ongoing pressure on police cells, and was in communication with the Commissioner of Corrections Victoria to look at alleviating this pressure.⁹⁴ The Commissioner of Victoria Police added that the practice of decanting was ‘unfortunate’, but was used to ensure there were enough beds to hold people.⁹⁵

FINDING 42: During 2024–25, 58 people completed their entire sentence in police cells and 94 people were held for over 14 days. Decants between police cells increased from eight to 43 between 2023–24 and 2024–25. There was additional pressure on police cells in 2024–25 due to justice system pressures resulting from changes to Victoria’s bail laws in March 2025.

⁸⁸ Corrections Victoria, *Sentence Management Manual: Reception of prisoners into custody part 2*, Melbourne, 2017, p. 1.

⁸⁹ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Justice and Community Safety, *Transcript of evidence*, p. 36.

⁹⁰ Corrections Victoria, *Sentence Management Manual: Reception of prisoners into custody part 2*, Melbourne, 2017, p. 3.

⁹¹ *Ibid.*; Victorian Auditor-General’s Office, *Prisoner Transportation*, Melbourne, 2014, p. 36.

⁹² Emma Cassar, Secretary, Department of Justice and Community Safety, response to questions on notice, p. 23.

⁹³ Mike Bush, Chief Commissioner of Police, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, p. 36; Emma Cassar, Secretary, Department of Justice and Community Safety, response to questions on notice, p. 20.

⁹⁴ Emma Cassar, Secretary, Department of Justice and Community Safety, *Transcript of evidence*, p. 35.

⁹⁵ Mike Bush, Chief Commissioner of Police, *Transcript of evidence*, p. 36.

RECOMMENDATION 12: The Department of Justice and Community Safety and Victoria Police begin to publish data about police cells on a routine basis, including data on the time spent in police cells, how often this exceeds 14 days, the number of people serving full sentences in police cells and the number of decants that take place. This information should also include data around how many times court appearances were rescheduled, adjourned or delayed due to capacity constraints in police cells.

5.6.3 Diversion and early intervention programs in response to increased youth justice populations

During the hearings, the Committee discussed various youth justice diversion and intervention programs implemented by DJCS, with reference to increased youth justice populations following Victoria's bail reform. Three of these programs and their outcomes in 2024–25 are discussed below.

From a broader youth justice system perspective, DJCS's 2024–25 Annual Report stated:

- 94.2% of young people on supervised community-based and 96.3% on custodial orders had a case plan within six weeks
- 78.9% of young people in custody took part in reintegration activities
- 91.1% of community-based orders were completed successfully.⁹⁶

Table 5.2 In 2024–25 the Department of Justice and Community Safety operated several youth justice diversion and intervention programs

Name	Description	Funding and outcomes 2024–25
Youth Crime Prevention Program	<ul style="list-style-type: none"> • supports young people aged 10 to 24 who have had contact with, or are at risk of being involved with, the criminal justice system • funds community-led initiatives that connect young people with case management, coaching, mentoring and prosocial activities, designed around local needs and service gaps, with the intent to keep young people out of the justice system • program prioritises communities with high levels of crime, currently operating across 14 locations. 	<ul style="list-style-type: none"> • since 2016–17, over \$40 million has been invested • in 2022, an evaluation found a 29% reduction in offending and a 24% reduction in the severity/seriousness of offending due to the program • to June 2025, 7,500 young people had participated in the program, with 1,153 diversions overseen by the Children's Court at a 98% success rate.

⁹⁶ Department of Justice and Community Safety, *Annual Report 2024–25*, pp. 42–43.

Name	Description	Funding and outcomes 2024–25
Aboriginal Youth Cautioning Program	<ul style="list-style-type: none"> • aims to reduce contact with the justice system for Aboriginal youth aged 12–17 • does so through: <ul style="list-style-type: none"> – provision of enhanced police cautioning for those who consent – offering a pathway for young people to connect with Aboriginal Elders and culturally relevant support services – addressing underlying drivers of offending through a community-led, culturally grounded model – incorporation of the principles of Aboriginal self-determination, early intervention, and harm reduction. 	<ul style="list-style-type: none"> • expanded to 59 Local Government Areas • while not age-disaggregated, cautions issued to Aboriginal people in Victoria have increased significantly (260% over five years).
Youth Crime Prevention and Early Intervention Project	<ul style="list-style-type: none"> • a collaboration between Victoria Police and Westjustice, co-led by Victoria Legal Aid and Youth Now • aims to examine the overarching issues that impact the wellbeing of young people in the justice system and reduce reoffending among young people aged 10 to 24 by increasing cautions, diversions, early referrals to legal and social supports, and community legal education. 	<ul style="list-style-type: none"> • \$6.6 million allocated in the 2024–25 Budget to expand the project • independent evaluation found an increase in cautions and warnings, a reduction in remand rates and a reduction in youth offending for first time offenders • estimates suggest project will result in avoided costs of \$15–20 million over 10 years and up to \$20 million in economic benefits over 10 years.

Source: Hon Anthony Carabines MP, Minister for Crime Prevention, *2024–25 Budget Estimates hearings presentation*, supplementary evidence received 21 May 2024, pp. 3–6; Premier of Victoria, *More Funding To Prevent Youth Crime In Shepparton*, media release, 20 July 2023; Premier of Victoria, *More Support For Crime Prevention In Melbourne’s Southeast*, media release, 7 September 2023; Emma Cassar, Secretary, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, p. 3; Marian Chapman, Deputy Secretary, Courts, Civil and Criminal Law, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, pp. 45–46; Andrea Davidson, Commissioner, Youth Justice, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, p. 46; Victoria Police, *Aboriginal Youth Cautioning Program (AYCP)*, 1 October 2025, <<https://www.police.vic.gov.au/aboriginal-youth-cautioning-program-aycp>> accessed 9 February 2026; Victoria Police, *Annual Report 2024–25*, Melbourne, 2025, p. 25; Department of Justice and Community Safety, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 17 November 2025, pp. 159–160; Victoria Police, *Annual Report 2024–25*, Melbourne, 2025, p. 64; Victoria Police, *Youth Crime Prevention and Early Intervention Program*, 1 October 2025, <<https://www.police.vic.gov.au/youth-crime-prevention-and-early-intervention-program>> accessed 9 February 2026; Allen and Clarke Consulting, *Youth Crime Prevention and Early Intervention Project - Final Evaluation Report*, December 2024, <<https://www.police.vic.gov.au/sites/default/files/2025-06/Youth-Crime-Prevention-and-Early-Intervention-Project-Evaluation-Report.pdf>> accessed 9 February 2026, pp. 3, 7, 23; Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2025, pp. 66, 209.

5.6.4 Council on Bail, Rehabilitation and Accountability

The Council on Bail, Rehabilitation and Accountability (COBRA) was established in August 2024 in response to a cohort of approximately 70 young people aged between 12 and 17 involved in serious, repeat offending that were having a disproportionate impact on community safety. Made up of experts from police, youth justice, health, education and social service departments, COBRA investigates the causes of recidivism among high-risk youth, advises Ministers directly on trends and urgent actions, and evaluates which early-intervention and diversion programs are effective.⁹⁷

⁹⁷ Premier of Victoria, *Cracking Down on Repeat Serious Offenders*, media release, 13 August 2024; Andrea Davidson, Commissioner, Youth Justice, Department of Justice and Community Safety, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, pp. 44–46.

In 2024–25, DJCS reported that COBRA had met nine times, undertaken extensive cohort and offending analysis, delivered a cross-portfolio program audit and identified options to address risk and need profiles in the cohort.⁹⁸

Findings from COBRA's analysis of the cohort found:

- 70% of offenders were chronically absent from school
- 67% missed more than 30 days in the school year and 52% missed more than 60 days
- more than 50% were suspended and three expelled at some point in their government sector schooling
- poorer than average results at school
- following school disengagement, the next step along the pathway to violence is poor mental health and concerning behaviours in the schoolyard.⁹⁹

In response to these findings, the Victorian Government announced in November 2025 that \$5.6 million would be invested to deliver 20 Early Intervention Officers in government schools from 2026, using data and intelligence to identify appropriate allocation.¹⁰⁰

FINDING 43: The various youth justice programs implemented in Victoria demonstrate a comprehensive approach to addressing youth offending and recidivism through early intervention, community engagement and targeted support. The programs have shown positive outcomes in 2024–25, such as reductions in offending rates, increased successful completion of community-based orders and enhanced support for vulnerable cohorts.

⁹⁸ Department of Justice and Community Safety, *Annual Report 2024–25*, p. 41; Premier of Victoria, *Cracking Down on Repeat Serious Offenders*, media release; Premier of Victoria, *Early Intervention Officers in Schools to Keep Kids on Track*, media release, 19 November 2025.

⁹⁹ Premier of Victoria, *Early Intervention Officers in Schools to Keep Kids on Track*, media release.

¹⁰⁰ Ibid.

Chapter 6

Department of Transport and Planning

6.1 Overview

The Department of Transport and Planning (DTP) combines transport, planning, land, precinct and policy functions in one department with the vision ‘to create thriving places and connected communities’.¹ It is responsible for ‘planning, building, operating and maintaining Victoria’s transport, planning and land services’.²

In 2024–25, DTP’s objectives were:

- reliable and people-focused transport services
- safe and well-regulated transport services
- a safe and quality-built environment
- effective management of Victoria’s land assets
- to build prosperous and connected communities.³

6.2 Outcomes and challenges

In response to the Committee’s questionnaire, DTP was asked to identify its programs that delivered the most important outcomes in the community, programs that did not deliver their planned outcomes and the key challenges faced by the Department in 2024–25.

Key outcomes included:

- progressing Victoria’s Big Build and other major projects including the Metro Tunnel Project, level crossing removals, the North East Link Project and regional rail upgrades⁴
- improved accessibility and safety, increased reliability and efficiency, progress towards sustainable transport options, and enhanced customer experience for public transport⁵

1 Department of Transport and Planning, *Annual Report 2024–25*, Melbourne, 2025, p. 8.

2 Ibid.

3 Ibid.

4 Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 9–11.

5 Ibid., pp. 11–13.

- approving 14 renewable energy projects and the passage of new legislation to introduce a more efficient planning permit process, and completing 26 strategic assessments to optimise government land holdings.⁶

Programs that did not deliver their planned outcomes included:

- Public transport services—patronage remaining below pre-COVID-19 levels in all categories, metropolitan train services 19.2% below target and tram services 15% below target⁷
- Pavement patching, resurfacing and rehabilitation program—a reduction in treated road area due to focusing on more long-lasting treatments such as resurfacing and rehabilitation, instead of short-term patching work and a higher unit cost of major patching works, as discussed further in Section 6.6.⁸

DTP listed key challenges it experienced during 2024–25:

- increasing housing supply to meet population growth. To address this challenge, DTP noted that it continued to build new dwellings in well-serviced areas, introduced planning reforms and established new measures under the *Train and Tram Zone Activity Centres Program*.⁹ DTP's response to the challenge of increasing housing supply is discussed further in Section 6.5.
- enhancing transport infrastructure and improving the safety, accessibility and reliability of the transport network, to respond to population growth, shifting social and economic factors, and increased public transport usage. DTP's response included improving the bus network including 191 new bus stops, delivering 13 new VLocity trains to the regional network, removing six level crossings and delivering 12 new level-access tram stops in the CBD.¹⁰

6.3 Financial analysis

6.3.1 Output expenditure

In 2024–25, DTP's output budget was \$8.8 billion. Actual expenditure for the year was \$9.5 billion, representing a variance of 7.4% (\$653.4 million).¹¹

⁶ Ibid., pp. 14–16.

⁷ Ibid., p. 19.

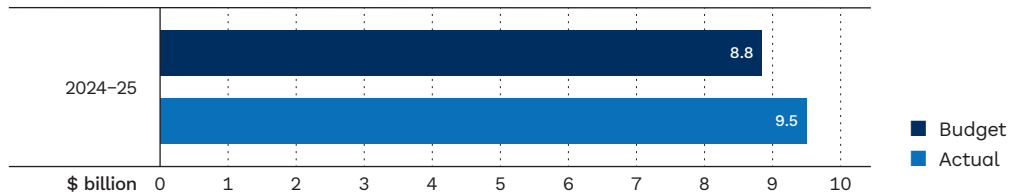
⁸ Ibid., pp. 19–20.

⁹ Ibid., pp. 246–247.

¹⁰ Ibid., pp. 247–251.

¹¹ Department of Transport and Planning, *Annual Report 2024–25*, pp. 31–64.

Figure 6.1 In 2024–25 the Department of Transport and Planning exceeded its output budget by 7.4%



Source: Department of Transport and Planning, *Annual Report 2024–25*, Melbourne, 2025, pp. 31–64.

Two outputs had significant variances. Transport Infrastructure exceeded its budget by \$471.9 million primarily because of ‘the release of contingency funding for the Suburban Rail Loop (SRL) and Level Crossing Removals, and additional funding for Metro Tunnel Readiness’.¹² DTP explained that contingency funding in the case of the SRL and Level Crossing Removals was released with the schedule of works, with no impact or increase to the project’s Total Estimated Investment (TEI).¹³

Tram Services also recorded a high variance, as it exceeded its budget by 36.8% (\$163.2 million). This was due primarily to ‘the new metropolitan tram franchise agreement ... associated changes in the revenue share arrangement for public transport fares, impacts of inflation and additional funding for rolling stock condition works to manage the existing fleet’.¹⁴ DTP noted in its questionnaire that the agreement commenced on 1 December 2024, hence it requiring a Treasurer’s Advance (TA).¹⁵

6.3.2 Revenue and expenses

In 2024–25, DTP’s actual output appropriations were 17.7% higher (\$991 million) than its original budget, reflecting the release of funding related to the capital program, the Big Build, responding to COVID-19 impacts on the transport network and the new metropolitan tram franchise agreement.¹⁶ Its special appropriations were significantly lower than forecast in the 2024–25 Budget, by 32.1% (\$299 million), due to lower traffic camera and on-the-spot fines revenue collections.¹⁷

In 2024–25, DTP exceeded its budgeted expenses from the 2024–25 Budget in all categories: employee benefits, grants and other transfers and other operating expenses. The largest variance was in employee benefits, which was 37.9% higher (\$273 million) than the original budget amount due to the release of funding relating to the capital program and the new Victorian Public Service Enterprise Agreement.¹⁸

¹² Ibid., 2025, p. 64.

¹³ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 22–23.

¹⁴ Department of Transport and Planning, *Annual Report 2024–25*, p. 41.

¹⁵ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 25.

¹⁶ Ibid., p. 179.

¹⁷ Ibid.

¹⁸ Ibid., p. 182.

DTP achieved \$94.1 million in savings and efficiencies in 2024–25, comprised of \$4.5 million from 2024–25 Whole of Government savings and efficiencies, \$19.4 million from the 2023–24 Labor’s Financial Statement savings and \$70.2 million from the COVID Debt Repayment Plan. The Department indicated that there were no impacts on frontline services or asset delivery and that it achieved the savings by:

- reducing its advertising budgets
- reducing the use of consultancy, labour hire and discretionary professional services
- reducing the scope of corporate and back-office functions and work in non-essential programs
- consolidating functions through streamlining and improved efficiency.¹⁹

Overall financial performance

Table 6.1 below summarises DTP’s financial performance in 2024–25.

Table 6.1 In 2024–25 the Department of Transport and Planning’s expenses exceeded its income by \$312.8 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	7,984.8	9,269.7
Expenses from transactions	8,467	9,582.6
Net result	(482.3)	(312.8)

Source: Department of Transport and Planning, *Annual Report 2024–25*, Melbourne, 2025, p. 199.

6.3.3 Capital expenditure

DTP completed 24 projects in 2024–25 with a combined TEI of \$4.3 billion²⁰, the largest of which were:

- Regional Rail Revival – Waurin Ponds Track Duplication – Stage 2 (regional various): \$846.1 million
- Cranbourne Line Duplication (metropolitan various): \$665.2 million
- M80 Ring Road upgrade (metropolitan north and west): \$503.4 million.²¹

¹⁹ Ibid., pp. 183–184.

²⁰ Department of Transport and Planning, *Annual Report 2024–25*, pp. 210–211.

²¹ Ibid.

In 2024–25, DTP had:

- thirty-seven projects that changed TEI, for a combined TEI change of approximately \$13.3 billion²²
- fifty-seven projects that changed completion dates, 31.2% of which were delayed by three years and over
- fifteen projects that changed scope.²³

The most common reasons for TEI changes involved budgeted amounts being reclassified as capital expenditure from operating expenditure, an expansion of project scope, and market escalation.²⁴ Completion dates changed for a large variety of reasons, including additional community engagement and consultation, an expansion of project scope, software upgrades or system changes, changes in infrastructure works related to the project, procurement processes, environment approvals and land acquisition processes.²⁵

DTP also described a wide range of scope changes to its capital projects, including changes to improve public safety and amenity, reflect design updates, reduce or extend project scope and reflect reprioritisation of funds.²⁶

6.4 Performance information

In 2024–25, DTP achieved or exceeded 64% of its 202 performance measures published in its Annual Report. The Department did not meet 14% of its measures within a 5% variance and did not meet 21% of its measures exceeding a 5% variance.²⁷ DTP also recorded ‘not reportable’ results for three measures.²⁸

²² These totals do not include a \$693.4 million change for two projects which had a ‘TBC’ TEI at announcement. Source: Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 57, 65.

²³ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 55–95.

²⁴ *Ibid.*, pp. 55–71.

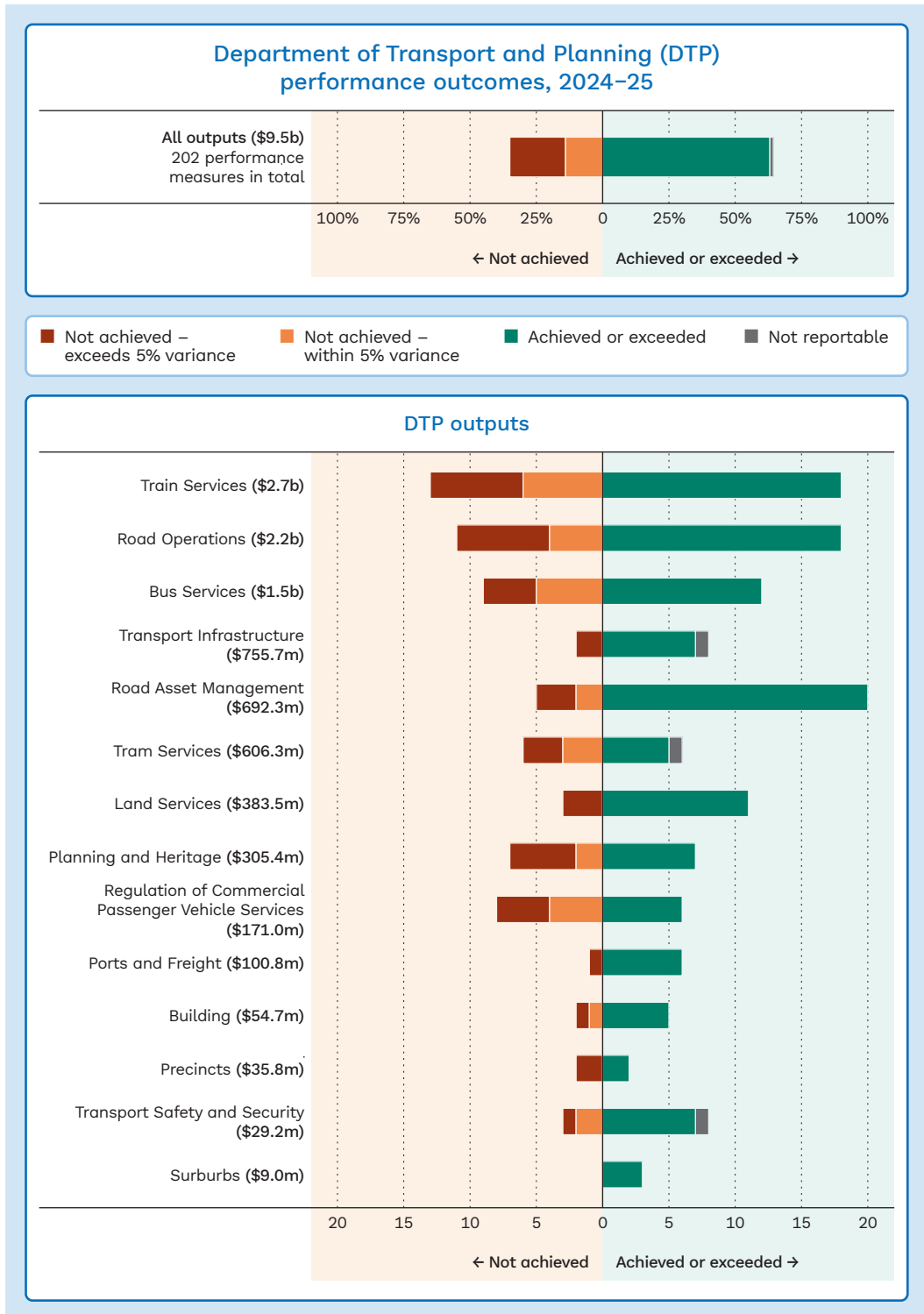
²⁵ *Ibid.*, pp. 72–86.

²⁶ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 87–95.

²⁷ Department of Transport and Planning, *Annual Report 2024–25*, pp. 31–64.

²⁸ *Ibid.*, pp. 41, 45, 63.

Figure 6.2 In 2024–25 the Department of Transport and Planning achieved or exceeded 64% of its performance measures



Source: Department of Transport and Planning, *Annual Report 2024–25*, Melbourne, 2025, pp. 31–64.

There were four outputs where DTP did not achieve 50% or more of its performance measures: Regulation of Commercial Passenger Vehicle Services, Tram Services, Planning and Heritage and Precincts.

Regulation of Commercial Passenger Vehicle Services did not achieve 57% of its performance measures.²⁹ Notable performance measures included ‘Completed driver accreditation applications processed’, which was 14.6% under target due to demand, and the ‘Overall satisfaction with level of commercial passenger vehicle regulatory service provided by Safe Transport Victoria’, which was 11.3% under target due to impacts arising from other critical project delivery.³⁰

Tram Services did not achieve 50% of its performance measures.³¹ Trams carried fewer passengers than targeted in 2024–25 due to ‘a change in travel patterns’³²—this performance was also reflected in train services and bus services. DTP also completed fewer major periodic maintenance works against its plan on the tram network, to avoid conflict with major capital works.³³

6.5 Key issue: Increasing housing supply

In response to the Committee’s questionnaire, DTP identified ‘Increasing housing supply’ as the most significant challenge the Department faced in 2024–25.³⁴ In December 2024, a new Housing and Building portfolio was established.³⁵ This portfolio was shared between DTP and the Department of Families, Fairness and Housing (DFFH).³⁶ The previous Housing portfolio sat solely with DFFH.³⁷

DTP’s Objective 3 is ‘A safe and quality-built environment’. This objective ‘plans for the transformation of cities and regions to deliver more homes for more Victorians close to transport, jobs and services in thriving, liveable and sustainable neighbourhoods, and provides leadership and advice on heritage protection and the built environment’.³⁸

6.5.1 Victoria’s Housing Statement

The Government has set ambitious targets for increasing housing supply in *Victoria’s Housing Statement*, a 10-year plan which aims to deliver an additional 250,000 homes by 2034, on top of the 540,000 that were expected to be built by that time.³⁹

²⁹ Ibid., p. 45.

³⁰ Ibid., p. 44.

³¹ Ibid., p. 41.

³² Ibid.

³³ Ibid.

³⁴ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 245–246.

³⁵ Department of Transport and Planning, *Annual Report 2024–25*, p. 11.

³⁶ Department of Treasury and Finance, *Budget Paper No. 3: 2025–26 Service Delivery*, Melbourne, 2025, pp. 122, 174.

³⁷ Ibid., p. 114.

³⁸ Ibid., p. 181.

³⁹ Department of Premier and Cabinet, *Victoria’s Housing Statement*, Melbourne, 2023, p. 7.

The Government released a progress update in September 2024 and has not released any further updates since.⁴⁰

According to the Department of Premier and Cabinet's 2024–25 Annual Report, 'responsibility for the Housing Statement Implementation function ceased within DPC, with delivery and coordination transferring to [DTP] to support whole-of-government implementation'.⁴¹ DTP does not note this change in the equivalent section of its own Annual Report.⁴²

FINDING 44: The Department of Transport and Planning took over responsibility for delivery and coordination of *Victoria's Housing Statement* from the Department of Premier and Cabinet in 2024–25.

RECOMMENDATION 13: The Department of Transport and Planning report at least annually on progress towards the targets in *Victoria's Housing Statement*.

In the questionnaire, the Committee asked DTP to identify initiatives contributing to *Victoria's Housing Statement* and quantify the expected contribution to housing supply.⁴³ Table 6.2 shows the range of initiatives that DTP identified in response to the questionnaire. Some are programs that aim to directly add to housing supply, while other reforms are intended to indirectly improve the supply of housing by incentivising development or simplifying planning approval processes and requirements.

Table 6.2 Department of Transport and Planning initiatives contributing to Victoria's housing supply

Initiative	2024–25 Funding allocated (\$ million)	2024–25 Funding utilised (\$ million)	Impact on housing supply
Housing Statement: Building reforms	24.7	20	Indirect positive effect on housing supply
Unlocking new communities and affordable housing	3.5	3.4	4,100 homes
Arden and East Werribee Precincts	14.5	4.5	1,300 units by 2030 4,500 units by 2050
Growing Suburbs Fund	5.0	5.0	Indirectly supports housing supply and growth
Activity Centres Program Expansion	5.6	5.6	Creates capacity for more than 300,000 new homes across 60 locations throughout Melbourne by 2051

⁴⁰ Department of Premier and Cabinet, *Victoria's Housing Statement: Progress update*, Melbourne, 2024.

⁴¹ Department of Premier and Cabinet, *Annual Report 2024–25*, Melbourne, 2025, p. 7.

⁴² Department of Transport and Planning, *Annual Report 2024–25*, p. 11.

⁴³ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 41.

Initiative	2024-25 Funding allocated (\$ million)	2024-25 Funding utilised (\$ million)	Impact on housing supply
10-year Greenfields Plan	1.8	0.2	Increasing the number and types of homes where there is sufficient planned infrastructure
Pick My Park	10.0	0.3	Complements housing growth in established suburbs
Planning reform initiatives to support housing	29.3	24.5	Approval of approximately 4,885 dwellings through the Development Facilitation Program and approximately 2,280 dwellings facilitated through the Case Management Services established to clear backlogs between September 2023 and 30 June 2025

Source: Department of Transport and Planning, *Response to the 2024-25 Financial and Performance Outcomes questionnaire*, received 13 November 2025, pp. 41-50.

6.5.2 Development Facilitation Program

One of the initiatives that DTP identified as key to streamlining approvals for housing construction is the *Development Facilitation Program* (DFP). In its Annual Report, DTP cited the DFP as a key initiative under Objective 3.⁴⁴ The *Housing Statement* also cites the expansion of the DFP to ‘make the Minister for Planning the decision maker for significant residential developments that include affordable housing’ as a key initiative for speeding up planning decisions to increase housing supply.⁴⁵

DTP can expedite the consideration of proposals for certain developments. Under the Victoria Planning Provisions, planning permits can be made to the Minister for Planning (rather than the local council) for:

- projects that will make a significant contribution to Victoria’s economy and provide substantial public benefit, including by creating jobs for Victorians
- significant residential development that includes affordable housing
- redevelopment and renewal of public housing stock
- residential development carried out by the State of Victoria or jointly or in partnership with the private sector
- residential development that is of high-quality design, liveability and sustainability.⁴⁶

⁴⁴ Department of Transport and Planning, *Annual Report 2024-25*, p. 47.

⁴⁵ Department of Premier and Cabinet, *Victoria’s Housing Statement*, p. 11.

⁴⁶ Department of Transport and Planning, *DFP expedited planning pathway guidance*, 17 September 2025, <<https://www.planning.vic.gov.au/planning-approvals/planning-enquiries-and-requests/development-facilitation-program/expedited-planning-pathways>> accessed 29 January 2026.

During the hearing, the Committee asked the Secretary about the number of homes created through the DFP. The Secretary advised that there were '7,000 homes across 53 major developments that have been approved by the DFP that would not otherwise have been approved'.⁴⁷ The Secretary agreed to provide the number of homes built on notice.⁴⁸ In response to the question on notice, the Secretary advised:

Since the release of the Housing Statement, two projects, totalling six homes have been built (completed) which were approved under DFP pathways, and a further 12 projects totalling 2,471 dwellings are currently under construction.⁴⁹

The Secretary further advised that DTP expects the lead time between planning approval and commencement of construction to average two years for significant residential projects and noted 'given 9,513 of the 9,524 dwellings now approved under DFP pathways have been approved within the last two years, the above completion figures are generally within expectations'.⁵⁰

The *Housing Statement* also aims to reduce application timeframes through the DFP from over 12 months to four.⁵¹ While the Department publishes a Ministerial permits register that includes DFP projects, DTP does not publish information about the average time it takes to approve projects through this scheme.⁵² Publishing this information will help the Parliament and the public to understand the extent to which the DFP is expediting approvals compared to standard local council processes.

FINDING 45: Over 7,000 homes have been approved through the *Development Facilitation Program*. Since the release of the *Victorian Housing Statement*, six dwellings have been completed following approvals through *Development Facilitation Program* pathways, with 2,471 currently under construction.

RECOMMENDATION 14: The Department of Transport and Planning report quarterly on the average time taken to approve projects through the *Development Facilitation Program*, disaggregated by type of development.

⁴⁷ Jeroen Weimar, Secretary, Department of Transport and Planning, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, p. 15.

⁴⁸ *Ibid.*, p. 16.

⁴⁹ Jeroen Weimar, Secretary, Department of Transport and Planning, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 18 February 2025, p. 1.

⁵⁰ *Ibid.*

⁵¹ Department of Premier and Cabinet, *Victoria's Housing Statement*, p. 11.

⁵² Department of Transport and Planning, *Ministerial permits register*, n.d., <<https://www.planning.vic.gov.au/planning-approvals/ministerial-permits-register>> accessed 30 January 2026.

6.5.3 Increases to housing supply

DTP also cites several planning reforms as key initiatives under Objective 3, including:

- planning reforms to improve the planning system's performance and boost housing supply
- Townhouse and Low-Rise Code
- Train and Tram Zone Activity Centres.⁵³

The Department does not publish information about the extent to which these reforms resulted in increased housing supply in 2024–25. The Committee has previously noted that '[Victoria's Housing] Statement does not include any obligations or details around reporting on the status or progress of the target, initiatives or measures detailed in the plan'.⁵⁴ In its *Report on the 2023–24 Financial and Performance Outcomes*, the Committee recommended that DPC publish information about the number of houses completed.⁵⁵ The Government did not support this recommendation, advising that the Australian Bureau of Statistics (ABS) publishes this data.⁵⁶

Data from the ABS show that there were 55,909 dwelling units completed in Victoria in 2024–25. This is 5,032 (8.3%) fewer dwelling units completed than 2023–24, and fewer than in any financial year since 2014–15. Construction commenced on 55,622 dwelling units in Victoria in 2024–25. This is 2,514 (4.7%) more commencements than 2023–24.⁵⁷ According to the *Housing Statement*, to meet the needs of the 10.3 million people expected to live in Melbourne by 2051, the city requires 1.6 million more homes than it had in 2023. Victoria needs to build 57,000 homes a year to prevent housing conditions worsening, and 80,000 homes a year are required to 'ease the acute pressure people are currently facing'.⁵⁸

⁵³ Department of Transport and Planning, *Annual Report 2024–25*, pp. 47–48.

⁵⁴ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes*, March 2024, p. 132.

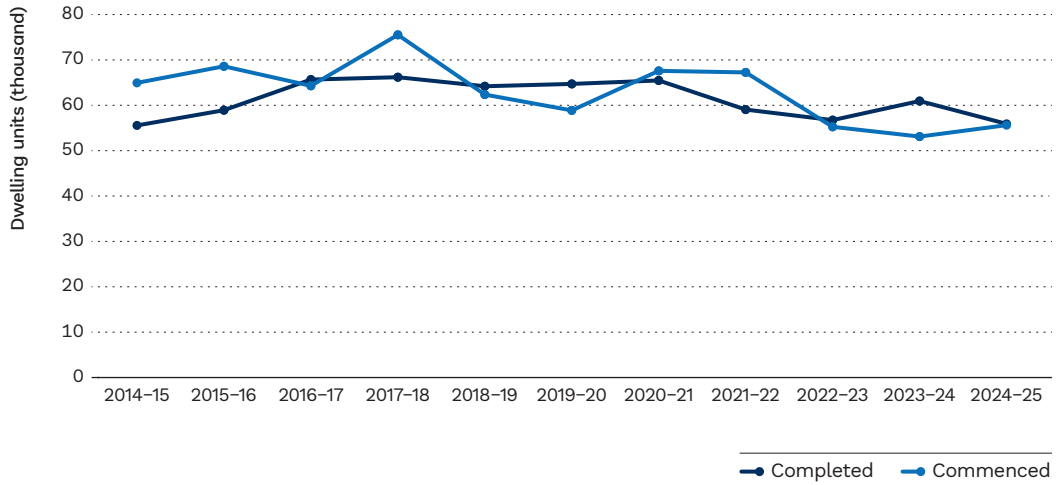
⁵⁵ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, p. 202.

⁵⁶ Government of Victoria, *Response to the Parliament of Victoria, Public Accounts and Estimates Committee, Inquiry into the 2023–24 Financial and Performance Outcomes*, 11 September 2025, p. 18.

⁵⁷ Australian Bureau of Statistics, *Building Activity, Australia*, Tables 36, 39, 21 January 2026, <<https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/latest-release#data-downloads>> accessed 5 February 2026.

⁵⁸ Department of Premier and Cabinet, *Victoria's Housing Statement*, p. 7.

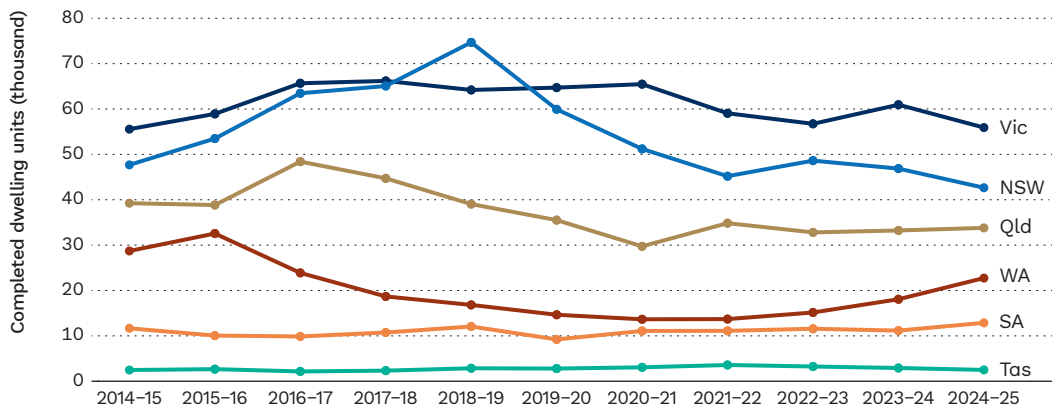
Figure 6.3 Dwelling completions fell and commencements increased in 2024–25 compared to 2023–24



Source: Australian Bureau of Statistics, *Building Activity, Australia*, Tables 36, 39, 21 January 2026, <<https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/latest-release#data-downloads>> accessed 5 February 2026.

While the number of completions has trended down slightly over the last 10 years, Victoria has constructed more dwellings than other states each year since 2019–20.

Figure 6.4 Victoria has completed more dwellings than any other state in each of the last six financial years



Source: Australian Bureau of Statistics, *Building Activity, Australia*, Tables 36, 39, 21 January 2026, <<https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/latest-release#data-downloads>> accessed 5 February 2026.

FINDING 46: Fewer dwellings were completed in Victoria in 2024–25 than in any financial year since 2014–15. More dwellings were commenced in 2024–25 than in 2023–24, but this was fewer than in any other year since 2014–15.

FINDING 47: More dwellings were completed in Victoria than in any other state in 2024–25.

It is not possible to determine how many of these completions or commencements relate to DTP’s initiatives to increase housing supply. Publishing information about the number of additional houses completed as a result of DTP’s initiatives would assist the Committee, the Parliament and the public to understand the extent to which these programs achieve their intended outcomes.

RECOMMENDATION 15: The Department of Transport and Planning report publicly the additional number of houses commenced and completed each quarter as a result of its initiatives and reforms to planning rules.

In addition to increasing the overall housing supply, recent reforms and DTP initiatives aim to increase the proportion of new housing constructed close to existing transport infrastructure. The *Housing Statement* set a target of 70% of new homes to be built in established areas, with the other 30% to come from growth areas.⁵⁹ The progress update does not report on the extent to which new housing built since the release of the Statement has achieved this target.

In addition to this overarching target for all new homes, DTP sets a specific target as one of its departmental objective indicators, which measures the proportion of new housing in established areas that is close to activity centres or train stations. DTP’s Annual Report shows that the result for its indicator ‘Proportion of major infill development in areas close to services and transport (within 800m of an activity centre or train station)’ declined from 84% in 2023–24 to 80% in 2024–25.⁶⁰ Recent initiatives, including the Train and *Tram Zone Activity Centre Program*, may help to address this decline.⁶¹

FINDING 48: The proportion of major infill development within 800 metres of an activity centre or train station reduced from 84% in 2023–24 to 80% in 2024–25.

RECOMMENDATION 16: The Department of Transport and Planning or Department of Premier and Cabinet report regularly on the proportion of new housing that is built in established areas and in growth areas against the targets set in *Victoria’s Housing Statement*.

⁵⁹ Department of Premier and Cabinet, *Victoria’s Housing Statement*, p. 41.

⁶⁰ Department of Transport and Planning, *Annual Report 2024–25*, p. 49.

⁶¹ Department of Transport and Planning, *Train and Tram Zone Activity Centres*, n.d. <<https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/train-and-tram-zone-activity-centres>> accessed 2 February 2026.

6.6 Key issue: Road maintenance

DTP manages Victoria's freeways, arterial roads and some non-arterial roads, including 4,000 kilometres of metropolitan roads and 23,000 kilometres of road across the State.⁶² During the hearings, the Committee raised concerns about the conditions of Victoria's roads, such as the extent of potholes in regional areas.⁶³

The Secretary advised the Committee that DTP spent \$964 million on road maintenance in 2024–25.⁶⁴ In its Annual Report, DTP identified 'Road maintenance and road safety' as one its key initiatives under Objective 1, 'Reliable and people-focused transport services'.⁶⁵ The Department highlighted that in 2024–25 it:

- repaired 200,552 potholes
- repaired or replaced 40,750 signs
- mowed 53,743 kilometres of grass
- cleared 20,727 square metres of graffiti
- repaired 3,039 safety barriers
- rebuilt or resurfaced more than 495 kilometres of road surfaces using recycled materials.⁶⁶

DTP's performance measures for road maintenance under the Road Asset Management output include:

- Road area major patched
- Road area resurfaced or rehabilitated
- Road length maintained
- Road length meeting:
 - cracking standard
 - roughness standard
 - rutting standard.⁶⁷

⁶² Department of Transport and Planning, *Road management and maintenance*, n.d., <<https://transport.vic.gov.au/road-and-active-transport/business/road-and-traffic-management/road-management-and-maintenance>> accessed 13 January 2026.

⁶³ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Transport and Planning, Melbourne, 26 November 2025, *Transcript of evidence*, pp. 4–6.

⁶⁴ Jeroen Weimar, Secretary, Department of Transport and Planning, *Transcript of evidence*, p. 5.

⁶⁵ Department of Transport and Planning, *Annual Report 2024–25*, p. 27.

⁶⁶ *Ibid.*

⁶⁷ *Ibid.*, pp. 33–34.

6.6.1 Major road area patched

As noted in Section 6.2, DTP identified its ‘Pavement patching, resurfacing and rehabilitation program’ as an underperforming area in its questionnaire response.⁶⁸ For the performance measure ‘Road area major patched: roads in outer metropolitan Melbourne’, DTP achieved an actual result of 35,000m² in 2024–25. This is 73.3% less than its target of 131,000m². For the measure ‘Road area major patched: roads in regional Victoria’, the actual result was 566,000m², 45.2% lower than the target of 1,033,000m².⁶⁹

DTP attributed these results to ‘the re-oriented focus on long-lasting treatments, and the increased unit cost for major patching works’.⁷⁰ During the hearings, the Secretary advised the Committee that the Department did not meet these targets because ‘[it] made a proactive decision to put more investment into resurfacing and rehabilitation, because we think that was a more important way to manage the network at that particular point in time’.⁷¹ The Secretary explained that the Department was investing in maintenance that would improve the long-term condition of the road rather than ‘just continually patching and throwing it into [...] lots of potholes’.⁷²

Table 6.3 DTP underperformed against its road patching performance measures for 2024–25

Performance measure	2024–25 Actual ('000m ²)	2024–25 Target ('000m ²)	Variance ('000m ²)
Road area major patched: roads in inner metropolitan Melbourne	8	8	0 (0%)
Road area major patched: roads in outer metropolitan Melbourne	35	131	-96 (-73.3%)
Road area major patched: roads in regional Victoria	566	1,033	-467 (45.2%)
Total	609	1,172	-563 (-48%)

Source: Department of Transport and Planning, *Annual Report 2024–25*, Melbourne, 2025, p. 33.

FINDING 49: The Department of Transport and Planning did not meet its targets for major road area patched in outer metropolitan Melbourne and regional Victoria in 2024–25 because it pivoted instead to more long-term treatment solutions.

⁶⁸ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 19–20.

⁶⁹ Department of Transport and Planning, *Annual Report 2024–25*, p. 33.

⁷⁰ *Ibid.*, p. 33.

⁷¹ Jeroen Weimar, Secretary, Department of Transport and Planning, *Transcript of evidence*, p. 9.

⁷² *Ibid.*, p. 10.

6.6.2 Road area resurfaced or rehabilitated

DTP performed better against its other road maintenance targets for road resurfacing, achieving two out of three targets.

Table 6.4 DTP achieved two of its three performance measures for road area resurfaced or rehabilitated

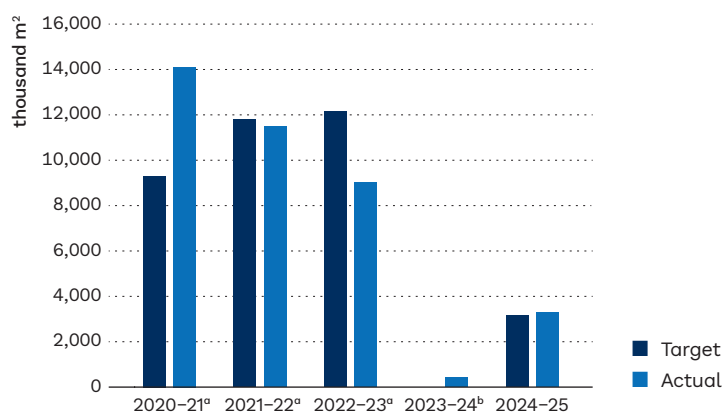
Performance measure	2024-25 Actual ('000 m ²)	2024-25 Target ('000 m ²)	Variance ('000 m ²)
Road area resurfaced or rehabilitated: roads in inner metropolitan Melbourne	342	448	-106 (-23.7%)
Road area resurfaced or rehabilitated: roads in outer suburban Melbourne	802	542	260 (48%)
Road area resurfaced or rehabilitated: roads in regional Victoria	3,290	3,163	127 (4%)
Total	4,434	4,153	281 (6.8%)

Source: Department of Transport and Planning, *Annual Report 2024-25*, Melbourne, 2025, p. 33.

FINDING 50: The Department of Transport and Planning met two of its three targets for road resurfaced or rehabilitated.

The result for road area resurfaced or rehabilitated in regional Victoria exceeded the target, but the total area of road was lower than under the prior measure of 'road area treated'.

Figure 6.5 Regional road resurfacing and rehabilitation exceeded the target, but was lower than prior years that measured regional 'road area treated'



a. 2020-21, 2021-22 and 2022-23 measured 'Road area treated'.

b. 2023-24 did not have a target because the workplan had not been finalised at the time of the 2023-24 Budget. The workplan included prioritisation of flood recovery works.

Source: Department of Treasury and Finance, *Departmental Statements*, 22 May 2025, <<https://www.dtf.vic.gov.au/departmental-statements>> accessed 19 December 2025; Department of Transport and Planning, *Annual Report 2024-25*, Melbourne, 2025, p. 32; Department of Transport, *Annual Report 2020-21*, Melbourne, 2021, p. 167; Department of Transport and Planning, *Annual Report 2023-24*, Melbourne, 2024, p. 44.

In the hearings, the Secretary advised that the previous measures for road area treated in regional and metropolitan areas used a broader definition that included ‘pothole filling and temporary patch jobs’, whereas the new, separate, performance measures for rehabilitation and resurfacing and major road area patched apply ‘a tighter definition’ which gives a more accurate picture of the work undertaken.⁷³ When the Department changed the name of the measure from ‘road area treated’ to ‘road area resurfaced or rehabilitated’ in the 2023–24 Budget, it stated this was ‘to more clearly specify the activity reported’.⁷⁴ The ‘Road area major patched’ performance measure was introduced in the 2024–25 Budget.⁷⁵

Road length meeting quality standards

DTP also achieved all of its performance measures for road length meeting cracking, roughness and rutting standards in both metropolitan and regional areas.⁷⁶

Figure 6.6 The Department of Transport and Planning met all of its targets for road length meeting quality standards in 2024–25

Standard met	Metropolitan		Regional	
	Actual (%)	Target (%)	Actual (%)	Target (%)
Cracking	87.6	81.3	98.4	97.5
Roughness	92.3	91.0	95.3	95.2
Rutting	97.8	94.1	97.7	97.2

Source: Department of Transport and Planning, *Annual Report 2024–25*, Melbourne, 2025, pp. 33–34.

FINDING 51: The Department of Transport and Planning achieved all of its targets for road length meeting cracking, roughness and rutting standards.

6.7 Key issue: Precinct development

DTP’s Annual Report states that the Department ‘is leading the whole-of-government delivery of *Plan for Victoria* priority precincts, which include Arden, Docklands, Fishermans Bend, Footscray, East Werribee, Parkville and Sunshine’.⁷⁷ In the hearings, the Committee asked about progress in the Fishermans Bend and Arden precincts.⁷⁸

⁷³ Jeroen Weimar, Secretary, Department of Transport and Planning, *Transcript of evidence*, p. 5.

⁷⁴ Department of Treasury and Finance, *Budget Paper No. 3: 2023–24 Service Delivery*, Melbourne, 2023, p. 315.

⁷⁵ Department of Treasury and Finance, *2024–25 Department Performance Statement*, Melbourne, 2024, p. 128.

⁷⁶ Department of Transport and Planning, *Annual Report 2024–25*, p. 33.

⁷⁷ *Ibid.*, p. 59.

⁷⁸ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Transport and Planning, *Transcript of evidence*, pp. 36–40, 44.

6.7.1 Fishermans Bend

In response to the Committee's questions about Fishermans Bend, the Secretary highlighted that the *Fishermans Bend Framework* (the Framework) was released in 2018 and 'forecasts around 37,000 homes, 80,000 residents, 80,000 workers and 20,000 students by 2050'.⁷⁹ The Secretary further advised that 2,800 dwellings had been constructed and that 'activity is actually tracking ahead of projections at this time', including 3,000 dwellings constructed in Montague and 700 in Wirraway.⁸⁰

In a June 2025 report, VAGO found that 'Agencies are not on track to deliver all projects and outcomes outlined in the [Fishermans Bend] Framework as originally intended' and:

- some key planning that the Framework indicated would be completed by 2019 has not yet been completed
- agency and public reporting about progress on Fishermans Bend has been limited
- delivery of the Framework has been extended by at least 5 years to 2055.⁸¹

The Government's website now includes a detailed update on progress against targets for Fishermans Bend up to 2025.⁸² The Committee would like to see this information updated on a regular basis.

The Secretary advised that the Department released the *Fishermans Bend Integrated Transport Plan* in October 2025, which is a 'phased transport strategy for Fishermans Bend', initially focused on bus route upgrades, followed by tram route extensions and finally a new metro rail tunnel.⁸³ The Framework describes these three 'horizons' for transport development in general terms, without specific timeframes. A tram connection is planned as part of Horizon 2.⁸⁴ The Framework originally planned for a tram line to Fishermans Bend to be delivered by 2025.⁸⁵ The Government's 2025 update on its website does not describe progress towards a tram connection.

FINDING 52: The construction of homes in the Fishermans Bend precinct is tracking ahead of projections, but some elements of precinct development, such as improved public transport connections, have been delayed.

⁷⁹ Jeroen Weimar, Secretary, Department of Transport and Planning, *Transcript of evidence*, p. 39.

⁸⁰ Ibid.

⁸¹ Victorian Auditor-General's Office, *Developing Fishermans Bend*, Melbourne, 2025, p. 1.

⁸² Victorian Government, *Fishermans Bend*, 8 September 2025, <<https://www.vic.gov.au/fishermans-bend>> accessed 14 January 2026. See also <https://www.vic.gov.au/sites/default/files/2025-09/FB_Progress-Report_As-at-June-2025.pdf>.

⁸³ Jeroen Weimar, Secretary, Department of Transport and Planning, *Transcript of evidence*, p. 39. Often referred to as 'Metro Tunnel 2' or 'Melbourne Metro Two', this proposed underground passenger rail tunnel would connect Clifton Hill to Newport via the CBD and Fishermans Bend. Source: Infrastructure Victoria, *Fact Sheet: Preparing for Melbourne Metro Two*, n.d., <<https://assets.infrastructurevictoria.com.au/assets/Resources/Fact-sheet-Melbourne-Metro-2-preparation.pdf>> accessed 2 February 2026.

⁸⁴ Department of Transport and Planning, *Fishermans Bend Integrated Transport Plan*, Melbourne, 2025, p. 26.

⁸⁵ Department of Environment, Land, Water and Planning, *Fishermans Bend Framework*, Melbourne, 2018, pp. 70–73.

FINDING 53: The *Fishermans Bend Integrated Transport Plan* describes plans for bus, tram and train connections to Fishermans Bend under three broad horizons, but does not provide specific timelines for their delivery.

RECOMMENDATION 17: The Department of Transport and Planning provide specific timeframes for the public transport connections to Fishermans Bend that are proposed in the *Fishermans Bend Integrated Transport Plan*.

Fishermans Bend Innovation Precinct

The Fishermans Bend Innovation Precinct is a component of Fishermans Bend located on the former General Motors Holden site that is expected to support up to 30,000 jobs in science, technology, engineering and related fields by 2051.⁸⁶ DTP's Annual Report states that the Department is partnering with Development Victoria to deliver Stage 1 of the Fishermans Bend Innovation Precinct, with work now progressing on major civil works contracted in December 2024.⁸⁷

The capital project *Fishermans Bend Innovation Precinct at the former General Motors Holden Site – Stage 1* (Melbourne) had an original estimated completion date of quarter 4 of 2023–24, but is now expected to be completed in quarter 4 2025–26, reflecting a delay of two years.⁸⁸ In the 2024–25 Budget, the estimated completion date was quarter 2 2025–26.⁸⁹

FINDING 54: Stage 1 of the Department of Transport and Planning's Fishermans Bend Innovation Precinct capital project has been delayed by two years from quarter 4 2023–24 to quarter 4 2025–26.

6.7.2 Arden

The Committee also asked about the Arden precinct during the hearings.⁹⁰ The Department expects the precinct to be home to 20,000 residents and support 34,000 jobs.⁹¹ The 2024–25 Budget included \$13.8 million in asset initiative funding for *Arden and East Werribee Precincts* in 2024–25, and a further \$10 million in 2025–26, which includes funding to 'progress development of the Arden Precinct in partnership with the private sector to achieve objectives as set out in Victoria's *Housing Statement*'.⁹²

⁸⁶ Development Victoria, *Fishermans Bend Innovation Precinct*, 1 September 2025, <<https://www.development.vic.gov.au/projects/fishermans-bend-innovation-precinct>> accessed 14 January 2026.

⁸⁷ Department of Transport and Planning, *Annual Report 2024–25*, p. 59.

⁸⁸ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes questionnaire*, p. 75.

⁸⁹ Department of Treasury and Finance, *Budget Paper No. 4: 2024–25 State Capital Program*, Melbourne, 2024, p. 80.

⁹⁰ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, *Transcript of evidence*, p. 36.

⁹¹ Victorian Government, *Arden*, 16 September 2025, <<https://www.vic.gov.au/arden>> accessed 16 January 2026.

⁹² Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2024, pp. 80–81.

The Secretary described Arden as ‘one of the greatest opportunity areas that we now have as a precinct’.⁹³ The Secretary advised that Development Victoria is working to commercialise Arden and is choosing a joint venture partner to develop the precinct, as well as having over 25 housing projects in the works.⁹⁴

Arden Central is a sub-precinct of the Arden precinct surrounding the new Metro Tunnel Station. DTP’s Annual Report states that ‘Bidders were shortlisted to proceed to the Request for Proposal stage for Arden Central’ with Stage 1 requiring the construction of at least 1,000 homes.⁹⁵ As the Committee noted in its *Report on the 2024–25 Budget Estimates*, due to electromagnetic interference from the operation of the Metro Tunnel, the Government could not proceed with its plans for a health precinct in Arden.⁹⁶ In the hearings, the Deputy Secretary stated that the Department is ‘optimistic that Arden Central will do more heavy lifting’ because more land is now available for residential development.⁹⁷

FINDING 55: Work to develop the Arden precinct progressed in 2024–25, with bidders shortlisted to develop Arden Central.

In its *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes*, the Committee recommended that:

The Department of Transport and Planning collate and report annually on the total proportion of affordable housing expected to be delivered in the Arden precinct for very low income, low incomes and medium income households, including the proportion delivered under affordable rental, social housing (including public housing) and shared equity programs, given the variety of planning assessment pathways and development requirements in delivering affordable housing.⁹⁸

The Government supported this recommendation.⁹⁹ In the questionnaire for the current inquiry, DTP provided an update stating that, as of 30 September 2025, ‘Work has progressed to inform the development of future performance measures and approaches to support Department Performance Statements and reporting. Performance monitoring is being developed across Priority Precincts to track dwelling approvals and delivery and housing tenure type’.¹⁰⁰ The Committee commends the

⁹³ Jeroen Weimar, Secretary, Department of Transport and Planning, *Transcript of evidence*, p. 36.

⁹⁴ Ibid.

⁹⁵ Department of Transport and Planning, *2024–25 Annual Report*, p. 59.

⁹⁶ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2024–25 Budget Estimates*, October 2024, pp. 42–43.

⁹⁷ Stuart Moseley, Deputy Secretary, Housing Building and Land Delivery, Department of Transport and Planning, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, p. 44.

⁹⁸ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes*, March 2024, p. 128.

⁹⁹ Government of Victoria, *Response to the Parliament of Victoria, Public Accounts and Estimates Committee, Inquiry into the 2021–22 and 2022–23 Financial and Performance Outcomes*, 17 October 2024, p. 10.

¹⁰⁰ Department of Transport and Planning, *Response to the 2024–25 Financial and Performance Outcomes questionnaire*, pp. 255–256.

Department for committing to develop this type of transparent reporting for Priority Precincts and will continue to track its implementation.

FINDING 56: The Department of Transport and Planning is developing performance monitoring to track dwelling approvals and construction in Priority Precincts but has not yet implemented it.

Chapter 7

Department of Families, Fairness and Housing

7.1 Overview

The Department of Families, Fairness and Housing's (DFFH) mission is 'safe and supported children and families, in stable homes and strong communities'.¹

In 2024–25, DFFH's objectives were:

- Aboriginal voice, knowledge and cultural leadership drive Aboriginal policy, legislation and system reform
- children, young people and families are safe, strong and supported
- Victorian communities are safe, fair, inclusive and resilient
- all Victorians have stable, affordable and appropriate housing
- our social services system is integrated, effective, person-centred and sustainable.²

7.2 Outcomes and challenges

In response to the Committee's questionnaire, DFFH was asked to identify its programs that delivered the most important outcomes in the community, programs that did not deliver their planned outcomes and the key challenges faced by the Department in 2024–25.

The programs that delivered the most important outcomes included:

- *Free Pads and Tampons in Public Places*. Between November 2024 and November 2025, 180,000 period products were provided across Victoria through 597 machines in 350 venues, which has 'begun to normalise periods and reduce stigma'.³
- Carer Respite and Support Services, which significantly exceeded its targets in 2024–25, partly due to the shift in service delivery which included online support for carers.⁴

1 Department of Families, Fairness and Housing, *Annual Report 2024–25*, Melbourne, 2025, p. 10.

2 Ibid., p. 10.

3 Department of Families, Fairness and Housing, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 26.

4 Ibid., p. 27.

- *Family Violence Multi-Agency Risk Assessment and Management (MARAM) Framework*, which provides guidance to organisations involved in family violence service delivery. Over 137,000 risk assessments and safety plans were conducted using MARAM tools.⁵

Programs that did not deliver their planned outcomes included:

- Number of children who received a Sexually Abusive Behaviours Treatment Service (SABTS) response: in 2024–25, 918 children and young people received an SABTS response against a target of 1,220, due to the complexities of this work.⁶
- Average waiting time for long-term social housing for those clients who have received Priority Access status: in 2024–25 the wait time was 17.9 months against a target of 10.5 months, due to demand.⁷

Key challenges faced by DFFH included:

- social services workforce recruitment and retention due to low unemployment, rapid sector growth, competition from other sectors, high vacancy and attrition rates and the demanding nature inherent in working in community services⁸
- demand for social housing is growing due to a lack of affordable housing, cost of living and limited supply of social housing⁹
- high levels of demand for services and the increasing complexity of support needs for vulnerable women, children and families. DFFH noted that its forecasting shows demand will continue to grow in future years.¹⁰

7.3 Financial analysis

7.3.1 Output expenditure

In 2024–25, DFFH’s output budget was \$5 billion. Actual expenditure for the year was \$6.4 billion, representing a variance of 28.3% (\$1.4 billion).¹¹

⁵ Ibid., p. 27; Department of Families, Fairness and Housing, *Annual Report 2024–25*, p. 8.

⁶ Department of Families, Fairness and Housing, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 29–30.

⁷ Ibid., pp. 30–31.

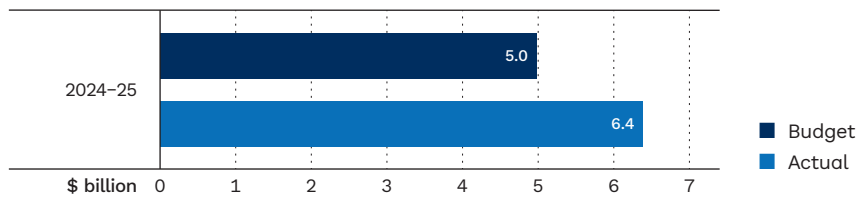
⁸ Ibid., p. 124.

⁹ Ibid., pp. 125–126.

¹⁰ Ibid., pp. 126–127.

¹¹ Department of Families, Fairness and Housing, *Annual Report 2024–25*, pp. 58–72.

Figure 7.1 In 2024–25 the Department of Families, Fairness and Housing exceeded its output budget by 28.3%



Source: Department of Families, Fairness and Housing, *Annual Report 2024–25*, Melbourne, 2025, pp. 58–72.

The largest variance was in the Concessions to Pensioners and Beneficiaries output, which exceeded its budget by 95.9% (\$752.5 million). This was due to expenditure from the Commonwealth National Partnership Energy Bill Relief Fund, which was not included in the target.¹²

The Housing Assistance output exceeded its budget by 24.3% (\$153.9 million), due to contingency releases for the ‘delivery of government initiatives such as the *Big Housing Build*, *Regional Housing Fund* and *High-Rise Redevelopment Program* initiatives’.¹³

A variance was also recorded in the Child Protection and Family Services output, which exceeded its budget by 20.5% (\$435.1 million). DFFH advised this was due to ‘insurance claims and premiums as well as expenditure drawdown for Victorian Redress’, which was not included in the Budget.¹⁴

7.3.2 Revenue and expenses

In 2024–25, DFFH’s output appropriations increased by 19% (\$1 billion) when compared to 2023–24, and were 23.9% (\$1.2 billion) higher than budgeted.¹⁵ These variances were primarily due to additional funding from the Commonwealth to deliver the Energy Bill Relief concession payments, and the Government’s investments in the *Regional Housing Fund*, *High Rise Redevelopment* program and the *Big Housing Build*, as discussed above.¹⁶ These results were also influenced by the one-off costs of living payment under the Victorian Public Service (VPS) Enterprise Agreement, and civil claims associated with historical institutional child abuse and Victorian Redress.¹⁷

DFFH had higher expenses in certain categories in 2024–25 due to similar reasons as outlined above. Employee benefits were 28.5% (\$194 million) higher than budgeted due primarily to the cost-of-living payments in the VPS Enterprise Agreement.¹⁸ Other

¹² Ibid., p. 70.

¹³ Department of Families, Fairness and Housing, *Annual Report 2024–25*, p. 72; Department of Treasury and Finance, *2024–25 Financial Report*, Melbourne, 2025, p. 159.

¹⁴ Department of Families, Fairness and Housing, *Annual Report 2024–25*, p. 60; Department of Treasury and Finance, *2024–25 Financial Report*, p. 159.

¹⁵ Department of Families, Fairness and Housing, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 66, 68.

¹⁶ Ibid.

¹⁷ Ibid., p. 68.

¹⁸ Ibid., p. 71.

operating expenses were significantly higher than in 2023–24 (20.3% or \$728 million) than compared to the 2024–25 Budget (30.7% or \$1 billion), due to the Energy Bill Relief concession payments and civil claims associated with historical institutional child abuse.¹⁹

Overall financial performance

Table 7.1 below summarises DFFH’s financial performance in 2024–25.

Table 7.1 In 2024–25 the Department of Families, Fairness and Housing’s expenses exceeded its income by \$150 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	5,189	6,452
Expenses from transactions	5,193	6,602
Net result	(4)	(150)

Source: Department of Families, Fairness and Housing, *Annual Report 2024–25*, Melbourne, 2025, p. 219.

7.3.3 Treasurer’s Advances

DFFH received \$900 million in Treasurer’s Advances (TAs) in 2024–25, \$113 million relating to decisions made post-budget, and \$787 million relating to contingency payments.²⁰ The highest payments were contingency releases for initiatives relating to housing, including the following:

- *Regional Housing Fund* and *Big Housing Build*: received \$376.4 million and \$79.5 million respectively, to continue the delivery of more than 13,300 social and affordable homes across Victoria²¹
- *High-rise Redevelopment Program*: \$149.6 million, to redevelop the first set of buildings in Carlton, Flemington, and North Melbourne.²²

The Department also received a TA for civil claims costs for historical institutional child abuse, comprising of \$84.2 million as a contingency release.²³ DFFH stated this funding was necessary to allow the Government to meet its ‘legal and moral obligations’ to alleged victims of historic physical and sexual abuse whilst in DFFH’s care.²⁴

¹⁹ Ibid., pp. 70–72.

²⁰ Department of Treasury and Finance, *2024–25 Financial Report*, pp. 156, 159.

²¹ Ibid., p. 159; Department of Families, Fairness and Housing, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 39.

²² Department of Treasury and Finance, *2024–25 Financial Report*, p. 159.

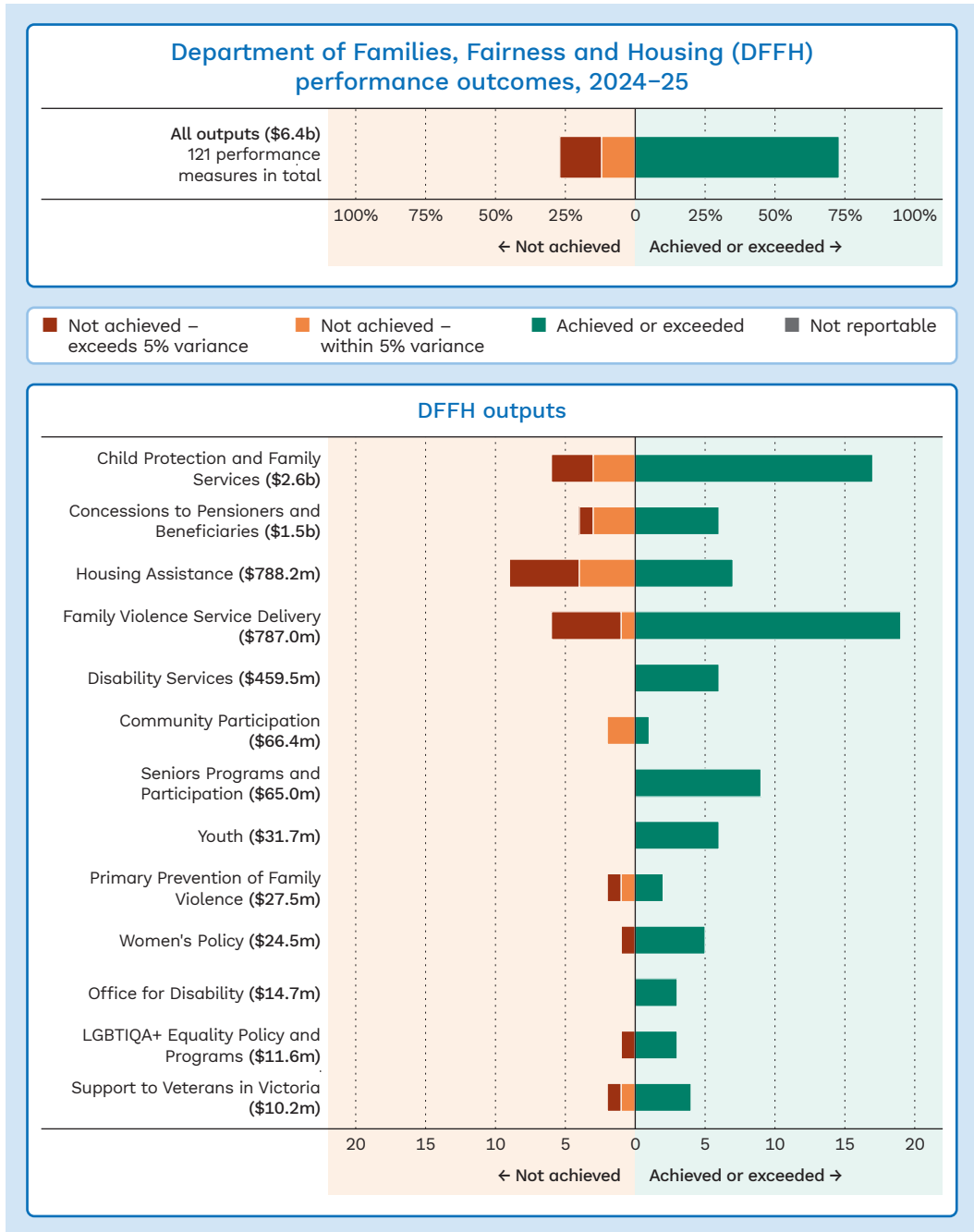
²³ Ibid.

²⁴ Department of Families, Fairness and Housing, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 38.

7.4 Performance information

In 2024–25, DFFH achieved or exceeded 73% of its 121 performance measures published in its Annual Report. The Department did not meet 12% of its measures within a 5% variance and did not meet 15% of its measures exceeding a 5% variance.²⁵

Figure 7.2 In 2024–25 the Department of Families, Fairness and Housing achieved or exceeded 73% of its performance measures



Source: Department of Families, Fairness and Housing, *Annual Report 2024–25*, Melbourne, 2025, pp. 58–72.

²⁵ Department of Families, Fairness and Housing, *Annual Report 2024–25*, pp. 58–72.

DFFH improved its performance from 2023–24 in several larger outputs, notably, in Child Protection and Family Services and Housing Assistance.²⁶

In Child Protection and Family Services, DFFH achieved 74% of its performance measures, a significant improvement from the year prior in which it achieved 45%.²⁷ However, four of their performance measures had similar numbers to the year prior, but DFFH recorded those results as positive rather than negative, noting them as ‘achieved’ in 2024–25 versus ‘not achieved’ in 2023–24.²⁸ The performance measures are all related to the average number of children in care placements. For example, the target for ‘Daily average number of children in foster care placements’ was 1,773 in both 2023–24 and 2024–25. In 2023–24 the actual was 1,391 (recorded as ‘not achieved’) and in 2024–25 the actual was 1,304 (recorded as ‘achieved’).²⁹ This change reflects DFFH’s work to reduce the number of children in care placements, and its interpretation of fewer children in care than the target being a positive reflection, rather than a negative one.

7.5 Key issue: Child protection system

During the hearings, the Committee discussed and requested information from DFFH regarding several topics related to the child protection system, including the overlap with the youth justice system and the sexual exploitation and abuse of children in care.³⁰

7.5.1 Overlap with the youth justice system

During the hearings, the Committee inquired about the number of dual clients (individuals concurrently in both systems) in Victoria. DFFH advised that as at 30 June 2025, there were 155 children in the child protection system and the youth justice system.³¹ The Australian Institute of Health and Welfare reported that in 2023–24 there were 516 people in the youth justice system on an average day in Victoria, suggesting that—if the numbers have not drastically shifted in the past year—approximately 30% of those in youth justice were concurrently in the child protection system.³²

²⁶ Ibid., pp. 58–60, 71–72; Department of Families, Fairness and Housing, *Annual Report 2023–24*, Melbourne, 2024, pp. 57–59, 67–68.

²⁷ Department of Families, Fairness and Housing, *Annual Report 2024–25*, pp. 58–60; Department of Families, Fairness and Housing, *Annual Report 2023–24*, pp. 57–59.

²⁸ Department of Families, Fairness and Housing, *Annual Report 2024–25*, p. 58; Department of Families, Fairness and Housing, *Annual Report 2023–24*, p. 57.

²⁹ Department of Families, Fairness and Housing, *Annual Report 2024–25*, p. 58; Department of Families, Fairness and Housing, *Annual Report 2023–24*, p. 57.

³⁰ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Families, Fairness and Housing, Melbourne, 28 November 2025, *Transcript of evidence*, pp. 3–4, 6–7, 11–12.

³¹ Peta McCammon, Secretary, Department of Families, Fairness and Housing, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 9 December 2025, p. 1.

³² Australian Institute of Health and Welfare, *Youth Justice in Australia 2023–24*, 28 March 2025, <<https://www.aihw.gov.au/reports/youth-justice/youth-justice-in-australia-2023-24/contents/numbers-rates-young-people/states-and-territories>> accessed 12 January 2026.

FINDING 57: As at 30 June 2025, there were 155 children concurrently in the child protection system and the youth justice system in Victoria.

7.5.2 Sexual exploitation and abuse in the child protection system

Incidents of sexual exploitation and abuse of children in the child protection system³³ were discussed during the hearings, alongside measures DFFH is taking to address these issues.³⁴ In 2024–25, the Commission for Children and Young People’s (CCYP) Annual Report provided statistics (using data from DFFH) for exploitation incidents in out-of-home care in Victoria:

Table 7.2 Number of incidents of sexual exploitation in all out-of-home care types, 2024–25

Incident type	Number	Percentage of all incidents ^a
Sexual exploitation – grooming	143	1.3
Sexual exploitation – suspected	97	0.9
Total (sexual exploitation incidents)	240	2.2

a. ‘All incidents’ includes all 23 incident categories listed in DFFH’s data. For example, this includes absent client, dangerous actions – client, self harm/attempted suicide, and medication error. In 2024–25, there were 11,020 total reported incidents.

Source: Commission for Children and Young People, *Annual report 2024–25*, Melbourne, 2025, p. 46.

DFFH has undertaken significant work in this area over 2024–25, and in its Annual Report the CCYP ‘acknowledge[d] DFFH’s extensive work’.³⁵ Key accomplishments included:

- the establishment of a dedicated centralised Child Sexual Exploitation response team. This team was established with funding from the 2023–24 Budget and works alongside Sexual Exploitation Practice Leaders. The team provides intelligence support, practice guidance and professional development³⁶

³³ The Department of Families, Fairness and Housing provides the following definitions: ‘sexual abuse’ as ‘actual, attempted or alleged action of a sexual nature against, with or in the presence of a client without consent, or by force, intimidation and/or coercion’, ‘sexual exploitation – grooming’ as ‘conduct by a person over 18 years of age towards a client that includes non-sexual activities such as providing drugs, alcohol, money or mobile phones, affection or attention paid to the client, deliberately undertaken with the aim of befriending, and establishing an emotional connection with the client, to lower the client’s inhibitions in preparation for sexual activity; and There is confirmed knowledge of exploitative activity including dates, times and locations’, and ‘sexual exploitation – suspected’ as ‘A client under the age of 18’s behaviour or actions suggest that they are being sexually exploited, but there is no confirmed knowledge of sexual exploitation’. Source: Department of Families, Fairness and Housing, *Client Incident Management System: policy and guidance*, Melbourne, December 2024, pp. 97–98.

³⁴ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Families, Fairness and Housing, Melbourne, *Transcript of evidence*, pp. 6–7, 11–12.

³⁵ Commission for Children and Young People, *Annual Report 2024–25*, Melbourne, 2025, p. 48.

³⁶ Department of Families, Fairness and Housing, *2024–25 Annual Report*, p. 8.

- a joint statewide operating model for responding to child sexual exploitation with Victoria Police. They scoped joint intelligence sharing and response practices, and activated the first phase of information technology³⁷
- as of December 2024, DFFH strengthened the accuracy on incident reporting by adding a new incident type linked to 'sexual exploitation' in its Client Information Management System (CIMS): 'sexual exploitation – suspected', and renamed 'sexual exploitation' to 'sexual exploitation – grooming'.³⁸

There has been a decrease in confirmed incidents of sexual exploitation in 2024–25 as compared to 2023–24, from 190 to 143 (a decrease of 24.7%).³⁹ The addition of the category of 'sexual exploitation – suspected' provides more data about sexual exploitation incidents overall, and therefore incidents are more accurately reported. Both the decrease in confirmed sexual exploitation incidents and the addition of the new category reflect well upon the work being conducted in this area by DFFH.

DFFH's response to the Committee's questionnaire also noted that a review of its work done in child sexual exploitation would be completed in December 2025. The review was named the 'DICE (Disrupting Child Sexual Exploitation) Project' and was a three-year multiagency and interjurisdictional project to explore an enhanced child sexual exploitation response. It cost DFFH \$60,000.⁴⁰

FINDING 58: The Department of Families, Fairness and Housing undertook significant work to tackle sexual exploitation of children in the child protection system in 2024–25. Confirmed incidents of sexual exploitation decreased from the year prior. The Department also participated in a three-year, multiagency and interjurisdictional review of its work that concluded in December 2025.

Regarding sexual abuse, there were 231 children involved in 334 incidents of alleged sexual abuse reported in 2024–25.⁴¹ DFFH provided the Committee with data that were further broken down by age.

³⁷ Ibid., p. 30.

³⁸ Commission for Children and Young People, *Annual report 2024–25*, p. 48; Department of Families, Fairness and Housing, *Client Incident Management System (CIMS): Notable changes to CIMS policy requirements, effective 9 December 2024*, Melbourne, October 2024, p. 2.

³⁹ Commission for Children and Young People, *Annual Report 2024–25*, p. 46.

⁴⁰ Department of Families, Fairness and Housing, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 101.

⁴¹ Peta McCammon, Secretary, Department of Families, Fairness and Housing, response to questions on notice, pp. 5–6.

Table 7.3 Number of children involved in a sexual abuse allegation across the child protection and family services system, 2024–25

Client age	Number of children involved in a sexual abuse allegation	Percentage of total sexual abuse allegations
4 or under	4	1.7
5–9	25	10.8
10–14	90	39
15–18	112	48.5
Total	231	-

Source: Peta McCammon, Secretary, Department of Families, Fairness and Housing, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 9 December 2025, pp. 5–6.

The number of incidents of sexual abuse in 2024–25 shows a small decrease from the year prior—a decrease of eight incidents (2.3%).⁴²

There is no specific mention of DFFH working to prevent sexual abuse of children in care in its Annual Report. However, this work is likely included in the Child Protection and Family Services output, which ‘ensures the safety and wellbeing of children and young people at risk of harm, abuse and neglect’.⁴³ It is also likely included in certain 2024–25 initiatives such as *Delivering child protection and care services*, which was stated to include ‘supports for child protection workforces to respond to safety concerns for children through key strategic workforce programs and advertising campaigns’, as well as their work addressing child sexual exploitation.⁴⁴

In the CCYP’s *Annual Report 2024–25*, it referenced work that DFFH had done in responding to sexual abuse, noting that DFFH had ‘taken steps to enhance Child Protection practitioners’ knowledge and understanding of child sexual abuse and children who present with harmful sexual behaviours, through strengthened professional learning’.⁴⁵

FINDING 59: The number of children involved in a sexual abuse allegation across the child protection and family services system decreased in 2024–25 by 2.3% from the year prior. The Department of Families, Fairness and Housing has conducted work to prevent the sexual abuse of children in the child protection system.

⁴² Commission for Children and Young People, *Annual Report 2024–25*, p. 46.

⁴³ Department of Families, Fairness and Housing, *Annual Report 2024–25*, p. 58.

⁴⁴ Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2024, pp. 36, 37.

⁴⁵ Commission for Children and Young People, *Annual Report 2024–25*, p. 36.

7.6 Key issue: Relocation of public housing tower residents

During the hearings, the Committee and DFFH discussed the costs of relocating residents in public housing towers. DFFH introduced the high-rise redevelopment program in 2023, which will retire and replace Melbourne's 44 public housing towers by 2051, requiring all residents to be relocated while the redevelopment occurs.⁴⁶ The public housing tower redevelopment was previously discussed by the Committee in the *Report on the 2021-22 and 2022-23 Financial and Performance Outcomes*.⁴⁷ The Committee recommended publishing further information about the replacement of the public housing towers and the relocation of residents.⁴⁸ DFFH supported the recommendation and noted it had published the information on its website, further stating that 'engagement with residents is an ongoing process over the life of the project'.⁴⁹

DFFH informed the Committee that in 2024-25, the Department was provided \$12.4 million to support all public housing relocation projects of public housing tenants. DFFH advised that during the financial year, the Department used \$6.2 million of that provision, and the remaining funding was transferred to the 2025-26 financial year to be used for the same purposes.⁵⁰ DFFH affirmed during the hearings that it had not exceeded its relocations budget.⁵¹

DFFH told the Committee that the \$12.4 million for relocation costs cover 'a dedicated relocation workforce, moving and settling renters into new homes, and engaging community organisations to support renters throughout their move'.⁵² The relocations team comprises of 31 dedicated staff.⁵³ Relocating an entire site can take over a year, due to some families' circumstances that mean additional time is required to vacate properties.⁵⁴

In early August 2025, DFFH stated the following progress had been made with regards to relocation:

- In Carlton, all residents of the towers had been fully relocated.
- In Flemington, over 70% of residents had been relocated.

⁴⁶ Premier of Victoria, *Australia's Biggest Ever Urban Renewal Project*, media release, 24 September 2023; Homes Victoria, *More information on redeveloping older high-rise*, 2025, <<https://www.homes.vic.gov.au/high-rise-redevelopment>> accessed 2 February 2026.

⁴⁷ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2021-22 and 2022-23 Financial and Performance Outcomes*, March 2024, pp. 151-155.

⁴⁸ *Ibid.*, p. 155.

⁴⁹ Government of Victoria, Response to the Parliament of Victoria, Public Accounts and Estimates Committee, *Inquiry into the 2021-22 and 2022-23 Financial and Performance Outcomes*, 17 October 2024, p. 13.

⁵⁰ Peta McCammon, Secretary, Department of Families, Fairness and Housing, response to questions on notice, p. 21.

⁵¹ Simon Newport, Chief Executive Officer, Homes Victoria, Department of Families, Fairness and Housing, 2024-25 Financial and Performance Outcomes hearing, Melbourne, 28 November 2025, *Transcript of evidence*, p. 38.

⁵² Peta McCammon, Secretary, Department of Families, Fairness and Housing, response to questions on notice, p. 21.

⁵³ Simon Newport, Chief Executive Officer, Homes Victoria, Department of Families, Fairness and Housing, *Transcript of evidence*, p. 38.

⁵⁴ Peta McCammon, Secretary, Department of Families, Fairness and Housing, response to questions on notice, p. 21.

- In North Melbourne, over 60% of residents had been relocated.
- In South Yarra and Richmond, over 25% of residents had been relocated.⁵⁵

DFFH documents indicate that relocations for Tranche 1 towers began in late 2023 and were slated to finish in September 2025, and that relocations for Tranche 2 towers began in late 2024 and were due to finish in February 2026.⁵⁶ At the time of writing,⁵⁷ the relocation process for Tranche 1 towers is presumed to be completed and for Tranche 2 towers is likely to be ongoing.

Using DFFH's data on the percentage of residents relocated, the approximate number of households relocated between late 2023 and July 2025, broken down by tower, is shown below:

Table 7.4 Approximately 625 households in public housing towers were relocated between late 2023 and July 2025

Tower	Total number of households per tower	Number of households relocated before August 2025
Tranche 1		
Elgin Towers, Carlton	196	196
12 Holland Court and 120 Racecourse Road, Flemington	360	252
33 Alfred Street ('Y' Tower), North Melbourne	143	86
Tranche 2		
139 Highett Street, Richmond	220	55
259 Malvern Road, South Yarra	144	36
Total	1,063	625

Source: Department of Families, Fairness and Housing, *Submission 643*, submission to the Parliament of Victoria, Legislative Council Legal and Social Issues Committee, *Inquiry into the redevelopment of Melbourne's public housing towers*, 2025, pp. 12–16; Homes Victoria, *139 Highett Street, Richmond*, 2025, <<https://www.homes.vic.gov.au/projects/139-highett-street-richmond>> accessed 23 January 2026; Homes Victoria, *259 Malvern Road, South Yarra*, 2025, <<https://www.homes.vic.gov.au/projects/259-malvern-road-south-yarra>> accessed 23 January 2026.

FINDING 60: In 2024–25, the Department of Families, Fairness and Housing utilised \$6.2 million of an allotted \$12.4 million to support residents' relocations from a number of public housing towers as part of the high-rise redevelopment program. Between late 2023 and July 2025, approximately 625 households (out of 1,063 households in the five tower locations) were relocated.

⁵⁵ Parliament of Victoria, Legislative Council Legal and Social Issues Committee, *Inquiry into the redevelopment of Melbourne's public housing towers*, December 2025, p. 86.

⁵⁶ Department of Families, Fairness and Housing, *Submission 643.1*, submission to the Parliament of Victoria, Legislative Council Legal and Social Issues Committee, *Inquiry into the redevelopment of Melbourne's public housing towers*, 2025, pp. 5, 8, 9; Department of Families, Fairness and Housing, *Submission 643.2*, submission to the Parliament of Victoria, Legislative Council Legal and Social Issues Committee, *Inquiry into the redevelopment of Melbourne's public housing towers*, 2025, p. 1.

⁵⁷ January, 2026.

7.7 Key issue: Parentline

During the hearings, the Committee discussed the closing of the Parentline service, which ceased its operations in October 2025 after 26 years.⁵⁸ Parentline was a confidential phone service that provided counselling to parents and carers for any issues they were experiencing regarding their children. It employed approximately 15 counsellors, serviced almost 18,000 calls a year, and had an annual budget of approximately \$1.3 million.⁵⁹

During the hearings DFFH told the Committee that closing Parentline was a Government decision that was ‘clear and transparent’.⁶⁰ DFFH was not aware of any review, cost-benefit analysis, or stakeholder consultations before the decision was made.⁶¹ The Secretary explained that Parentline was not performing badly, but that there had been a reduction of calls in the last two to three years, which was contrasted to demand for other similar services increasing.⁶² The Government and DFFH advised that there are a variety of alternate services that parents can use to access support when needed.⁶³ Additionally, the Minister for Children had previously placed the closure of Parentline in the context of the Government’s investment in family services tripling, and having a continuing Maternal and Child Health service.⁶⁴

FINDING 61: Parentline closed in October 2025, after operating for 26 years. Other services exist that parents can access for support.

⁵⁸ Funded Agency Channel, *Parentline phone service to stop operating on Thursday 16 October 2025*, 19 September 2025, <<https://fac.dffh.vic.gov.au/news/parentline-phone-service-stop-operating-thursday-16-october-2025>> accessed 19 January 2026.

⁵⁹ Costa Haritos, ‘Victorian government to close Parentline in October after 25 years’, *ABC News*, 7 September 2025, <<https://www.abc.net.au/news/2025-09-07/victoria-parentline-counselling-service-closed/105741118>> accessed 19 January 2026; Victoria, Legislative Council, 60th Parliament, 12 August 2025, *Parliamentary debates*, pp. 2841, 2844–2846, 2924.

⁶⁰ Peta McCammon, Secretary, Department of Families, Fairness and Housing, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 28 November 2025, *Transcript of evidence*, p. 20.

⁶¹ *Ibid.*, pp. 19–20.

⁶² *Ibid.*, p. 20; Danny O’Kelly, Deputy Secretary, Community Operations and Practice Leadership, Department of Families, Fairness and Housing, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 28 November 2025, *Transcript of evidence*, p. 20.

⁶³ Department of Families, Fairness and Housing, *Parentline*, n.d., <<https://services.dffh.vic.gov.au/parentline>> accessed 19 January 2026; Victoria, Legislative Council, 60th Parliament, 12 August 2025, *Parliamentary debates*, pp. 2841, 2844–2846, 2924.

⁶⁴ Victoria, Legislative Council, 60th Parliament, 12 August 2025, *Parliamentary debates*, p. 2841.

Chapter 8

Department of Jobs, Skills, Industry and Regions

8.1 Overview

The Department of Jobs, Skills, Industry and Regions (DJSIR) is focused on growing Victoria's prosperity, building the productive capacity of the State's economy and increasing participation.¹

In 2024–25, DJSIR's objectives were to:

- create and maintain jobs
- foster a competitive business environment
- promote economic growth through trade and investment attraction
- build prosperous and liveable regions, and manage and promote outdoor recreation
- grow vibrant, active and creative communities
- deliver high-quality training and skills to meet industry needs and jobs for a growing economy.²

8.2 Outcomes and challenges

In response to the Committee's questionnaire, DJSIR was asked to identify its programs that delivered the most important outcomes for the community. These included:

- The *Tiny Towns Fund* awarded funding to 347 projects in more than 300 towns in regional Victoria, supporting the delivery of community infrastructure and facility projects.³
- The *Get Active Kids Voucher Program* delivered 41,405 vouchers, totalling \$7,980,780, to support Victorian children aged up to 18 from low socio-economic groups to participate in sport and active recreation.⁴
- The 2021–25 *VICSCREEN Screen Strategy*, Victoria's first screen strategy in over 10 years, injected \$1.7 billion into the Victorian economy, created 46,700 Victorian jobs and collectively engaged over 17,000 Victorian businesses.⁵

1 Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, Melbourne, 2025, p. 7.

2 Ibid., p. 30.

3 Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 20.

4 Ibid., pp. 20–21.

5 Ibid., pp. 24–25.

DJSIR also identified programs that did not deliver their planned outcomes in 2024–25. These included:

- The *Gippsland Supply Chain Resilience Program – Stream 2*, which was established to support supply chain businesses impacted by changes to the manufacture of white paper in Gippsland, did not achieve its planned outcomes due to low engagement from local businesses.⁶
- The *Regional Package: Aboriginal Economic Development Fund – Building capacity for Victoria’s self-determined Aboriginal economy*, intended to establish self-determined cultural and economic hubs for seven Traditional Owner Corporations (TOCs) across Regional Victoria. Due to lack of capacity and limited resourcing amongst TOCs, only four were able to engage with the program.⁷

Broader challenges identified by the Department included:

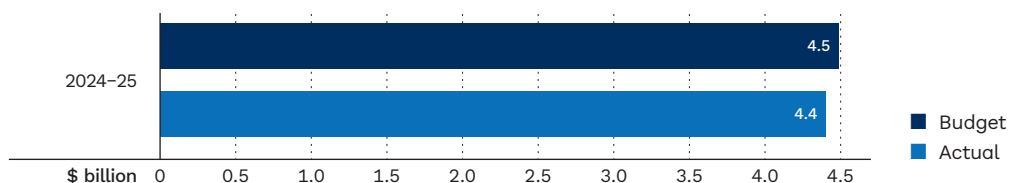
- driving economic development in regional and metro Victoria during changing global trade conditions and geo-political tensions, which are creating uncertainty for Victorian businesses
- maintaining Victoria’s position as a creative, sporting and major events capital amongst the increase in strong international and domestic competition
- driving inclusive economic growth across Victoria.⁸

8.3 Financial analysis

8.3.1 Output expenditure

In 2024–25, DJSIR’s output budget was \$4.5 billion. Actual expenditure for the year was \$4.4 billion, representing a variance of 1.9% (\$83.2 million).⁹

Figure 8.1 In 2024–25 Department of Jobs, Skills, Industry and Regions spent 1.9% less than its original budget



Source: Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, Melbourne, 2025, pp. 33–67.

⁶ Ibid., pp. 26–27.

⁷ Ibid., pp. 29–30.

⁸ Ibid., pp. 160–162.

⁹ Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, pp. 33–67.

This variance was primarily due to underspends in the following outputs:

- Regional Development: the 36.6% (\$108.5 million) underspend was attributed to higher than anticipated export income and capital investment in Regional Victoria from long-term projects, and the timing of payments for the Regional Economic Development and Participation and Geelong City Deal.¹⁰
- Trade and Investment: the 39.1% (\$77.8 million) underspend was attributed to the timing of grant payments for investment programs, with milestone payments expected to be made in future years.¹¹

DJSIR's underspend was offset by overspends in other outputs, most notably:

- Tourism and Major Events: the 97.6% (\$179.4 million) overspend was due to Treasurer's Advances (TAs) being required to support sporting agencies and infrastructure operational funding, the Regional Sport Infrastructure Package, the Nyaal Banyul Geelong Convention and Exhibition Centre, Visit Victoria marketing activities and other contracted major events.¹²
- Creative Industries Portfolio Agencies: the 29.1% (\$119.4 million) overspend was due to additional funding received via a TA, required to maintain financial sustainability and appropriate service levels for the creative industries portfolio agencies.¹³

8.3.2 Revenue and expenses

Revenue

In 2024–25, DJSIR's actual output appropriations were 7% lower (\$252 million) than its budget, with a \$3.3 billion actual spend compared to its \$3.6 billion budget.¹⁴ DJSIR advised that the variance was mainly due to rephasing budgets to align with committed project milestones across future financial years.¹⁵

DJSIR also reported a 188% (\$199 million) actual increase in revenue from grant transactions compared to its Budget, primarily due to receipt of major events funding during the 2024–25 financial year.¹⁶ A 109% (\$80 million) increase in revenue from other sources and a 46% (\$18 million) increase in interest income were also reported due to higher-than-expected income from interest and donations through the Creative Industries agencies.¹⁷

¹⁰ Ibid., p. 50.

¹¹ Ibid., p. 43.

¹² Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 36, 37, 42; Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 63.

¹³ Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 34; Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, Melbourne, 2025, p. 60.

¹⁴ Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 163.

¹⁵ Ibid., p. 164.

¹⁶ Ibid., pp. 163, 164.

¹⁷ Ibid.

Expenses

In 2024–25, DJSIR’s actual spend on employee benefits increased by 25% (\$324 million) when compared to the targeted budget, mainly due to funding held centrally being released to the Department for TAFE, new initiatives such as *Supporting our creative agencies for success*, and an increase in the Department’s Superannuation payout.¹⁸

The Department underspent by 43% (\$562 million) on other operating expenses, advising this was primarily due to realignment of the Skills First Program from ‘other operating expenses’ to ‘grant expenses’, with a subsequent expenditure increase of 16% (\$248 million) on grants as a result.¹⁹

Overall financial performance

Table 8.1 below summarises DJSIR’s financial performance in 2024–25.

Table 8.1 In 2024–25 the Department of Jobs, Skills, Industry and Region’s income exceeded its expenses by \$171 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	4,358	4,574
Expenses from transactions	4,384	4,403
Net result	(27)	171

Source: Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, Melbourne, 2025, p. 163.

8.3.3 Treasurer’s Advances

In 2024–25, DJSIR was allocated \$923.5 million in TAs, which represented 20.2% of its actual revenue in 2024–25.²⁰ From the allocated TAs, \$730.9 million was spent in the 2024–25 financial year as DJSIR did not need to access all available funding.²¹

TAs allocated to DJSIR in 2024–25 related to both contingency releases and urgent and/or unforeseen decisions:

- \$755.2 million (81.8%) related to 35 decisions to release funds from central contingencies
- \$168.3 million (18.2%) related to 20 urgent and unforeseen decisions taken since the 2024–25 State Budget.²²

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 64.

²¹ Ibid.

²² Ibid., pp. 33–64.

The three largest TA payments relating to contingency releases were:

- \$395.4 million for phase one delivery of the *Melbourne Arts Precinct Transformation* (MAPT) project
- \$75 million to provide Breakthrough Victoria with capital to deliver on its investment strategy in 2024–25
- \$64.5 million to maintain sustainability and service levels for the Creative Industries Portfolio agencies.²³

In 2023–24, contingency releases for phase one of the MAPT project (\$152.5 million) and Breakthrough Victoria capital (\$41.8 million) were also the two highest TA contingency payments received by DJSIR for that period.²⁴

The three largest TA payments relating to urgent and/or unforeseen decisions taken were:

- \$32.4 million for *Boosting Economic Growth Industry* grants to meet contractual obligations for industry development grants²⁵
- \$9.5 million for the *Regional Economic Development and Participation Package* to support the delivery of sporting infrastructure, tourism campaigns and events, and economic development across Regional Victoria²⁶
- \$5.6 million for the *Skills Solutions Partnership* to facilitate the finalisation of grants and support the delivery of approved projects in 2024–25.²⁷

Each of these payments included reinstated TA funding from 2023–24.

FINDING 62: In 2024–25, the Department of Jobs, Skills, Industry and Regions received \$730.9 million in Treasurer’s Advances.

8.4 Performance information

In 2024–25, DJSIR achieved or exceeded 74% of its 155 performance measures published in its Annual Report. The Department did not meet 12% of its measures within a 5% variance and did not meet 13% of its measures exceeding a 5% variance.²⁸ One per cent of measures were unreportable in the financial year.²⁹

²³ Ibid., pp. 33–34.

²⁴ Department of Jobs, Skills, Industry and Regions, *Response to the 2023–24 Financial and Performance Outcomes Questionnaire*, received 8 November 2024, p. 52.

²⁵ Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 35.

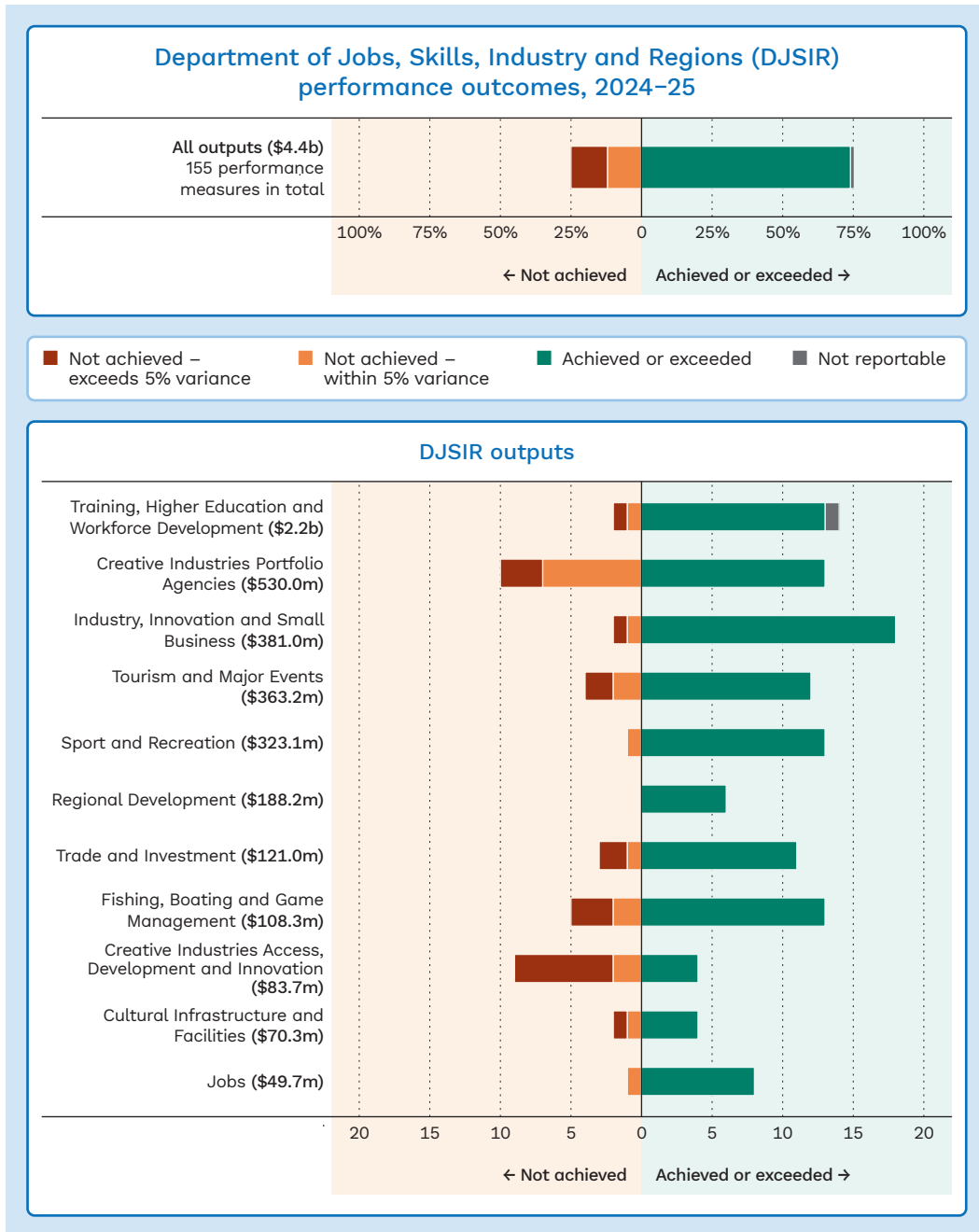
²⁶ Ibid., p. 38.

²⁷ Ibid., p. 40.

²⁸ Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, pp. 33–67.

²⁹ Ibid.

Figure 8.2 In 2024–25 the Department of Jobs, Skills, Industry and Regions achieved 74% of its performance measures



Source: Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, Melbourne, 2025, pp. 33–67.

In 2024–25, DJSIR achieved 50% or more of its performance measures across each of its outputs, except for its Creative Industries Access, Development and Innovation output which did not achieve 69% of its measures—primarily due to the timing of

funding rounds across financial years and internal reprioritisation.³⁰ Its second least-performing output was Creative industries Portfolio Agencies, which did not achieve 43% of its measures.³¹

8.5 Key issue: Increased support services for TAFE and apprenticeships

8.5.1 TAFE

Identifying and addressing current and future skills needs is a strategic priority for DJSIR.³² The 2024–25 Budget allocated \$2.5 billion to DJSIR’s Training, Higher Education and Workforce Development output, which aims to support the TAFE and training sector to meet the state’s economic needs, promote equity and address disadvantage through skills training and job creation.³³

TAFEs run Vocational Education and Training (VET) courses to give students practical skills for a variety of careers.³⁴ The *Free TAFE* program was launched in 2019, offering tuition-free training in priority skill areas for eligible students.³⁵ In 2024, there were more than 280,000³⁶ government-funded enrolments through the *Free TAFE* program—a 3% (7,180) increase from 2023—with 47,000 being commencement enrolments.³⁷ The initiative *Boosting access to Free TAFE and training services* was allocated \$131.4 million in the 2024–25 Budget,³⁸ however an additional \$75.6 million was requested via a TA to adequately ‘support eligible students’ to enrol in accredited training through the program.³⁹

During the hearings, the Committee noted the rise in student satisfaction rates (87.2%) for 2024–25, compared to the last three financial years, and queried the impact of the *Free TAFE* program on the Department’s performance outcomes.⁴⁰ The Department attributed the increase in satisfaction, and subsequently increased enrolments and completions, to ‘a number of factors’ but primarily to the implementation of additional

³⁰ Ibid., p. 58.

³¹ Ibid., pp. 33–67.

³² Ibid., p. 18.

³³ Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2025, p. 149.

³⁴ VET courses are also delivered by some universities, community organisations and private training providers.

³⁵ Department of Education, *Free TAFE helping Victorians continue their learning journey*, 14 February 2019, <https://www.education.vic.gov.au/about/news/archive/Pages/HESG_free_TAFE.aspx> accessed 30 January 2026.

³⁶ Combined current and new enrolments from TAFE and Registered Training Organisations (RTOs). Source: Department of Jobs, Skills, Industry and Regions, *Government-funded Vocational Education and Training: 2024 and Quarter 2025 Highlights*, July 2025, <<https://www.vic.gov.au/sites/default/files/2025-07/Q1-2025-Training-System-Overview.pdf>> accessed 30 January 2026, p. 2.

³⁷ Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 19.

³⁸ Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, p. 59.

³⁹ Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 34.

⁴⁰ Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 64; Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Jobs, Skills, Industry and Regions, Melbourne, 27 November 2025, *Transcript of evidence*, p. 13.

support services, including literacy and numeracy supports.⁴¹ Provided through the TAFE Services Fund, TAFEs are now offering:

... a suite of wraparound support services, including dedicated wellbeing officers, mental health services and career counselling – ensuring students feel supported both in and out of the classroom.⁴²

Launched in 2023 with a budget of \$90 million, the *Free TAFE Literacy and Numeracy Support Program* (LNSUPPORT) provides foundational literacy, numeracy and digital support for TAFE students as an accompaniment to the course they are primarily enrolled in.⁴³ The Department noted that the program ‘has seen a real boost ... in both enrolments and completions’ with 11,405 commencements in 2024 compared to 2,564 in 2023—a 344.8% increase.⁴⁴ In its 2024–25 Annual Report, DJSIR stated that:

The program has proven particularly beneficial for individuals who have gaps in their foundational skills, potentially impacting their ability to complete their chosen qualification.⁴⁵

FINDING 63: In 2024–25, satisfaction rates from TAFE students rose to 87.2%, in part due to initiatives from the Department of Jobs, Skills, Industry and Regions such as the *Free TAFE Literacy and Numeracy Support Program*.

FINDING 64: Commencements in the *Free TAFE Literacy and Numeracy Support Program* grew by 344.8% in 2024–25, demonstrating high demand for foundational skills training to accompany the commencement of students chosen qualification.

8.5.2 Apprenticeships Victoria

In 2024–25, the number of government subsidised apprenticeship course enrolments increased by 12.9% from a target of 49,900, to 56,900.⁴⁶ In the 2024–25 Budget, \$11.4 million was allocated to the output initiative *More apprenticeships for workforce priorities*. This funding was allocated in part to Apprenticeships Victoria to provide apprenticeship system stewardship, and to renew support for apprentices and trainees most at risk of not completing their training through the Apprenticeship Support Officer program.⁴⁷

41 Lill Healy, Deputy Secretary, Skills and TAFE, Department of Jobs, Skills, Industry and Regions, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, pp. 12–13.

42 Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 64.

43 Victorian Government, *Training for the skills our economy needs*, 19 May 2023, <<https://www.2023.budget.vic.gov.au/training-skills-economy-needs>> accessed 30 January 2026; Premier of Victoria, *Victoria Celebrates National Skills Week*, media release, 24 August 2023.

44 Lill Healy, Deputy Secretary, Skills and TAFE, Department of Jobs, Skills, Industry and Regions, *Transcript of evidence*, p. 11; Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 19.

45 Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 19.

46 *Ibid.*, p. 66.

47 Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, pp. 59, 64.

During the hearings, the Committee discussed the 5.3% growth in completion rates for apprentices over the six-year completion rate period during 2024–25 and what DJSIR attributed this growth to.⁴⁸ The Department noted that while the 61.1% completion rate was good, it masked greater success in specialised areas such as electro-tech which had achieved an ‘over 70 per cent completion rate’.⁴⁹

The Department explained that continuation of the *Apprenticeship Support Officer* program was fundamental to the successful completion of apprenticeships, particularly in the first year, as this is when the highest number of ‘drop outs’ occur.⁵⁰ Several factors contribute to disengagement, including difficulty establishing comfort in the workplace for new apprentices, transitioning to a new environment, navigating relationships with employers and adjusting to lower wages.⁵¹ The Department noted that early intervention is critical to successful completion, stating in the hearings that:

[The program] gets behind first-year apprentices and provides them with information, referral, mentoring – just a point of reference when things perhaps are not going as well for them as they would like. It is a real boost to retaining people in their first year.⁵²

At the time of the hearings in November 2025, there were 29 apprentice support officers available in TAFEs across the state, who facilitate ‘hundreds of appointments with those first-year apprentices’ with the Department reporting impactful results.⁵³

FINDING 65: In 2024–25, completion rates for apprentices grew by 5.3% over the six-year completion rate period when compared to 2023–24. The Department of Jobs, Skills, Industry and Regions attributes this to increased investment in support services for apprentices, particularly in their first year of commencement.

In June 2025, the Department also launched the *Apprentice Helpdesk*—one of the initiatives developed through the Apprentice Taskforce established in 2023.⁵⁴ The helpdesk is not only available to apprentices, but also to parents and employers who have questions or concerns and are seeking to support an apprentice. Since the helpdesk opened, the Department reported that there have been over 1,500 cases opened, with the majority now resolved.⁵⁵ At the time of the hearings, DJSIR reported that 3,000 calls have been taken, covering issues such as wages and conditions,

48 Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Jobs, Skills, Industry and Regions, *Transcript of evidence*, p. 12; Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 67.

49 Lill Healy, Deputy Secretary, Skills and TAFE, Department of Jobs, Skills, Industry and Regions, *Transcript of evidence*, p. 12.

50 Ibid.

51 Ibid.

52 Ibid.

53 Ibid.

54 Apprenticeships Victoria, *Apprenticeships Taskforce*, 14 August 2025, <<https://www.apprenticeships.vic.gov.au/apprenticeships-taskforce>> accessed 30 January 2026; Lill Healy, Deputy Secretary, Skills and TAFE, Department of Jobs, Skills, Industry and Regions, *Transcript of evidence*, p. 12.

55 Lill Healy, Deputy Secretary, Skills and TAFE, Department of Jobs, Skills, Industry and Regions, *Transcript of evidence*, p. 13.

mental health, training and other support requests, with callers reporting a 90% satisfaction rate with how their queries were handled.⁵⁶

DJSIR also highlighted the importance of investing in mental health training. Initiatives including the *Apprentice Employee Assistance Program*, which was launched in September 2024, have been implemented to prepare ‘both businesses to be better operators and enabling apprentices to have support if they require it’.⁵⁷ The program offers free and confidential 24/7 phone and video counselling for all Victorian apprentices and trainees. Since October 2024, 67 apprentices have accessed psychology services through the program and over 170 apprentices have registered in total.⁵⁸ The *Apprentice Mental Health Training Program* was also piloted at three TAFEs between April and June 2025, with plans to extend the program to a wider range of Registered Training Organisations.⁵⁹

FINDING 66: The Department of Jobs, Skills, Industry and Regions launched three new support resources for apprentices in 2024–25: the *Apprentice Helpdesk*, the *Apprentice Employee Assistance Program* and the *Apprentice Mental Health Training Program*. The initiatives have been developed to provide wraparound support services for apprentices throughout their training.

8.6 Key issue: Investment in artificial intelligence infrastructure

At the hearings, the Committee raised queries about DJSIR’s current investment in artificial intelligence (AI) and what advice the Department had provided to the Government regarding the development of an AI strategy.⁶⁰ The Secretary stated that that the Premier would be providing information on an AI strategy ‘in the short future’.⁶¹

8.6.1 Investments in the 2024–25 financial year

In 2024–25, DJSIR made several investments towards expanding the AI sector in Victoria through infrastructure development including in data centres and increasing digital career opportunities. These investments included:

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 19.

⁵⁹ Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 79.

⁶⁰ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Jobs, Skills, Industry and Regions, *Transcript of evidence*, pp. 4–5.

⁶¹ Matt Carrick, Secretary, Department of Jobs, Skills, Industry and Regions, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 27 November 2025, *Transcript of evidence*, p. 5.

- Five data centre⁶² projects from the Invest Victoria investment pipeline were granted a planning permit, four of which fell under the authorisation remit of the Victorian Government.⁶³
- \$3.8 million granted in 2024 to Latrobe University to launch the Australia Centre for AI in Medical Intervention to accelerate medical innovation and new vaccine therapies. In June 2025, the first AI supercomputer of its kind in Australia was launched at the centre to support this research.⁶⁴
- \$4.4 million for the *Digital Jobs Program*, which supports mid-career Victorians to transition into digital careers, including AI. This funding supported 1,070 participants to reskill for jobs in the digital economy over the 2024–25 financial year.⁶⁵
- \$911,770 granted through the *Skills Solutions Partnership Program* to RMIT University, who will partner with Grampians Health and Cisco to deliver five micro-credential modules for healthcare workers, including AI training.⁶⁶

8.6.2 Future investment

On 27 November 2025, the Premier announced a series of initiatives to increase Victoria’s investment in AI infrastructure and the development of an AI Mission Statement.⁶⁷ The \$5.5 million *Sustainable Data Centre Action Plan* proposes to capitalise on Victoria’s existing status as a ‘leading AI hub in the Asia Pacific’, with 22% of all clustered AI firms in Australia already established in the Melbourne CBD, and over 40 data centres already developed within Victoria.⁶⁸

Lead by DJSIR, the plan intends to leverage Victoria’s existing assets—namely land and energy supplies—to entice investors to build data centres in the State.⁶⁹ An \$8.1 million *Digital Jobs – AI Career Conversion* program will also be launched to upskill workers

62 A data centre is a dedicated physical facility designed to process significant volumes of data, typically equipped with computing and networking resources for storing, processing and managing digital data, including routers, servers and storage systems. Source: Data Bank, *Data Centres 101: A Beginner’s Guide to Understanding Core Concepts*, 29 May 2024, <<https://www.databank.com/resources/blogs/data-centers-101-a-beginners-guide-to-understanding-core-concepts>> accessed 4 February 2026.

63 Matt Carrick, Secretary, Department of Jobs, Skills, Industry and Regions, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 10 December 2025, p. 24.

64 Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25*, p. 16; Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25: Appendix 5–Grants and related assistance*, Melbourne, 2025, p. 11.

65 Department of Jobs, Skills, Industry and Regions, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 23–24.

66 Department of Jobs, Skills, Industry and Regions, *Annual Report 2024–25: Appendix 5–Grants and related assistance*, p. 16; RMIT, *Accelerating health workforce skills through a successful pilot program*, 17 April 2025, <<https://www.rmit.edu.au/news/all-news/2025/apr/accelerating-workforce-skills-pilot-program>> accessed 4 February 2026.

67 Premier of Victoria, *Putting People First in a Future with AI*, media release, 27 November 2025.

68 Department of Jobs, Skills, Industry and Regions, *Victoria is ready to harness AI*, 28 November 2025, <<https://djsir.vic.gov.au/news-and-articles/victoria-is-ready-to-harness-ai>> accessed 30 January 2026; Premier of Victoria, *Putting People First in a Future with AI*, media release.

69 Premier of Victoria, *Putting People First in a Future with AI*, media release; Victorian Government, *Victoria: AI-Driven, Business-Ready, The Victorian Government’s AI Mission Statement*, Melbourne, 2026.

to transition to AI roles.⁷⁰ The Government's *AI Mission Statement* was released on 30 January 2026.⁷¹

FINDING 67: On 27 November 2025, the Victorian Government announced a \$5.5 million *Sustainable Data Centre Action Plan* to support the establishment of new data centres in Victoria and an \$8.1 million *Digital Jobs – AI Career Conversion* program will also be launched to upskill workers to transition to AI roles.

70 Premier of Victoria, *Victoria's AI Future: Driving Jobs, Opportunity and Growth*, media release, 30 January 2026.

71 Victorian Government, *Victoria: AI-Driven, Business-Ready, The Victorian Government's AI Mission Statement*.

Chapter 9

Department of Energy, Environment and Climate Action

9.1 Overview

The Department of Energy, Environment and Climate Action (DEECA) is responsible for Victoria's energy and resources, environment, water, and agriculture sectors, as well as leading work on climate action.

In 2024–25, DEECA's objectives were:

- net zero emissions, climate-ready economy and community
- healthy, resilient and biodiverse environment
- reliable, sustainable and affordable energy services
- productive and effective land management
- safe and sustainable water resources
- reduced impact of major bushfires and other emergencies on people, property and the environment
- productive and sustainably used natural resources
- sustainable development of Victoria's earth resources.¹

9.2 Outcomes and challenges

In response to the Committee's questionnaire, DEECA was asked to identify its programs that delivered the most important outcomes in the community, its programs that did not deliver their planned outcomes and the key challenges faced by the Department in 2024–25.

Programs that delivered the most important outcomes included:

- supporting households and businesses through the *Victorian Energy Upgrades Program* to reduce energy consumption by providing discounts on over 348,000 energy efficiency upgrades
- supporting the transition away from native timber harvesting by expanding timber plantations in partnership with Hancock Victorian Plantations, with over

¹ Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, Melbourne, 2025, pp. 4–5.

2,200 hectares of land purchased in Gippsland and seedlings planted across approximately 1,000 hectares

- developing the *Critical Minerals Roadmap* to grow and diversify Victoria’s mineral resource industry.²

DEECA identified programs that did not meet their planned outcomes, including:

- the *Neighbourhood Batteries Program* and the *Solar Homes Program*
- inspection and maintenance program for Category 1 state forest roads and bridges
- animal pest, disease and residue control programs that ensure agricultural produce complies with food safety and biosecurity standards required to access markets.³

Key challenges facing the Department during 2024–25 included:

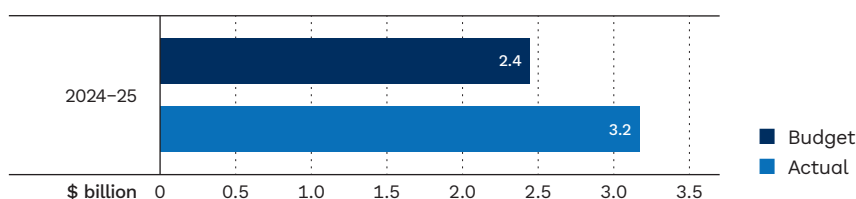
- supporting Victoria’s transition to renewable energy resources (see Section 9.5)
- emergency preparedness under increased frequency and severity of natural disasters
- ensuring that cultural capability and cultural safety are core business and advancing self-determination for Traditional Owners.⁴

9.3 Financial analysis

9.3.1 Output expenditure

In 2024–25, DEECA’s output budget was \$2.4 billion. Actual expenditure for the year was \$3.2 billion, representing a variance of 29.6% (\$725.1 million).⁵

Figure 9.1 In 2024–25 the Department of Energy, Environment and Climate Action exceeded its output budget by 29.6%



Source: Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, Melbourne, pp. 24–79.

² Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 14 November 2025, pp. 24–27.

³ Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 28–29.

⁴ *Ibid.*, pp. 130–134.

⁵ Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, pp. 21–79.

DEECA exceeded its budgeted output expenditure for 10 of its 12 outputs in 2024–25.⁶ Three outputs/sub-outputs exceeded their budgets by over 70%, and accounted for 43% of the total overspend:

- Waste and Recycling exceeded its budget by \$99.7 million. Closure of the Metropolitan Waste and Resource Recovery Group meant that agreements between Recycling Victoria, local councils and waste management contractors were transferred to the Department.
- The sub-output Biosecurity and Agriculture Services exceeded its budget by 97% (\$124.9 million). Additional funding was received to respond to emergencies, namely the high pathogenicity avian influenza and varroa mite outbreaks. Additional funding was also received from the Commonwealth Government to deliver several initiatives.
- Environment and Biodiversity exceeded its budget by 71% (\$89.6 million). There were unanticipated costs associated with land acquisition in the Western Grasslands Reserve.⁷

9.3.2 Revenue and expenses

Revenue

In 2024–25, DEECA's actual output appropriations were 8.7% lower (\$223 million) than 2023–24. This was due to additional funding received in 2023–24 for initiatives related to the native timber harvesting transition, the *Power savings bonus*, one-off costs associated with establishing the State Electricity Commission, and the impact of savings targets in 2024–25 reducing DEECA's output appropriations.⁸

In 2024–25, DEECA's actual output appropriations were 23.2% higher (\$440 million) than its original budget of \$1.9 billion, mainly due to the reinstatement and additional funding for forestry transition programs, and for preparedness and response activities related to managing emergency events. Further Commonwealth funding was also received for delivery of certain Commonwealth initiatives.⁹

Expenses

DEECA's employee benefits expense exceeded its budget by 41% (\$295 million) due to the new Victorian Public Service Enterprise Agreement that required a one-off cost of living payment, as well as the costs of paying staff overtime and allowances associated

⁶ Ibid., pp. 24–79.

⁷ Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, pp. 34, 36, 72.

⁸ Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 83.

⁹ Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 85.

with emergency response activities and additional planned burning activities.¹⁰ Other factors contributing were costs associated with the *Forestry Contractor Strategy* and VicGrid establishment.¹¹

Emergency management activities, the *Forestry Contractor Strategy*, and VicGrid service delivery also contributed to an increase in other operating expenses in 2024–25, which were 24.1% (\$179 million) greater than in 2023–24, and 41.9% (\$272 million) more than budgeted.¹²

Overall financial performance

Table 9.1 below summarises DEECA's financial performance in 2024–25.

Table 9.1 In 2024–25 the Department of Energy, Environment and Climate Action's income exceeded its expenses by \$84 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	2,676	3,256
Expenses from transactions	2,432	3,172
Net result	244	84

Source: Department of Energy, Environment, and Climate Action, *Annual Report 2024–25*, Melbourne, 2025, p. 304.

9.4 Performance information

In 2024–25, DEECA achieved or exceeded 68% of its 157 performance measures published in its Annual Report. The Department did not meet 8% of its measures within a 5% variance and did not meet 22% of its measures exceeding a 5% variance. Two per cent of measures were unreportable in the financial year.¹³

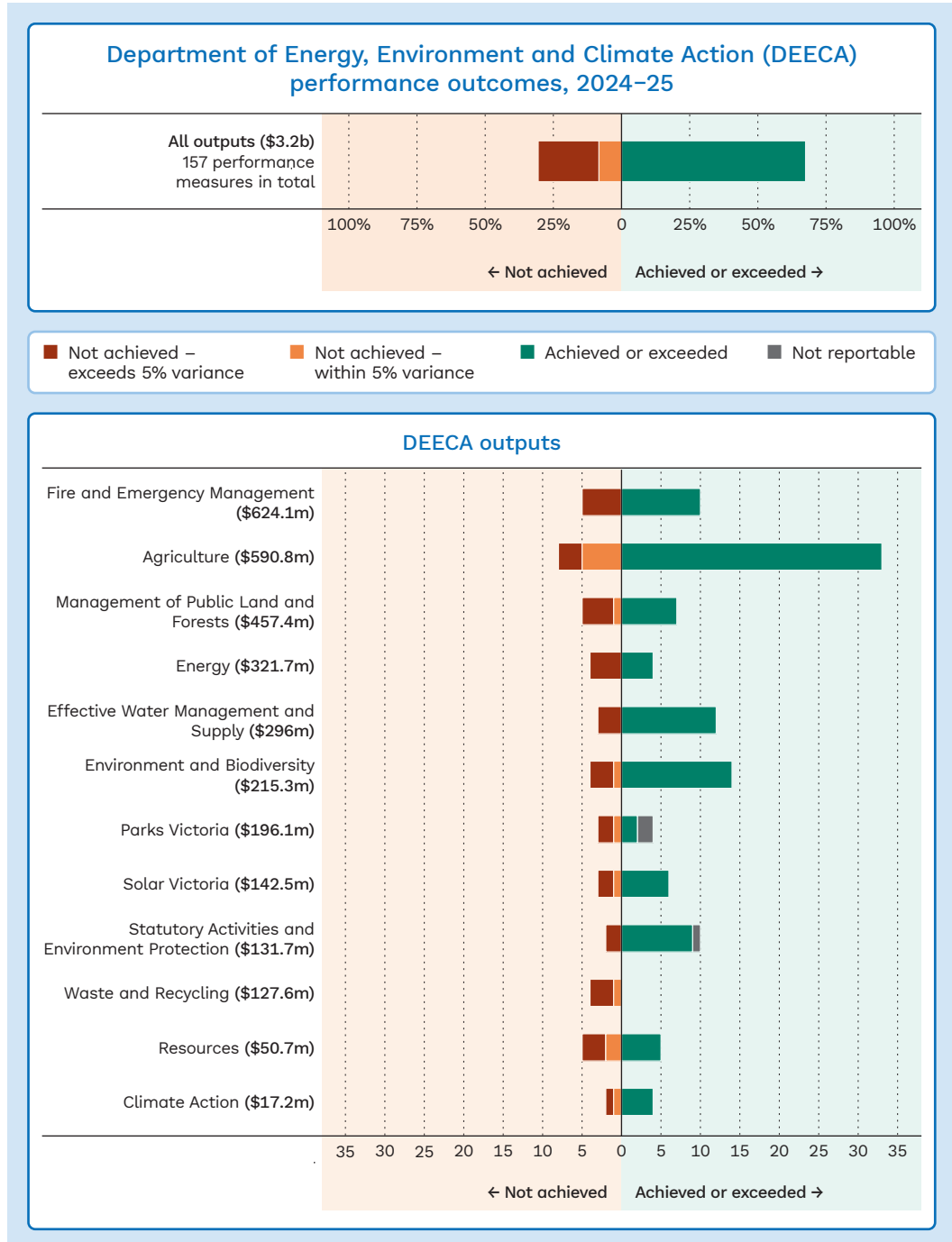
¹⁰ Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, p. 99; Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 89.

¹¹ Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 90.

¹² *Ibid.*, pp. 89, 91.

¹³ Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, pp. 24–79.

Figure 9.2 In 2024–25 the Department of Energy, Environment, and Climate Action achieved 68% of its performance measures



Source: Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, Melbourne, pp. 24–79.

9.5 Key issue: Transition to renewable energy

Victoria is transitioning to renewable energy sources as coal power stations are gradually closed. The *Renewable Energy (Jobs and Investment) Act 2017* (Vic) sets targets for Victoria's future renewable energy generation.¹⁴ In August 2024, the Government published *Cheaper, Cleaner, Renewable: Our Plan for Victoria's Electricity Future*, which sets out how Victoria will transition to renewable energy and achieve the legislated targets. Developing new transmission lines and offshore wind energy are key components of the 'renewables big build' that is crucial to making the transition.¹⁵

New transmission lines are important as they will connect renewable energy sources to the electricity grid, including offshore wind.¹⁶ Transmission lines are also needed to connect firm energy sources such as hydro power to the grid to ensure a reliable electricity supply.¹⁷ Offshore wind energy will be a key contributor to Victoria reaching the 2035 renewable energy targets.¹⁸ This section discusses progress on these major infrastructure projects during 2024–25.

9.5.1 Transmission lines

In 2023–24, VicGrid received \$20.6 million in funding to coordinate transmission planning and deliver the Victorian Transmission Investment Framework (VTIF).¹⁹ In 2024–25, VicGrid received a further \$12.5 million in output initiative funding, including to continue the VTIF implementation.²⁰ During the hearings, the Committee sought an update on how development of transmission infrastructure was impacting on other land uses and contributing to the objective of net zero greenhouse gas emissions.²¹

¹⁴ *Renewable Energy (Jobs and Investment) Act 2017* (Vic) s 7.

¹⁵ Department of Energy, Environment and Climate Action, *Cheaper, Cleaner, Renewable: Our Plan for Victoria's Electricity Future*, Melbourne, 2024, pp. 15–16, 20–22.

¹⁶ VicGrid, *2025 Victorian Transmission Plan*, Melbourne, 2025, pp. 28, 97; Alistair Parker, Chief Executive Officer, VicGrid, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, p. 30.

¹⁷ VicGrid, *2025 Victorian Transmission Plan*, pp. 60–61; Alistair Parker, Chief Executive Officer, VicGrid, *Transcript of evidence*, p. 30.

¹⁸ To reach the 2035 target of 95% renewable energy, from 2024 the Victorian Government plans to install around 11.4GW of new grid-scale renewables of which and offshore wind will make up about a third (4GW). Source: Department of Energy, Environment and Climate Action, *Cheaper, Cleaner, Renewable: Our Plan for Victoria's Electricity Future*, p. 6.

¹⁹ Department of Treasury and Finance, *Budget Paper No. 3: 2023–24 Service Delivery*, Melbourne, 2024, pp. 28, 34.

²⁰ The Victorian Transmission Investment Framework is a new regulatory framework, released in 2023, for how transmission infrastructure is planned and developed. Source: Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2025, pp. 24, 30; Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 61.

²¹ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, pp. 27, 30.

VicGrid's planning and development of renewable energy zones and transmission infrastructure progressed during 2024–25.²² Planning milestones achieved were:

- Draft Victorian Transmission Plan (VTP) Guidelines and Renewable Energy Zone study area map were released in July 2024. The VTP Guidelines set out the process for developing the VTP for public consultation.
- Final VTP Guidelines were released in September 2024.
- Draft VTP released in May 2025 for public consultation.²³

The final version of the plan, the *2025 Victorian Transmission Plan*, was released in August 2025. The proposed renewable energy zones in the VTP will cover about 7.9% of Victorian land, which includes about 12.7% of the total area of agricultural land in Victoria.²⁴

In 2024–25, VicGrid undertook significant stakeholder consultation to inform both the VTP Guidelines and draft VTP; stakeholders engaged included landholders, local communities, Traditional Owners and industry.²⁵ The VTIF's consultative approach to planning aims to optimise land use in a way that efficiently delivers renewable energy projects while minimising negative impacts on communities, the environment and other land uses and industries such as agriculture.²⁶

FINDING 68: In 2024–25, VicGrid undertook stakeholder consultation to inform the Victorian Transmission Plan (VTP) Guidelines and Renewable Energy Zone study area map and the draft VTP. The draft VTP was released in May 2025 and the final version, the *2025 Victorian Transmission Plan*, was released in August 2025.

The Committee sought information about how VicGrid approached its planning for the VTP. At the hearings, the CEO of VicGrid acknowledged that some stakeholders had had negative experiences in the past and assured the Committee that VicGrid was consulting broadly and ensuring that affected communities will share fairly in the benefits.²⁷ VicGrid is required to undertake consultation on the VTP under the *National Electricity (Victoria) Act 2005 (Vic)*.²⁸

²² Kate Houghton, Secretary, Department of Energy, Environment and Climate Action, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, p. 2.

²³ VicGrid, *2025 Victorian Transmission Plan*, pp. 33, 50.

²⁴ Alistair Parker, Chief Executive Officer, VicGrid, *Transcript of evidence*, p. 28; Alistair Parker, Chief Executive Officer, VicGrid, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 4 December 2025, p. 14; VicGrid, *2025 Victorian Transmission Plan*, p. 56.

²⁵ VicGrid, *2025 Victorian Transmission Plan*, pp. 47–48, 50, 52.

²⁶ *Ibid.*, pp. 27, 33–37; Alistair Parker, Chief Executive Officer, VicGrid, *Transcript of evidence*, pp. 28, 30.

²⁷ Alistair Parker, Chief Executive Officer, VicGrid, *Transcript of evidence*, pp. 30–31.

²⁸ VicGrid, *2025 Victorian Transmission Plan*, p. 30.

FINDING 69: There is some community resistance to implementation of VicGrid’s 2025 *Victorian Transmission Plan*, in part due to pre-existing opposition to the Victoria to New South Wales Interconnector West project and Western Renewables Link project. Further resistance could pose a risk to timely delivery of future transmission projects.

9.5.2 Offshore wind energy

Victoria has legislated targets for offshore wind energy generation: 2 gigawatts (GW) by 2032, 4GW by 2035 and 9GW by 2040.²⁹ During the hearings, the Committee inquired about DEECA’s progress towards achieving those targets.³⁰

The Federal Minister for Climate Change and Energy has declared two offshore wind areas in Victoria—Gippsland and the Southern Ocean—which means they have been approved for development by the Commonwealth Government.³¹ To deliver those offshore wind projects, the Victorian Government now needs to procure developers through an auction process and develop specialised ports for construction and maintenance.³²

During 2024–25, the Victorian Government continued working to deliver offshore wind projects, with milestones reached including:

- progressing development of licences for approved developers to access sites for surveys and planning
- commenced procurement of a delivery partner for the transmission line in Gippsland that will connect offshore wind energy to the electricity grid
- released the *Offshore Wind Energy Implementation Statement 4* in April 2025.³³

In addition, during 2024–25 DEECA continued to work on auction design and engagement with communities and industry.³⁴

²⁹ *Renewable Energy (Jobs and Investment) Act 2017* (Vic) s 7B.

³⁰ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, *Transcript of evidence*, pp. 3–4.

³¹ Department of Energy, Environment and Climate Action, *Victoria’s offshore wind farm locations*, 16 January 2026, <<https://www.energy.vic.gov.au/renewable-energy/offshore-wind-energy/victorias-offshore-wind-farm-locations>> accessed 28 January 2026.

³² Department of Energy, Environment and Climate Action, *Offshore Wind Energy Victoria*, 27 January 2026, <<https://www.energy.vic.gov.au/renewable-energy/offshore-wind-energy/offshore-wind-energy-victoria>> accessed 6 February 2026.

³³ Department of Energy, Environment and Climate Action, *News and events*, 3 February 2026, <<https://www.energy.vic.gov.au/renewable-energy/offshore-wind-energy/news-and-events>> accessed 6 February 2026; Department of Energy, Environment and Climate Action, *Offshore Wind Energy Victoria Implementation Statement 4*, Melbourne, 2025, pp. 4, 8.

³⁴ Department of Energy, Environment and Climate Action, *Offshore Wind Energy Victoria Implementation Statement 4*, pp. 11, 20, 35; Kate Houghton, Secretary, Department of Energy, Environment and Climate Action, *Transcript of evidence*, pp. 3–5; Elizabeth Molyneux, Deputy Secretary, Energy, Department of Energy, Environment and Climate Action, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 4 December 2025, p. 1.

FINDING 70: During 2024–25 the Department of Energy, Environment and Climate Action made progress on delivering offshore wind energy in the Gippsland area by preparing an access licence for developers, scoping port options, continuing work on auction design, and commencing the procurement process to engage a delivery partner for the offshore wind energy transmission line.

Despite the progress made, delays in finalising the port options will impact delivery timelines for offshore wind. In January 2024, the Commonwealth Government rejected the proposed Port of Hastings development³⁵ due to environmental risks under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).³⁶ Delays to the proposed Port of Hastings development due to environmental risks were discussed in the Committee's *Report on the Financial and Performance Outcomes 2023–24*.³⁷ The Committee noted that it was unclear how the delays would affect the Government's ability to meet its offshore wind targets, since using the Port of Hastings was the initial planned port.

During 2024–25, DEECA investigated alternative port options, and the Port of Hastings Corporation made a new EPBC Act referral for its proposed development to the Commonwealth Government.³⁸ It remains unknown what ports will be used or in what ways the proposed Port of Hastings development will ultimately contribute.³⁹

Because it has not been decided what ports will be used for offshore wind, DEECA is unable to open auctions for port developers. As a result, the auctions have been delayed. In April 2025, the *Offshore Wind Energy Implementation Statement 4* stated that the auction was planned to open in the third quarter of 2025, but that has since been postponed to 2026.⁴⁰ Consequently, the Victorian Auditor General's Office has concluded the Government will not be able to meet its legislated 2032 target of 2GW of offshore wind energy.⁴¹

To compensate for these delays, DEECA has been working with other departments to identify ways that project planning and delivery can be done more efficiently by 'do[ing] things in parallel as opposed to sequentially' while ensuring that all

³⁵ Also referred to as the Victorian Renewable Energy Terminal.

³⁶ Australian Government Department of Climate Change, Energy, the Environment and Water, *Statement of Reasons 2023/09609*, 8 January 2024, <<https://epbcpublicportal.environment.gov.au/all-referrals/project-referral-summary/project-decision/?id=984bf791-80ab-ee11-be37-002248933951>>.

³⁷ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, pp. 155–156.

³⁸ Elizabeth Molyneux, Deputy Secretary, Energy, Department of Energy, Environment and Climate Action, response to questions on notice, p. 1; Victorian Renewable Energy Terminal, *Commonwealth EPBC Act Referral (2025)*, (n.d.), <<https://renewableenergyterminal.com.au/planning/commonwealth-epbc-referral>> accessed 28 January 2026; Department of Energy, Environment and Climate Action, *Offshore Wind Energy Victoria Implementation Statement 4*, Melbourne, 2025, pp. 19–20.

³⁹ Department of Energy, Environment and Climate Action, *Offshore Wind Energy Victoria Implementation Statement 4*, p. 20.

⁴⁰ Ibid., p. 12; Victorian Auditor-General's Office, *Managing the transition to renewable energy*, Melbourne, 2025, p. 16; Star of the South, *Statement on the Victorian offshore wind auction*, 16 September 2025, <<https://www.starofthesouth.com.au/news-media-releases/statement-victorian-offshore-wind-auction>> accessed 28 January 2026.

⁴¹ Victorian Auditor-General's Office, *Managing the transition to renewable energy*, Melbourne, 2025, p. 15–16.

environmental assessment processes are followed.⁴² Application processes for developers have been made more efficient.⁴³ DEECA is also pursuing making renewable energy projects eligible for an accelerated planning pathway.⁴⁴

FINDING 71: As of 30 June 2025, the Department of Energy, Environment and Climate Action has not finalised the port options for developing offshore wind energy and the auction to procure developers is subsequently delayed.

9.6 Key issue: Forestry transition program

Commercial native timber harvesting in Victoria ended as of January 2024 and VicForests—the state-owned native timber harvesting business—closed on 30 June 2024.⁴⁵ Funding for the native timber harvesting transition program continued into 2024–25, providing supports for businesses and workers whose livelihoods depended on that industry.⁴⁶ The 2024–25 Budget marked the beginning of multi-year funding for the *Future Forests* program and the forestry contractor strategy, which are DEECA’s next steps in managing the forested areas released from commercial harvesting and the contractors transitioning from VicForests.⁴⁷

9.6.1 Future Forests program

The *Future Forests* program aims to restore the areas of native forests that were previously being harvested, which will include actions to regenerate harvested areas of forest, promote biodiversity and maintain forest access roads.⁴⁸ There are 1.8 million hectares of state forest to be restored and managed into the future.⁴⁹ In the 2024–25 Budget, the program received \$115.6 million over four years.⁵⁰

The 2024–25 Budget included funding to transfer certain employees from VicForests into DEECA, such as those with specialist skills in seedbank management, forest regeneration and forest health.⁵¹ VicForests’ seedbank facilities transferred to

42 Elizabeth Molyneux, Deputy Secretary, Energy, Department of Energy, Environment and Climate Action, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, p. 4.

43 A Request for Proposal (RFP) process is being used instead of an Expression of Interest process; Department of Energy, Environment and Climate Action, *Offshore Wind Energy Victoria Implementation Statement 4*, p. 11.

44 Through the Development Facilitation Program. Sources: Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 133–134; Department of Transport and Planning, *Development Facilitation Program*, (n.d.), <<https://www.planning.vic.gov.au/planning-approvals/planning-enquiries-and-requests/development-facilitation-program>> accessed 28 January 2026.

45 Department of Energy, Environment and Climate Action, *Forestry in Victoria*, 1 August 2025, <<https://www.deeca.vic.gov.au/forestry/forestry-in-victoria>> accessed 28 January 2026.

46 Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, p. 64.

47 Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, pp. 25, 31–32.

48 Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, p. 47.

49 Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, p. 31.

50 *Ibid.*, p. 25.

51 *Ibid.*, pp. 31–32; Kelly Crosthwaite, Deputy Secretary, Bushfire and Forest Services, Department of Energy, Environment and Climate Action, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, p. 35.

DEECA, as did the seed collection and storage program.⁵² During 2024–25, DEECA also undertook actions to regenerate harvested areas of forest, including re-seeding 354 hectares and establishing a panel of suppliers for seed collection and services.⁵³

FINDING 72: In 2024–25, the Department of Energy, Environment and Climate Action began regenerating the state forests previously subject to commercial timber harvesting by re-seeding 354 hectares for forest and securing services for future seed collection and services.

Funding in the 2024–25 Budget for the *Future Forests* program was also intended for DEECA to deliver routine forest management activities, including:

- maintaining forest roads to ensure emergency services can access and control bushfires
- targeted on-ground biodiversity actions to support healthy forests, including controlling weeds and predators
- biodiversity and threatened species surveys
- a firewood strategy to strategically manage pressure on firewood supply
- support for the Conservation Regulator to manage the illegal removal of timber from state forests
- fire ecology and forest modelling.⁵⁴

Many funded activities are part of service delivery across all state forests, and there are no performance measures that will provide visibility of progress in restoring harvested forests. This will make it difficult to track performance of the *Future Forests* program.

DEECA is in the process of developing a new strategic policy for future management of state forests.⁵⁵ As noted by the Government, '[t]his will see us deliver the largest expansion to our public forests in our state's history', which requires an expansion of DEECA's land management activities.⁵⁶ DEECA also notes on its website that '[t]he end of native timber harvesting presents a landmark opportunity to consider how over 1.8 million hectares of forest is managed to provide shared benefits into the future'.⁵⁷

52 Kelly Crosthwaite, Deputy Secretary, Bushfire and Forest Services, Department of Energy, Environment and Climate Action, *Transcript of evidence*, p. 35.

53 Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, p. 47; Kelly Crosthwaite, Deputy Secretary, Bushfire and Forest Services, Department of Energy, Environment and Climate Action, *Transcript of evidence*, p. 35; Kelly Crosthwaite, Deputy Secretary, Bushfire and Forest Services, Department of Energy, Environment and Climate Action, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 4 December 2025, p. 18; Australian Tenders, *Seed Collection and Seed Services*, 2024, <<https://www.australian-tenders.com.au/tenders/570438/seed-collection-and-seed-services>> accessed 28 January 2026.

54 Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, p. 31–32.

55 Kelly Crosthwaite, Deputy Secretary, Bushfire and Forest Services, Department of Energy, Environment and Climate Action, response to questions on notice, p. 23.

56 Premier of Victoria, *Delivering Certainty for Timber Workers*, media release, 23 May 2023.

57 Department of Energy, Environment and Climate Action, *Forestry Transition Program*, 21 October 2025, <<https://www.deeca.vic.gov.au/futureforests/future-forests/victorian-forestry-program>> accessed 28 January 2026.

Given these changes, DEECA will be delivering forest and fire management activities over a larger area of land which will include fuel management, biodiversity monitoring, road maintenance, and weed and pest animal control. It will also be responding to emergencies such as bushfire over a larger area. Therefore, the Committee believes it is timely for DEECA to review and, where needed, update its output performance measures and targets across the following outputs: Management of Public Lands and Forests, Environment and Biodiversity and Fire and Emergency Management.

FINDING 73: In 2024–25, the Department of Energy, Environment and Climate Action assumed responsibility for the restoration and ongoing management of 1.8 million hectares of state forest released from commercial timber harvesting.

RECOMMENDATION 18: Prior to the next State Budget, the Department of Energy, Environment and Climate Action review its performance measures and targets related to biodiversity, forest management and fire and emergency management to ensure they are appropriate for the increased area of forest being managed by the Department.

9.6.2 Forestry contractor strategy

The forestry contractor strategy was funded for four years in the 2024–25 Budget, totalling \$290 million.⁵⁸ The strategy is one of multiple ways the Government has been supporting individuals and business affected by the cessation of commercial native timber harvesting. It aims to engage affected harvest and haulage contractors who were employed by VicForests and utilise their specialist skills and equipment for forest and fire management activities.⁵⁹ The Committee discussed the strategy during the hearings with Departmental officials.⁶⁰

There are two pathways through which VicForests contractors are engaged through the forestry contractor strategy:

- transfer of VicForests contractors to five-year DEECA Forest and Fire Management Services Agreements (available to harvest contractors only)
- engaging VicForest contractors through a competitive tender process as part of DEECA's External Plant Panel.⁶¹

⁵⁸ Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, p. 25.

⁵⁹ Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, pp. 59, 303; Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, p. 31; Department of Energy, Environment and Climate Action, *Department of Energy, Environment and Climate Action Corporate Plan 2024–2028*, Melbourne, 2024, p. 39.

⁶⁰ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Energy, Environment and Climate Action, *Transcript of evidence*, pp. 15–17.

⁶¹ Department of Energy, Environment and Climate Action, *DEECA forest and fire management works for harvest and haulage contractors*, 2023, <https://www.deeca.vic.gov.au/_data/assets/pdf_file/0043/689767/Forest-and-Fire-Management-Services-Agreement-and-Harvest-and-Haulage-Support-Package-brochure.pdf> accessed 28 January 2026, pp. 4–7.

Work through the External Plant Panel is available to existing panel contractors as well as former VicForests contractors. Being on the panel is not a guarantee that work will be available.⁶²

Given that DEECA is now managing an additional 1.8 million hectares of forest, this increase in potential capacity for forest and fire management activities is a positive outcome as the Department will be delivering a larger volume of forest and fire management activities.

FINDING 74: The Department of Energy, Environment and Climate Action has increased its contractor workforce capacity for forest and fire management services by transitioning former VicForests harvest contractors into its workforce and engaging harvest and haulage contractors in its External Plant Panel.

9.7 Key issue: Emergency management resourcing

DEECA's emergency management roles and responsibilities under the *Emergency Management Act 2013* (Vic) include being the control agency for biosecurity incursions and bushfires.⁶³ The Committee inquired into DEECA's emergency management performance at the hearings.⁶⁴ DEECA's response to biosecurity and bushfire emergencies during 2024–25 affected its capacity to fully deliver some of its other services, which is discussed below.

9.7.1 Response to avian influenza

In 2024–25, there was an outbreak of high pathogenicity avian influenza in Victoria, which was the largest ever experienced in Australia.⁶⁵ The Chief Executive of Agriculture Victoria stated it was 'the biggest biosecurity incident that we have faced in Victoria' with the response requiring 'a really massive surge across the department'.⁶⁶

62 Kelly Crosthwaite, Deputy Secretary, Bushfire and Forest Services, Department of Energy, Environment and Climate Action, *Transcript of evidence*, pp. 15–16; Department of Energy, Environment and Climate Action, *DEECA forest and fire management works for harvest and haulage contractors*, 2023, <https://www.deeca.vic.gov.au/_data/assets/pdf_file/0043/689767/Forest-and-Fire-Management-Services-Agreement-and-Harvest-and-Haulage-Support-Package-brochure.pdf> accessed 28 January 2026, pp. 4–5.

63 DEECA is specifically responsible for 'Fire in state forest, national park and protected public land'. Source: Emergency Management Victoria, *Role statement - Department of Energy, Environment and Climate Action*, 2024, <<https://www.emv.vic.gov.au/responsibilities/state-emergency-management-plan-semp/roles-and-responsibilities/role-statements/role-statement-department-of-energy-environment-and-climate-action>> accessed 28 January 2026.

64 Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Energy, Environment and Climate Action, *Transcript of evidence*, pp. 8–9, 17–18, 26, 41.

65 Kate Houghton, Secretary, Department of Energy, Environment and Climate Action, *Transcript of evidence*, p. 2; Agriculture Victoria, *H7 avian influenza eradicated from poultry in Victoria*, 14 January 2025, <<https://agriculture.vic.gov.au/about/media-centre/media-releases/2025-releases/h7-avian-influenza-eradicated-from-poultry-in-victoria>> accessed 22 January 2026.

66 Beth Jones, Chief Executive, Agriculture Victoria, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 26 November 2025, *Transcript of evidence*, p. 41.

Biosecurity emergencies can involve not only personnel within Agriculture Victoria but also draw on resources from other portfolios, departments, jurisdictions, and industry (private veterinarians, for example).⁶⁷ During the hearings, DEECA described how it utilised a surge workforce of 600 personnel in 2024 and 1,000 in 2025 to respond to the avian influenza outbreak.⁶⁸ That included personnel from Forest Fire Management Victoria who were ‘a significant contributor’ to the surge response.⁶⁹

Re-direction of personnel to emergency response meant DEECA had fewer resources to maintain other routine service delivery. That directly resulted in DEECA not meeting its target for one performance measure: ‘Animal pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets’; three programs were maintained out of a target of five.⁷⁰ This was the poorest performance over the past decade for the performance measure.⁷¹

FINDING 75: The resources required by the Department of Energy, Environment and Climate Action to respond to the avian influenza outbreak affected its service delivery in other areas, directly contributing to the target not being met for one performance measure: ‘Animal pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets’.

Given the scale of the 2024–25 avian influenza outbreak, it is reasonable that it required a relatively large surge workforce and impacted on service delivery.⁷² DEECA’s *Corporate Plan 2024* acknowledges that during emergencies it is a reality that ‘[d]epartmental resources are required to be redirected to emergency response, relief and recovery efforts resulting in the deferral of non-critical work which may in turn temporarily impact service delivery’.⁷³

The outbreak which began in 2024 was successfully controlled by February 2025.⁷⁴ The Committee heard during the hearings that lessons learned by Agriculture Victoria included ways to mature processes and systems for inter-agency resource

67 Ibid.

68 Ibid., pp. 41–42.

69 Ibid., p. 41.

70 Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, p. 71.

71 There were two prior years when the target was not met (2020–21 and 2021–22). In both those years only one out of five programs was not maintained. During those years the portfolio was the responsibility of the Department of Jobs, Precincts and Regions (now DJSIR). Source: Department of Treasury and Finance, 2025, *Departmental performance measures*, ‘Department of Energy, Environment and Climate Action – output performance measures 2025–26’, <<https://www.dtf.vic.gov.au/departamental-statements#departamental-performance-measures>> accessed 19 December 2025.

72 Beth Jones, Chief Executive, Agriculture Victoria, *Transcript of evidence*, p. 41.

73 Department of Energy, Environment and Climate Action, *Department of Energy, Environment and Climate Action Corporate Plan 2024–2028*, p. 14.

74 Agriculture Victoria, *H7 avian influenza eradicated from poultry in Victoria*, 14 January 2025, <<https://agriculture.vic.gov.au/about/media-centre/media-releases/2025-releases/h7-avian-influenza-eradicated-from-poultry-in-victoria>> accessed 28 January 2026; Agriculture Victoria, *Control Area lifted after successful response to bird flu outbreak*, 13 June 2025, <<https://agriculture.vic.gov.au/about/media-centre/media-releases/2025-releases/control-area-lifted-after-successful-response-to-bird-flu-outbreak>> accessed 28 January 2026.

management.⁷⁵ That is a positive outcome, as efficient inter-agency cooperation using shared protocols is best practice in emergency management.⁷⁶ It is possible that embedding those improvements in emergency response operations will mean future outbreaks can be managed with less negative impact on other service delivery.

FINDING 76: The Department of Energy, Environment and Climate Action used a surge workforce to successfully respond to and control the 2024–25 high pathogenicity avian influenza outbreak, with lessons learned about how to improve interoperability during future biosecurity incidents.

9.7.2 Bushfire management

During the 2024–25 bushfire season there were major fires in the Grampians National Park, Little Desert National Park and Budj Bim National Park.⁷⁷ The resources required for DEECA's response to those bushfires and extended fuel management activity meant targets were not met for two performance measures.

Table 9.2 The Department of Energy, Environment and Climate Action did not meet two performance targets related to fire and emergency management in 2024–25

Performance measure	Unit of measure	Target	Actual	Explanation provided by the Department
Stakeholder and community forums on bushfire management and planned burning held	Number	12	2	Performance is below target due to the impact of significant fires in the Grampians and Bullengarook, which resulted in the diversion of community engagement resources to bushfire response.
State forests roads (Category 1) and bridges (on Category 1 roads) with documented inspections and/or maintenance programs to meet regulatory obligations	Per cent	100	21	Performance is below target due to the diversion of resources to the extended bushfire season and priority planned burning activities, with the backlog to be completed in 2025–26.

Source: Department of Energy, Environment and Climate Action, *Annual Report 2024–25*, Melbourne, 2025, p. 62.

This was the first time in a decade that DEECA did not meet these targets, including during the Black Summer bushfires in 2019–20.⁷⁸

⁷⁵ Beth Jones, Chief Executive, Agriculture Victoria, *Transcript of evidence*, p. 41.

⁷⁶ Inspector-General for Emergency Management, *Review of 10 years of reform in Victoria's emergency management sector*, Melbourne, 2019, p. 127.

⁷⁷ Kate Houghton, Secretary, Department of Energy, Environment and Climate Action, *Transcript of evidence*, p. 2.

⁷⁸ In 2024–25 around 250,000 hectares were impacted by bushfire compared to 1.5 million in 2019–20. Sources: Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 50; Forest Fire Management Victoria, *Past bushfires*, 2023, <<https://www.ffm.vic.gov.au/history-and-incidents/past-bushfires>> accessed 29 January 2026; Department of Treasury and Finance, *Departmental performance measures*, 'Department of Energy, Environment and Climate Action – output performance measures 2025–26', <<https://www.dtf.vic.gov.au/departamental-statements#departamental-performance-measures>> accessed 19 December 2025.

FINDING 77: In 2024–25, two performance measures under the Department of Energy, Environment and Climate Action’s Fire and Emergency Management output were not met for the first time in a decade due to the diversion of resources to bushfire preparedness and response activities.

DEECA’s bushfire management funding typically comes from a combination of funding in the Budget and supplementary funding as needed, typically through Treasurer’s Advances (TAs).⁷⁹ The Committee observes that each year since 2019–20 TA have been used to support preparedness activities such as fuel management and also to acquire aviation resources.⁸⁰

FINDING 78: The Department of Energy, Environment and Climate Action receives funding based on the risk profile for delivery of bushfire preparedness activities and acquisition of aviation resources.

⁷⁹ Kelly Crosthwaite, Deputy Secretary, Bushfire and Forest Services, Department of Energy, Environment and Climate Action, *Transcript of evidence*, p. 19.

⁸⁰ Department of Energy, Environment and Climate Action, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 30, 32; Department of Energy, Environment and Climate Action, *Response to the 2023–24 Financial and Performance Outcomes Questionnaire*, received 14 November 2024, pp. 25–26; Department of Energy, Environment and Climate Action, *Response to the 2021–22 and 2022–2023 Financial and Performance Outcomes Questionnaire*, received 15 November 2023, pp. 42, 48, 68, 72; Department of Energy, Environment and Climate Action, *Response to the 2020–21 Financial and Performance Outcomes Questionnaire*, received 29 October 2021, pp. 19–20; Department of Energy, Environment and Climate Action, *Response to the 2019–20 Financial and Performance Outcomes Questionnaire*, received 4 February 2021, p. 30.

Chapter 10

Court Services Victoria

10.1 Overview

Court Services Victoria (CSV) is an independent statutory body established to provide administrative services and facilities to support Victorian courts, the Victorian Civil and Administrative Tribunal (VCAT), the Judicial College of Victoria and the Judicial Commission of Victoria.¹

Victoria's courts and tribunals' mission is to safeguard and maintain the rule of law through the fair, timely and efficient administration of justice.²

In 2024–25, CSV's objectives were to:

- provide equal access to justice
- ensure fairness, impartiality and independence in decision making
- follow processes that are transparent, timely and certain
- strive for leadership and best practice in court administration
- strengthen links with the community.³

In June 2025, the Independent Review of the Victorian Public Service, also referred to as the Silver Review, recommended that the corporate service functions of CSV be absorbed into the Department of Justice and Community Safety.⁴ On 3 December 2025, the Government accepted this recommendation and announced CSV would be phased out as a separate government entity.⁵ A timeline for this change has not yet been announced.

1 Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2024, p. 197.

2 Ibid.

3 Ibid.

4 Helen Silver AO, *Independent Review of the Victorian Public Service*, Melbourne, 2025, p. 85.

5 Victorian Government, *Reforming public entities to remove duplication and focus on excellence in service delivery*, 4 December 2025, <<https://www.vic.gov.au/ensuring-public-sector-focused-what-matters-most/reforming-public-entities-remove-duplication-and-focus-excellence-service-delivery>> accessed 9 January 2026.

10.2 Outcomes and challenges

In response to the Committee's questionnaire, CSV identified its programs that delivered the most important outcomes in the community for 2024–25. These included:

- the operationalisation of three new Specialist Family Violence Court facilities at Latrobe Valley, Sunshine and Ringwood, improving safety and accessibility on site⁶
- the continuation of the VCAT Residential Tenancies backlog recovery program, which resolved 24,000 bond and compensation cases by November 2024 and reduced pending matters by 49%⁷
- the launch of Rental Dispute Resolution Victoria in June 2025, a free in-person and online service to resolve residential tenancy disputes related to bonds, compensation, repairs and excessive rents⁸
- CSV's Dhumba Murmuk Djerring Unit continuing to deliver the Koori Self-Determination Plan and the Koori Courts finalised almost 1,400 matters, reducing its caseload by 27%.⁹

In its questionnaire response, CSV did not identify any funded program initiatives as underperforming in 2024–25.¹⁰

10.3 Financial analysis

10.3.1 Output expenditure

In 2024–25, CSV's output budget was \$813 million. Actual expenditure for the year was \$881.3 million, representing a variance of 8.4% (\$68.3 million).¹¹

6 Court Services Victoria, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 7.

7 Ibid., p. 6.

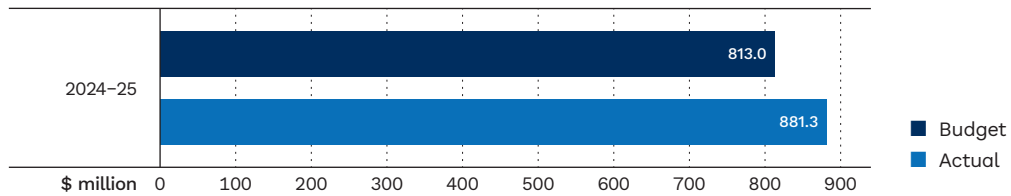
8 Ibid., p. 6.

9 Ibid., p. 7.

10 Ibid., p. 9; Louise Anderson, Chief Executive Officer, Court Services Victoria, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 4 December 2025, p. 3.

11 Court Services Victoria, *Annual Report 2024–25*, Melbourne, 2025, p. 28.

Figure 10.1 In 2024–25 Court Services Victoria exceeded its original budget by 8.4%



Source: Court Services Victoria, *Annual Report 2024–25*, Melbourne, 2025, p. 28.

CSV advised that the variance between its estimate and actual result was primarily due to increased expenditure on Victorian Public Service (VPS) Enterprise Agreement supplementation funding and depreciation costs.¹²

10.3.2 Revenue and expenses

Revenue

In 2024–25, CSV’s actual output appropriations were \$622 million, which is 10.9% higher (\$61 million) than its original budget of \$561 million.¹³ This is an increase from the previous year, where CSV’s actual output appropriations were \$570 million.¹⁴ CSV explained that the increase in output appropriations was associated with the transfer of costs from special appropriations, higher court fee revenue and cost of living supplementation funding for outcomes from the 2024 VPS Enterprise Agreement.¹⁵

Expenses

CSV’s actual spend on employee benefits was \$556 million in 2024–25, an increase of 19% (\$89 million) compared to the budget of \$467 million.¹⁶ This was primarily due to cost increases resulting from the 2024 VPS Enterprise Agreement outcomes, including one off cost of living supplementation payments and increased superannuation guarantee.¹⁷ These increased costs were also due to a greater proportion of operating expenditure being allocated to employee benefits, with a corresponding reduction in the supplies and services line item.¹⁸

¹² Ibid.

¹³ Court Services Victoria, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 24.

¹⁴ Ibid., p. 23.

¹⁵ Ibid., p. 24.

¹⁶ Ibid., p. 26.

¹⁷ Ibid.

¹⁸ Ibid.

CSV's actual grant expenses were \$20 million higher in 2024–25 than its original budget of \$4 million.¹⁹ This was due to additional costs associated with higher funding for initiatives relating to the Municipal Court Victoria's Court Mandated Counselling Orders program, Specialist Family Violence Court and drug treatment services.²⁰

Overall financial performance

Table 10.1 summarises CSV's financial performance in 2024–25.

Table 10.1 In 2024–25 Court Services Victoria's income exceeded its expenses by \$14.2 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	813.0	896.1
Expenses from transactions	813.0	881.9
Net result	0	14.2

Source: Court Services Victoria, *Annual Report 2024–25*, Melbourne, 2025, p. 29; Department of Treasury and Finance, *Budget Paper No. 5: 2024–25 Statement of Finances*, Melbourne, 2025, p. 153.

10.3.3 Savings initiatives

Savings initiatives and 'implementing efficiency measures with minimal impact on the quality of frontline court services' continued to be a key challenge for CSV in 2024–25. CSV advised that, in line with Government savings policies, it continued to review organisational structures, in particular back office and corporate functions, to reduce duplication across the organisation.²¹

CSV met its savings targets under the 2024–25 Whole of Government savings and efficiencies initiative, citing that impact on operations was mitigated via administrative efficiencies.²² CSV removed 108 full-time equivalent roles across administration, finance, communications and people services in 2024–25.²³ A Treasurer's Advance (TA) of \$5.2 million was requested from the Government's Workforce Transition Fund to supplement the redundancy costs of CSV's corporate consolidation program.²⁴

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid., p. 50.

²² Ibid., p. 27.

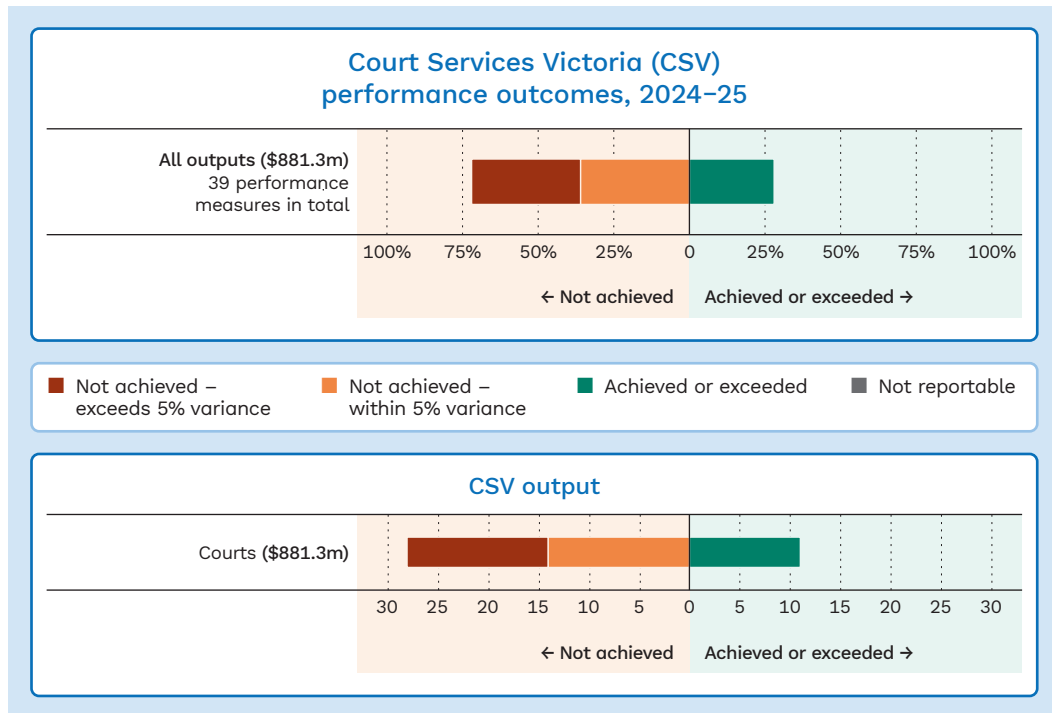
²³ Ibid., p. 28.

²⁴ Ibid., p. 10.

10.4 Performance information

In 2024–25, CSV achieved or exceeded 28% of its 39 performance measures published in its Annual Report. The Department failed to meet 36% of its measures within a 5% variance and did not meet 36% of its measures exceeding a 5% variance.

Figure 10.2 In 2024–25 Court Services Victoria achieved 28% of its performance measures



Source: Court Services Victoria, *Annual Report 2024–25*, Melbourne, 2025, pp. 25–28.

CSV’s performance demonstrates a continued decline in meeting or exceeding its performance measures since 2022, having met 38% in 2023–24 and 41% in 2022–23.²⁵

CSV did not meet several performance measures relating to ‘On-time case processing’ and ‘Case clearance rate’ across multiple court jurisdictions.²⁶ CSV noted that challenges to meeting performance targets included the implementation of VPS Enterprise Agreement outcomes and recent legislative reforms increasing the number of bail applications (discussed further in Section 10.5).²⁷ CSV advised that the changes to bail legislation have required court time to be diverted from case finalisations to bail matters in multiple court jurisdictions and increased average costs per case in the Magistrates’ Court.²⁸

²⁵ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, p. 167.

²⁶ Court Services Victoria, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, pp. 48–49.

²⁷ Court Services Victoria, *Annual Report 2024–25*, pp. 25–26.

²⁸ Ibid.

CSV performed well in several areas including:

- Average costs per case – civil and criminal matters disposed in the Supreme Court. These measures achieved a cost per case of 13.6% lower than the target for civil matters and 23.7% lower than the target for criminal matters due to a higher number of finalisations and lower expenditure.²⁹
- Average costs per case – civil matters disposed in the County Court was 16.6% below the target due to higher finalisations.³⁰
- Case clearance rate – criminal matters disposed in the Children’s Court achieved 10% over its performance target of 100% due to increased finalisations from active case management.³¹

10.5 Key issue: Impact of bail reforms on performance in the Magistrates’ Court

On 25 March 2025, the Victorian Parliament passed the *Bail Amendment Act 2025* (Amendment Act) to significantly reform the *Bail Act 1977* (Vic).³² The Amendment Act established new laws for breaking bail rules, made additional crimes eligible to be assessed under the ‘exceptional circumstances’ bail test and introduced a new ‘high degree of probability’ test for repeat offenders, amongst other reforms.³³

During the hearings, the Committee and Chief Executive Officer (CEO) discussed the impacts of these reforms on CSV’s service delivery in 2024–25. CSV acknowledged in the hearings that bail applications to the Magistrates’ Court (MC) had increased by 18% in the last financial year, with bail refusals also increasing by 32% in the same period.³⁴ Bail revocations by the MC represented the highest increase over estimates at 85% in the last financial year, rising from 3,568 in 2023–24 to 6,612 in 2024–25.³⁵ In total, the number of bail orders heard by the MC increased by 28% (from 82,846 in 2023–24 to 106,169 in 2024–25), primarily due to the significant increase in refusals and revocations.³⁶

In its 2024–25 Annual Report, CSV noted that ‘recent legislative reforms have increased the number of bail applications; court time has been diverted from case finalisations

²⁹ Ibid., p. 25.

³⁰ Ibid.

³¹ Ibid., p. 26.

³² Victorian Legislation, *Bail Amendment Bill 2025*, 2025, <<https://www.legislation.vic.gov.au/bills/bail-amendment-tough-bail-bill-2025>> accessed 20 January 2026.

³³ Victorian Government, *Bail laws*, 2 October 2025, <<https://www.vic.gov.au/bail-laws>> accessed 9 January 2026.

³⁴ Louise Anderson, Chief Executive Officer, Court Services Victoria, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 25 November 2025, *Transcript of evidence*, p. 3; The Magistrates’ Court Annual Report 2024–25 records this increase as 33%. Source: Magistrates’ Court of Victoria, *Annual Report 2024–25*, Melbourne, 2025, p. 34.

³⁵ Magistrates’ Court of Victoria, *Annual Report 2024–25*, p. 34.

³⁶ Ibid.

to prioritise bail matters', which impacted performance outcomes for case clearance rates.³⁷

None of the Courts overseen by CSV met a 100% case clearance rate in the last financial year, with the MC finalising the fewest cases at 92%.³⁸ CSV also reported that average costs per criminal case finalised in the MC had increased by 17.9%, explaining that 'the variance between the estimate and full-year result is due to lower finalisations arising from recent legislative change leading to an increase in bail applications requiring more in-court time'.³⁹

The increased demand placed on the MC following the introduction of bail reforms has had flow on effects on court proceedings and users. Increased bail applications mean that more people will spend time in custody while waiting for their case to be heard.⁴⁰ Victorian Legal Aid (VLA) has already observed impacts on court users, including 'people being held in police cells overnight because there is not enough court time to hear their case'.⁴¹ Data from VLA also shows a 29% rise in the need for duty lawyers for adults and a 50% rise for children in custody on remand in the three months following changes to bail laws in March 2025.⁴²

FINDING 79: In March 2025, the *Bail Amendment Act 2025* introduced bail reforms that have increased demand and costs in the Magistrates' Court and have impacted court proceedings and court users.

When questioned by the Committee on how CSV was addressing the increased demand, the CEO highlighted two initiatives; the remote remand court, where matters that are not necessarily first remand but are related to bail come through a centrally coordinated online court rather than through in-person hearings, and the new Intensive Case Management List (ICML).⁴³ Launched in May 2025 for the MC, the ICML is a pilot program that aims to pull together all bail and related offence orders for an alleged offender from across the State so that they can be heard in a single court, increasing efficiency.⁴⁴ CSV stated that the ICML will also 'facilitate the timely resolution of matters, identify issues in dispute and reduce adjournments and delay'.⁴⁵

³⁷ Court Services Victoria, *Annual Report 2024–25*, p. 26.

³⁸ Ibid.

³⁹ Ibid., p. 25.

⁴⁰ Victorian Legal Aid, *The impact on our clients of changes in bail laws*, 1 August 2025, <<https://www.legalaid.vic.gov.au/impact-our-clients-changes-bail-laws>> accessed 15 January 2026.

⁴¹ Ibid.

⁴² Erin Pearson, 'Magistrates furious as bail law changes fuel legal logjams', *The Age*, 4 November 2025, <<https://www.theage.com.au/national/victoria/magistrates-furious-as-bail-law-changes-fuel-legal-logjams-20251027-p5n5jg.html>> accessed 15 January 2026.

⁴³ Louise Anderson, Chief Executive Officer, Court Services Victoria, *Transcript of evidence*, p. 3.

⁴⁴ Ibid.; Louise Anderson, Chief Executive Officer, Court Services Victoria, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 4 December 2025, p. 6.

⁴⁵ Louise Anderson, Chief Executive Officer, Court Services Victoria, response to questions on notice, p. 6.

The Committee also queried whether additional judicial officers, registrars and support staff had been hired to accommodate the increase in demand. CSV advised that funding had been provided for one additional Supreme Court judge and staff, seven additional magistrates and two additional Children’s Court magistrates with support staff.⁴⁶ However, as funding did not commence until after the 2024–25 financial year, CSV did not hire any additional staff in 2024–25.⁴⁷ CSV noted that instead, existing staff were used to mitigate the impacts of increased bail applications following the changes to legislation.⁴⁸

FINDING 80: Court Services Victoria has implemented two initiatives—the remote remand court and Intensive Case Management List—to address increased demand in the Magistrates’ Court resulting from changes to the *Bail Act 1997*.

10.6 Key issue: Family violence court infrastructure

In 2024–25, the establishment of specialist family violence courts continued to be a key focus of both CSV investment and delivery, particularly in the Magistrates’ Court.⁴⁹

Continuing the implementation of recommendations from the *Royal Commission into Family Violence*, CSV finalised the retrofitting of the Latrobe, Sunshine and Ringwood court precincts to integrate three new specialist family violence courts.⁵⁰ The retrofits included the addition of secure entrances for affected family members, safe waiting spaces and rooms for services providers, dual access interview rooms and upgraded courtrooms.⁵¹ CSV attributed the delivery of these assets as a key contributor to maintaining its 99% case clearance rate for family violence intervention orders in 2024–25.⁵²

FINDING 81: In 2024–25, Court Services Victoria established three new specialist family violence courts following the retrofitting of the Latrobe, Sunshine and Ringwood Courts.

At the hearings, the Committee and the CEO of CSV discussed how the safety and accommodation of court users experiencing family violence had been intentionally considered during the design and development of the newly opened Wyndham Law Courts.⁵³ The CEO explained that the courts have been designed to be a ‘safe and

⁴⁶ Louise Anderson, Chief Executive Officer, Court Services Victoria, *Transcript of evidence*, p. 11.

⁴⁷ Louise Anderson, Chief Executive Officer, Court Services Victoria, *Transcript of evidence*, p. 11; Louise Anderson, Chief Executive Officer, Court Services Victoria, response to questions on notice, p. 6.

⁴⁸ Louise Anderson, Chief Executive Officer, Court Services Victoria, response to questions on notice, p. 6.

⁴⁹ Louise Anderson, Chief Executive Officer, Court Services Victoria, *Transcript of evidence*, p. 2.

⁵⁰ *Ibid.*

⁵¹ Court Services Victoria, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 7.

⁵² *Ibid.*

⁵³ Public Account and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Court Services Victoria, Melbourne, 25 November 2025, *Transcript of evidence*, p. 4.

secure, highly functioning court facility that provides a one-stop-shop', and that 'there are three circulation pathways reflecting safety for family violence: people who are seeking the protection of the court for family violence, children and young people'.⁵⁴

CSV's total estimated investment (TEI) for the *Specialist Family Violence Integrated Court Response* project increased from \$35 million at announcement to \$73.9 million TEI as at 30 June 2025.⁵⁵ In its questionnaire response, CSV advised that the variance in TEI was 'due to increased scope and complexities (including planning and latent infrastructure requirements at Broadmeadows and Geelong)'.⁵⁶ The estimated delivery date for facilities upgrades at Broadmeadows and Geelong courts had also been extended from quarter 1 of 2024–25 to quarter 4 of 2025–26, with CSV citing 'additional scope including extended design periods required at Broadmeadows and Geelong, owing to a complex interface between building expansion and existing infrastructure' as the reason for delay.⁵⁷

FINDING 82: Delivery of specialist family violence court infrastructure at Broadmeadows and Geelong courts has been delayed until quarter 4 of 2025–26 due to increased scope and complexities between building expansion and existing infrastructure. The total estimated investment for this project has also increased from \$35 million at announcement to \$73.9 million as at 30 June 2025.

The Committee queried the rollout delays at these courts in the hearings, asking why scope issues that had emerged in 2022 were not resolved until mid-2025.⁵⁸ The CEO explained that the retrofitting of Broadmeadows and Geelong had proven 'difficult' due to their status as high-volume, operating courts and the impact of construction works on court proceedings.⁵⁹ CSV acknowledged that the impact of upgrades on the operation of the courts could have been considered more fulsomely.⁶⁰ CSV noted that despite the delays, the retrofits will facilitate the delivery of important specialist family violence court services beyond new infrastructure, including wraparound supports from providers such as The Orange Door and the Court Network.⁶¹

⁵⁴ Louise Anderson, Chief Executive Officer, Court Services Victoria, *Transcript of evidence*, pp. 4–5.

⁵⁵ Court Services Victoria, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 16.

⁵⁶ *Ibid.*

⁵⁷ *Ibid.*, p. 17.

⁵⁸ Public Account and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Court Services Victoria, *Transcript of evidence*, p. 6.

⁵⁹ Louise Anderson, Chief Executive Officer, Court Services Victoria, 2024–25 Financial and Performance Outcomes hearing, *Transcript of evidence*, p. 6.

⁶⁰ *Ibid.*

⁶¹ *Ibid.*, p. 7.

Chapter 11

Department of Government Services

11.1 Overview

The Department of Government Services (DGS) aims to improve how Victorians and business engage with Government, and to accelerate digital transformation and corporate service reform across the Victorian public sector.¹

In 2024–25 DGS's objectives were to:

- make it easier for individuals and businesses to engage with Government
- accelerate digital transformation for Government
- deliver corporate services that enable efficiency, productivity and high-quality service delivery.²

11.2 Outcomes and challenges

In response to the Committee's questionnaire, DGS was asked to identify its programs that delivered the most important outcomes in the community and programs that did not deliver their planned outcomes in 2024–25.

Key outcomes included:

- *Cyber Safe Victoria 2021+*, which responded to 2,265 cyber threat intelligence activities and 260 cyber incidents
- the *Rental Stress Support Package* delivering rental supports to 4,094 clients
- supporting 3,728 victim survivors of family violence with financial counselling.³

DGS identified programs that did not meet their objectives including:

- Dispute Settlement Centre of Victoria (DSCV) conducting only 64% of dispute resolution services within agreed timeframes, against a target of 95%. DGS attributed the timeliness underperformance of DSCV to demand being 51.5% higher than expected

¹ Department of Government Services, *Annual Report 2024–25*, Melbourne, 2025, p. 6.

² Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2024, p. 123.

³ Department of Government Services, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 6–9.

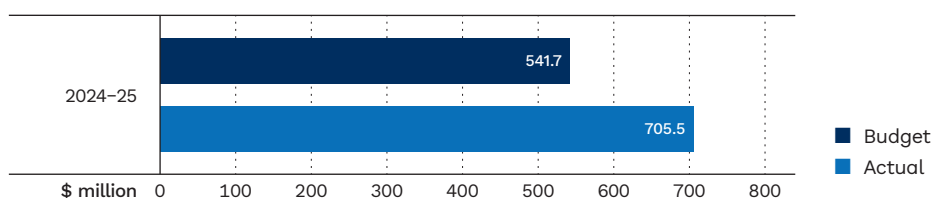
- Domestic Building Dispute Resolution Victoria (DBDRV) providing 21.6% fewer dispute resolution services than planned (4,707 against a target of 6,000), which it attributed to reduced demand.⁴

11.3 Financial analysis

11.3.1 Output expenditure

In 2024–25, DGS’s output budget was \$541.7 million. Actual expenditure for the year was \$705.5 million, representing a variance of 30.2% (\$163.8 million).⁵

Figure 11.1 In 2024–25 Department of Government Services exceeded its output budget by 30.2%



Source: Department of Government Services, *Annual Report 2024–25*, Melbourne, 2025, pp. 32–42.

DGS spent more than it budgeted for all seven of its outputs, with variances ranging from 9.7% to 124.9%.⁶ The largest proportional overspend was in the Identity and Worker Screening Services output, which spent \$52.4 million against a target of \$23.3 million. This is a variance of 124.9% (\$29.1 million). DGS attributed this to ‘supplementation funding’ for Births, Deaths and Marriages, and operational requirements for Worker Screening Services as part of the 2025–26 State Budget process.⁷

The largest absolute overspend was in the Regulation of the Victorian Consumer Marketplace output. DGS stated that this was due to increased grants from the Victorian Property Fund to the Victorian Civil and Administrative Tribunal to assist with the backlog in Residential Tenancies, and Domestic Building matters.⁸

11.3.2 Revenue and expenses

Revenue

In 2024–25, DGS’s actual output appropriations were \$463.1 million, 21.6% (\$82.3 million) higher than its budget of \$380.8 million. DGS attributed this to ‘supplementation funding’

⁴ Ibid., pp. 10–11; Department of Government Services, *Annual Report 2024–25*, p. 38.

⁵ Department of Government Services, *Annual Report 2024–25*, pp. 32–42.

⁶ Ibid.

⁷ Ibid., p. 34.

⁸ Ibid., p. 39.

and the ‘release of funds held in contingency for various initiatives’. These initiatives include:

- Maintaining identity and worker screening services
- Implementing the 2024 VPS Enterprise Agreement outcomes
- Service Victoria Operational Funding
- Cyber Security Reform
- Common Corporate Platform.⁹

DGS stated this funding was used to ‘address cost pressures within the Workers Screening Unit, implement new VPS agreement outcomes and cyber security initiative, and cover Service Victoria’s business operational requirements’.¹⁰

Expenses

In 2024–25, DGS spent \$414.2 million on employee expenses, a 41% (\$120.5 million) increase compared to its budget of \$293.7 million. In response to the Committee’s questionnaire, DGS said this was ‘predominantly due to staff funded by further supplementation funding’ and release of contingency funds, as described above for output appropriations. DGS also reported a 34.6% (\$70.7 million) increase in other expenses compared to its budget of \$204.2 million, which it attributed to the same causes.¹¹

Overall financial performance

Table 11.1 below summarises DGS’s financial performance in 2024–25.

Table 11.1 In 2024–25 the Department of Government Service’s income exceeded its expenses by \$58.1 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	832.0	1,004.7
Expenses from transactions	745.2	946.9
Net result	86.8	58.1

Source: Department of Government Services, *Annual Report 2024–25*, Melbourne, 2025, p. 166.

⁹ Department of Government Services, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 33.

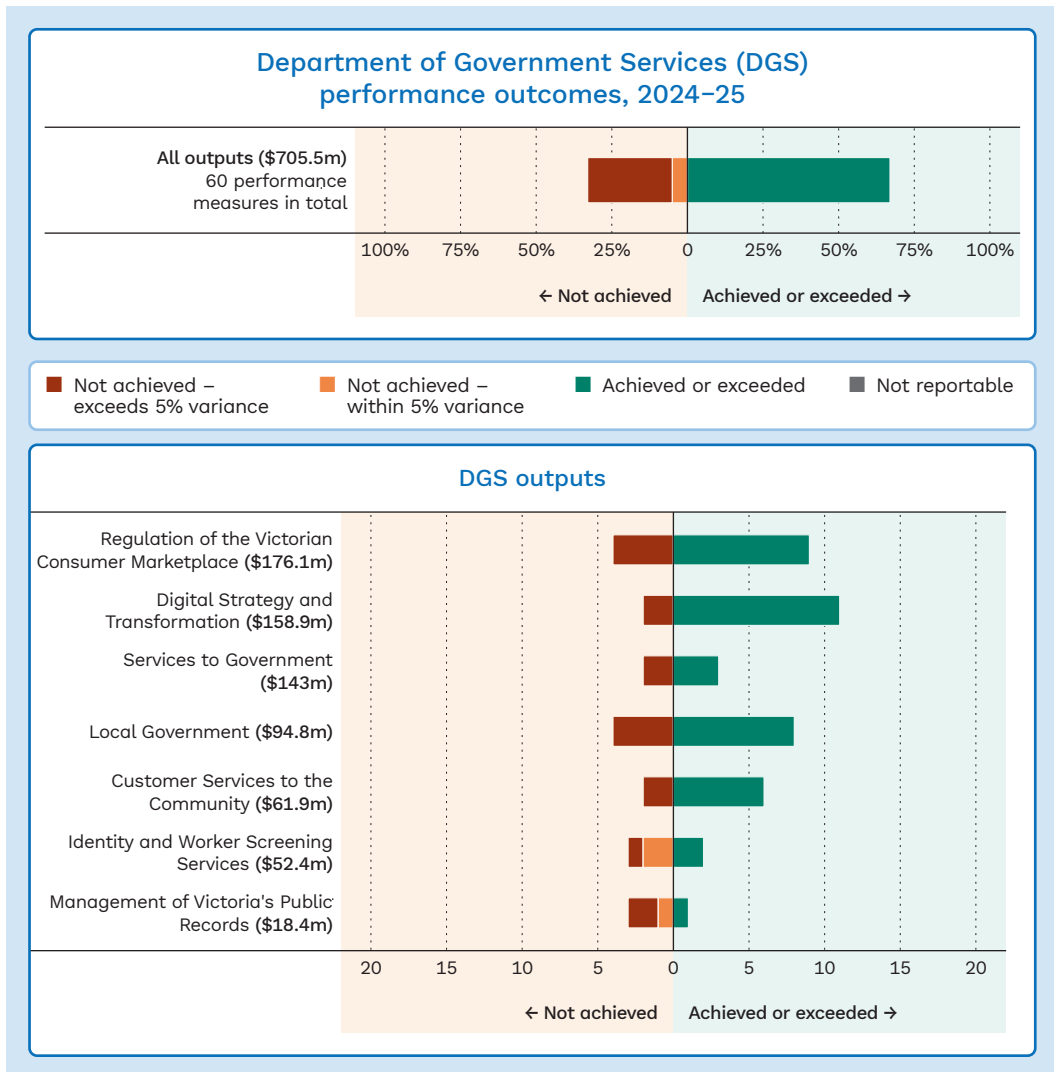
¹⁰ Ibid.

¹¹ Ibid., pp. 35–36.

11.4 Performance information

In 2024–25, DGS achieved or exceeded 67% of its 60 performance measures published in its Annual Report. The Department did not meet 5% of its measures within a 5% variance and did not meet 28% of its measures exceeding a 5% variance.

Figure 11.2 In 2024–25 the Department of Government Services achieved 67% of its performance measures



Source: Department of Government Services, *Annual Report 2024–25*, Melbourne, 2025, pp. 32–42.

As discussed above, in response to the Committee’s questionnaire, DGS identified underperformance against performance measures for dispute resolution services at DSCV and DBDRV.

In its Annual Report, DGS attributed underperformance for ‘Dispute resolution services provided by Domestic Building Dispute Resolution Victoria (DBDRV)’ to ‘reduced demand for this service in this period’. It attributed underperformance for ‘Percentage

of intake and mediation services conducted within agreed timeframes (DSCV)' and 'Overall customer satisfaction rate (DSCV)' to 'consistently high demand for information and advice'.¹² However, the *Resource Management Framework* (RMF) states 'It is not sufficient to state that targets were not met or exceeded due to reduced or increased demand, or revised projects. The reasons for changes in demand should be outlined where possible'.¹³

RECOMMENDATION 19: When explaining variances in performance measure results in its annual reports, the Department of Government Services outline the reasons for changes in demand.

11.5 Key issue: Service Victoria

Service Victoria is a website and mobile application that DGS describes as 'the front door to government services'.¹⁴ It enables Victorians to find and utilise a wide range of services delivered by different departments and agencies in the one place. Over 200 State Government services can now be accessed through Service Victoria, including getting a digital driver's licence, applying for a Working with Children Check and renewing a vehicle or boat registration.¹⁵ In response to the Committee's questionnaire, DGS identified one of its most significant challenges as the 'Provision of government services to meet community needs'. DGS characterised the addition of services to Service Victoria as the primary action it took in response to this challenge.¹⁶

11.5.1 Funding

DGS received \$65 million in funding in 2024–25 for the *Delivering digital services – Service Victoria and websites* program, which aims to continue the Service Victoria and Single Digital Presence platforms.¹⁷ This funding contributed to DGS's Digital Strategy and Transformation output.¹⁸ Service Victoria also received funding through the Customer Services to the Community output, which had total output funding of \$32.8 million in the 2024–25 Budget.¹⁹

¹² Department of Government Services, *Annual Report 2024–25*, p. 38.

¹³ Department of Treasury and Finance, *Resource Management Framework Part 1 of 2 – Main document – effective 1 July 2025*, Melbourne, 2025, p. 47.

¹⁴ Jo de Morton, Secretary, Department of Government Services, 2024–25 Financial and Performance Outcomes hearing, Department of Government Services, Melbourne, 25 November 2025, *Transcript of evidence*, p. 1.

¹⁵ Jo de Morton, Secretary, Department of Government Services, 2024–25 Financial and Performance Outcomes hearings presentation: *Government Services*, supplementary evidence received 25 November 2025, p. 3; Service Victoria, *Victorian Government Services*, 2025, <<https://service.vic.gov.au/find-services>> accessed 8 January 2026.

¹⁶ Department of Government Services, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 61.

¹⁷ Department of Government Services, *Response to the 2025–26 Budget Estimates questionnaire*, received 23 May 2025, p. 22.

¹⁸ Department of Treasury and Finance, *Budget Paper No. 3: 2023–24 Service Delivery*, Melbourne, 2023, p. 51.

¹⁹ Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, p. 126.

In addition, DGS received Treasurer's Advances (TA) for Services Victoria, as summarised in the table below.

Table 11.2 The Department of Government Services received \$32.5 million in Treasurer's Advances for Services Victoria in 2024–25

Type of advance	Purpose	Funds received	Objective	Reason fundings was required
Treasurer's Advance	Additional support for Asset maintenance of Service Victoria	\$7,100,000	Continued maintenance of the Service Victoria app and website to ensure Victorians can access government services online.	Funding covered Service Victoria's depreciation costs for the capitalised customer platform and assets.
Treasurer's Advance	Service Victoria's Children's Package	\$400,000	Develop an initial suite of Children's digital roadmap products.	To implement the Service Victoria Workplan.
Contingency release	Service Victoria – delivering digital government services	\$25,000,000		Funding released from contingency supported the core operational expenses of Service Victoria, including software licences, system security, and data management of the Service Victoria platform. This ensured the continued availability of around 200 services and 3.4 million customer accounts.
Total		\$32,500,000		

Source: Department of Government Services, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 14, 15, 19.

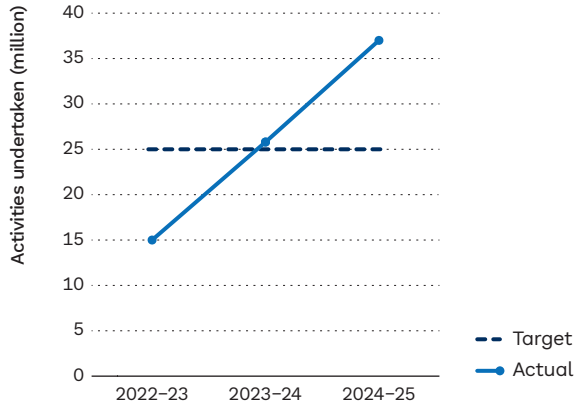
11.5.2 Performance

In 2024–25, DGS added 60 new digital products, services and features to Service Victoria, and the website and mobile app supported over 37 million activities.²⁰ Performance measures show that the number of activities completed on the Services Victoria platform has increased over time, while the cost per activity has decreased, down to \$1.57 in 2024–25.²¹ A reduction in the cost per activity is to be expected as the number of users and activities increases.

²⁰ Department of Government Services, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 61.

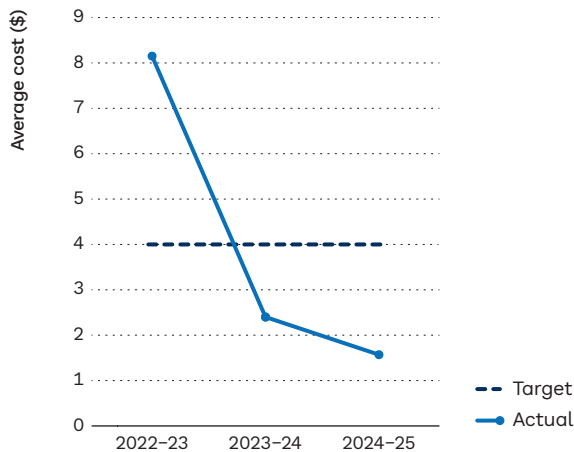
²¹ Department of Government Services, *Annual Report 2024–25*, p. 32.

Figure 11.3 Activities on the Service Victoria platform have increased over time



Source: Department of Treasury and Finance, *Departmental statements: Department of Government Services—output performance measures 2025-26*, 22 May 2025, <<https://www.dtf.vic.gov.au/departmental-statements>> accessed 10 December 2025; Department of Government Services, *Annual Report 2024-25*, Melbourne, 2025, p. 32.

Figure 11.4 The average cost per activity on the Service Victoria platform has decreased over time



Source: Department of Treasury and Finance, *Departmental statements: Department of Government Services—output performance measures 2025-26*, 22 May 2025, <<https://www.dtf.vic.gov.au/departmental-statements>> accessed 10 December 2025; Department of Government Services, *Annual Report 2024-25*, Melbourne, 2025, p. 32.

Customer satisfaction has remained consistently high, with the Department meeting its 95% target for ‘Overall satisfaction of customers completing a transaction on the Service Victoria digital customer platform’ in 2024-25.²²

²² Department of Treasury and Finance, *Departmental statements*, 22 May 2025, <<https://www.dtf.vic.gov.au/departmental-statements>> accessed 10 December 2025; Department of Government Services, *Annual Report 2024-25*, p. 32.

FINDING 83: The Department of Government Services performed well against its performance measures for a number of activities on the Services Victoria platform, average cost per activity and customer satisfaction in 2024–25.

11.5.3 Duplicated services

During the hearings, the Committee asked DGS officials about services that are offered by both Services Victoria and other Government entities.²³ In response to a question taken on notice, the Secretary advised that there were two duplicate products with Service Victoria:

- VicRoads – digital driver’s licence and check/renew registration
- Ambulance – Ambulance Victoria membership.

The Secretary also advised that it is a matter for these organisations in light of ‘their organisation objectives and strategy’ why they continue to offer these services.²⁴ During the hearings, the Secretary stated that the cost of the duplicate services could not be determined because, due to the way the product is delivered, the cost of the digital driver’s licence service cannot be itemised from overall Service Victoria costs.²⁵

FINDING 84: Services available through Services Victoria duplicate two services provided by VicRoads and Ambulance Victoria. The cost of this duplication is not known.

11.5.4 Lapsing program evaluations

Under the RMF, departments are required to conduct evaluations of programs that receive a total of \$20 million or more in funding within 12 months of when the program’s funding is set to lapse.²⁶ The Department completed lapsing program evaluations of Service Victoria and Single Digital Presence in 2024, costing \$300,000. DGS indicated that the evaluation reports are not publicly available because they were completed per DTF’s RMF requirements. DGS did not provide an executive summary as requested in the Committee’s questionnaire. The questionnaire also asked about the findings and outcomes of any studies or evaluations, but DGS only stated that two reports had been produced in line with RMF requirements and did not describe any findings or outcomes.²⁷

²³ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Department of Government Services, Melbourne, 24 November 2025, *Transcript of evidence*, pp. 11–12.

²⁴ Jo de Morton, Secretary, Department of Government Services, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 3 December 2025, p. 9.

²⁵ Jo de Morton, Secretary, Department of Government Services, *Transcript of evidence*, p. 11.

²⁶ Department of Treasury and Finance, *The Resource Management Framework Part 1 of 2 – Main document – effective 1 July 2025*, p. 135.

²⁷ Department of Government Services, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 52.

In response to the Committee's previous 2025–26 Budget Estimates questionnaire, DGS indicated that these reports could not be provided because they were prepared as a component of a business case for Cabinet consideration, so they were cabinet in confidence.²⁸ As the Committee found in its 2025–26 Budget Estimates report, publishing lapsing program evaluations would improve transparency for program outcomes and the rationale for funding decisions.²⁹

²⁸ Department of Government Services, *Response to the 2025–26 Budget Estimates Questionnaire*, p. 22.

²⁹ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2025–26 Budget Estimates*, October 2025, p. 6.

Chapter 12

Department of Treasury and Finance

12.1 Overview

The Department of Treasury and Finance's (DTF) role is to provide economic, financial, infrastructure, industrial relations and commercial policy advice to help the Victorian Government deliver its policies.¹

In 2024–25, DTF's objectives were to:

- optimise Victoria's fiscal resources
- strengthen Victoria's economic performance
- improve how government manages its balance sheet, commercial activities and public sector infrastructure
- strengthen Victoria's economic performance through fair, equitable and productive workplaces.²

12.2 Outcomes and challenges

In response to the Committee's questionnaire, DTF was asked to identify its programs that delivered the most important outcomes in the community, programs that did not deliver their planned outcomes and the key challenges faced by the Department in 2024–25.

Key outcomes included:

- Delivery of the 2025–26 Budget whereby DTF provided advice to the Government throughout the year, supporting its policies and priorities, and providing advice on the economic outlook, budget bids and relevant accounting and financial reporting implications.³
- Supporting the development and introduction of the *Financial Management Act Bill 2025*. DTF developed reforms to the *Financial Management Act 1994* and the *Constitution Act 1975* to improve accountability and transparency across the public sector. The new Act was introduced into Parliament on 20 May 2025.⁴

1 Department of Treasury and Finance, *Annual Report 2024–25*, Melbourne, 2025, p. 1.

2 Ibid.

3 Department of Treasury and Finance, *2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 7.

4 Ibid., p. 8.

As in previous years, rather than identifying programs that did not deliver their planned outcomes as requested by the Committee, DTF instead listed its lowest-performing performance measures.

DTF outlined key challenges faced in 2024–25, including:

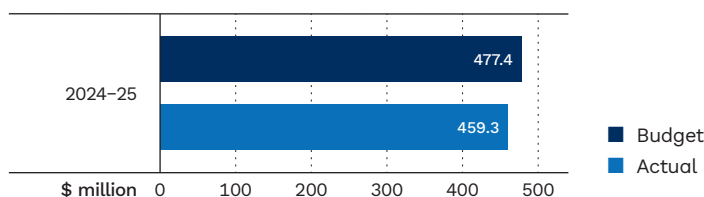
- The challenging economic and fiscal environment, caused by external factors such as elevated interest rates, ongoing cost-of-living pressures and global uncertainty arising from US tariff policies and geopolitical risks. It responded to this environment through providing advice to government.⁵
- Ineffective engagement with stakeholders, reducing its ability to manage relationships with departments, portfolio agencies and other stakeholders, and in turn its ability to influence outcomes. DTF is responding to this challenge by monitoring key stakeholder feedback and ensuring alignment between policy priorities and stakeholder needs.⁶
- A complex operating environment, caused by internal factors including increased workloads, competing priorities and resource allocation challenges. DTF is responding to this challenge through the *DTF Improvement Initiative*, which aims to improve staff wellbeing and influence by better understanding barriers in the Department, and implementing improvements.⁷

12.3 Financial analysis

12.3.1 Output expenditure

In 2024–25, DTF’s output budget was \$477.4 million. Actual expenditure for the year was \$459.3 million, representing a variance of 3.8% (\$18.1 million).⁸

Figure 12.1 In 2024–25 the Department of Treasury and Finance spent less than its original budget by 3.8%



Source: Department of Treasury and Finance, *Annual Report 2024–25*, Melbourne, 2025, pp. 23–35.

⁵ Department of Treasury and Finance, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 84.

⁶ Ibid.

⁷ Ibid.

⁸ Department of Treasury and Finance, *Annual Report 2024–25*, pp. 23–35.

While several output costs were either exceeded or underspent from the original budget, the largest cost variance was an 38.3% underspend (\$12.4 million) for the Industrial Relations output due to funding rephased into future years.⁹

12.3.2 Revenue and expenses

In 2024–25, DTF’s revenue (\$457 million) remained close to its original budget (\$444 million).¹⁰ Employee benefits (\$267 million) were 12.7% (\$30 million) higher than forecasted in the 2024–25 Budget.¹¹ This was due to funding for Industrial Relations Victoria, the Victorian Independent Remuneration Tribunal, and the 2024 Victorian Public Service Enterprise Agreement outcomes.¹²

Overall financial performance

Table 12.1 below summarises DTF’s financial performance in 2024–25.

Table 12.1 In 2024–25 the Department of Treasury and Finance’s income exceeded its expenses by \$7 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	452	466
Expenses from transactions	452	459
Net result	-	7

Source: Department of Treasury and Finance, *Annual Report 2024–25*, Melbourne, 2025, p. 40.

12.4 Performance information

In 2024–25, DTF achieved or exceeded 82% of its 76 performance measures published in its Annual Report. The Department did not meet 1% of its measures within a 5% variance and did not meet 16% of its measures exceeding a 5% variance.¹³

⁹ Ibid., p. 35.

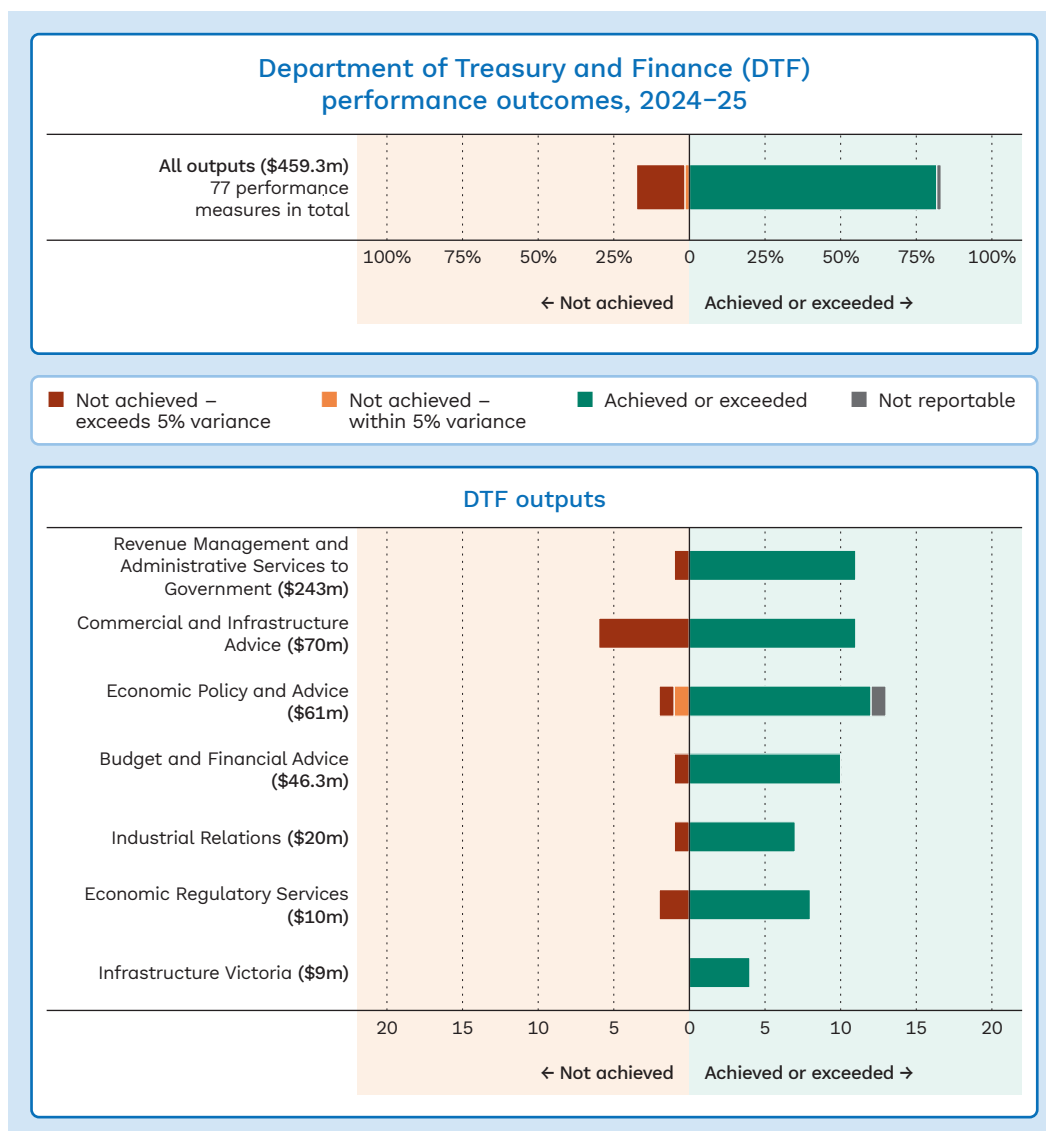
¹⁰ Department of Treasury and Finance, *2024–25 Financial and Performance Outcomes Questionnaire*, pp. 51–52.

¹¹ Ibid., pp. 54–55.

¹² Ibid., pp. 54–55.

¹³ Department of Treasury and Finance, *Annual Report 2024–25*, pp. 23–35.

Figure 12.2 In 2024–25 the Department of Treasury and Finance achieved or exceeded 82% of its performance measures



Source: Department of Treasury and Finance, *Annual Report 2024–25*, Melbourne, 2025, pp. 23–35.

Overall, DTF performed well against its performance measures. However, a single output, Commercial and Infrastructure Advice, did not meet six out of 17 measures. This included:

- Developing none of the Department’s action plans out of a target of nine, as the action plans are to be developed in preparation for new psychological health regulations, and this was not made public until October 2025.
- Developing and implementing training to build capability to deliver infrastructure, whereby DTF implemented 35 infrastructure-related training sessions against its target of 56, due to the re-tendering of some capability programs.

- Completing 60 Assurance and Gateway reviews against its target of 72. Fewer reviews were conducted in the second half of the financial year due to a reduction in the funding of new projects.¹⁴

12.5 Key issues: Regulation activity relating to the building and construction industry

At the hearings, the Secretary advised the Committee of the Department's work over 2024–25 establishing the Building and Plumbing Commission (BPC). The BPC will operate as an integrated building and insurance regulator for Victoria's construction sector.¹⁵ This new entity brings together the Victorian Building Authority (VBA), Domestic Building Dispute Resolution Victoria (DBDRV) and the domestic building insurance (DBI) arm of the Victorian Managed Insurance Authority (VMIA). The BPC began operations in July 2025.¹⁶

The creation of a new building regulator that integrates the functions of three previously stand-alone authorities delivers on the Government's *Economic Growth Statement* aim to cut the number of business regulators by half by 2030.¹⁷

The establishment of the BPC follows a series of independent oversight reports and investigations into building industry regulation, dispute resolution and the administration of DBI that were conducted in 2024–25.¹⁸

Preparing for the BPC was a significant challenge for the VMIA over 2024–25. The VMIA noted this 'meant the transfer of all existing policies of insurance and claims activities, as well as most associated assets and liabilities, needed to be undertaken'.¹⁹ In order to meet the challenge, the VMIA created a dedicated DBI transition team that worked across the VBA, DTF and Department of Transport and Planning. The team also reviewed all supplier contracts and helped to design a 'single front door solution' for DBI. The team also undertook a communications strategy program to ensure customers, suppliers and builders understood the reforms.²⁰ The BPC expects the transition to a fully integrated and functioning building regulator to continue over 2025–26.²¹

¹⁴ Department of Treasury and Finance, *Annual Report 2024–25*, p. 31.

¹⁵ Chris Barrett, Secretary, Department of Treasury and Finance, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 24 November 2025, *Transcript of evidence*, p. 3.

¹⁶ Building and Plumbing Commission, *A new era of building and plumbing regulation in Victoria*, 2025, <<https://www.bpc.vic.gov.au>> accessed 3 January 2026.

¹⁷ Victorian Government, *Victoria: Open for Business, Economic Growth Statement*, Melbourne, 2024, p. 25.

¹⁸ Victorian Auditor-General's Office, *Domestic Building Insurance*, Melbourne, 2025; Victorian Ombudsman, *'We just want to finish our home': Management of Domestic Building insurance claims by the VMIA*, Melbourne, 2025; Bronwyn Weir and Frances Hall, *Victorian Building Authority—The Case for Transformation*, Melbourne, 2024

¹⁹ Victorian Managed Insurance Authority, *2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 43.

²⁰ Ibid.

²¹ Building and Plumbing Commission, *A new era of building and plumbing regulation in Victoria*, 2025, <<https://www.bpc.vic.gov.au>> accessed 11 February 2026.

FINDING 85: The Government announced the establishment of a single building industry regulator, the Building and Plumbing Commission, after a series of independent oversight investigations into building industry regulation, dispute resolution and the administration of domestic building insurance. These investigations found unsatisfactory customer complaints handling processes within the Victorian Managed Insurance Authority and legislative and regulatory failures at the Victorian Building Authority.

12.5.1 Reducing the number of Victoria’s regulators

In explaining the Government’s aim of reducing the number of regulators by half, the *Economic Growth Statement* notes this:

... will make it easier for businesses to interact with government by offering clearer points of contact, fewer processes and forms to deal with, and fewer interactions with regulators ...²²

The *Independent Review of the Victorian Public Service* (known as ‘the Silver Review’) also noted that a ‘more streamlined regulatory system would remove duplication of effort, increase the use of shared services, and reduce red tape for business’.²³ As the BPC notes, streamlining building sector regulation into one entity offers the community ‘a single front door to help consumers navigate the [building] system and hold practitioners to account’.²⁴ Various independent oversight reports into DBI and the VBA illustrate poor consumer protection practices within the industry to date.

FINDING 86: The formation of the Building and Plumbing Commission is intended to address previous regulatory and consumer protection failures identified in Victoria’s building industry. It offers a ‘single front door’ for users of the sector and is intended to remove duplication, reduce red tape for business and assist consumers with complaints in holding practitioners to account.

The *Economic Growth Statement* noted that a roadmap showing the path to halving the number of business regulators by 2030 would be published in 2025, and that regulation impacting food and construction industry businesses would be their initial priority.²⁵

²² Victorian Government, *Victoria: Open for Business, Economic Growth Statement*, p. 25.

²³ Helen Silver AO, *Independent Review of the Victorian Public Service: Final Report*, Melbourne, 2025, p. 77.

²⁴ Building and Plumbing Commission, *New BPC putting consumers first from day one*, July 2025, <<https://www.vba.vic.gov.au/news/news/2025/new-bpc-putting-consumers-first-from-day-one>> accessed 17 February 2026.

²⁵ Victorian Government, *Victoria: Open for Business, Economic Growth Statement*, p. 25.

Further information regarding the Government's plans for regulator consolidation is now published in the Government's response to the Silver Review.²⁶ This relates to the amalgamation of regulatory bodies representing business, legal and professional services practitioners, outdoor recreation and environment protection.²⁷ However, at the time of writing, a roadmap that details the rationale for further regulatory consolidation and its design, together with an explanation of the roles and responsibilities within these organisations, has not been published.

FINDING 87: The creation of the Building and Plumbing Commission forms part of the Government's *Economic Growth Statement* initiative to reduce the number of regulators in Victoria by half. The Government has outlined further regulatory consolidation across the food, business, legal and professional services, outdoor recreation and environmental protection sectors to meet their reduction target.

RECOMMENDATION 20: The Department of Treasury and Finance publish the roadmap for regulator consolidation as part of the 'halve the number of business regulators by 2030' initiative in the Government's *Economic Growth Statement*.

12.6 Key issue: Financial sustainability of public financial corporation insurance agencies

Victoria's public financial corporations (PFC) sector insurers include:

- the Transport Accident Commission that provides insurance cover to road and transport accident victims
- workplace injury insurer WorkSafe Victoria
- Victorian Government insurer VMIA that provides insurance for state owned assets and activities including road and rail systems, hospitals, schools, cultural institutions, cemeteries and national parks.²⁸

WorkSafe Victoria and the VMIA have experienced difficult operating conditions in recent years, leading to insurance premium increases to consolidate their financial position. This has included:

- The VMIA increasing their premiums for DBI by 43% on all construction types in 2023, and a further 65% for single-dwelling policies and 20% for other constructions such as renovations and swimming pools on 1 July 2024.²⁹

²⁶ Victorian Government, *Ensuring the public sector is focused on what matters most*, Melbourne, 2025, pp. 7–8.

²⁷ Ibid., p. 8.

²⁸ Transport Accident Commission, *What we do*, (n.d.), <<https://www.tac.vic.gov.au/about-the-tac/our-organisation/what-we-do>> accessed 17 February 2026; WorkSafe Victoria, *About WorkSafe*, 2025, <<https://www.worksafe.vic.gov.au/about-worksafe>> accessed 13 February 2026; Victorian Managed Insurance Authority, *About us*, 2025, <<https://www.vmia.vic.gov.au/about-us>> accessed 13 February 2026.

²⁹ Victorian Auditor-General's Office, *Domestic Building Insurance*, Melbourne, 2025, p. 6.

- WorkSafe Victoria increasing their premiums to 1.8% in 2023–24 from 1.272%, which was in place since 2014–15.³⁰ Other measures taken to improve the financial position of WorkSafe Victoria included changes to eligibility criteria for mental health injury claims and establishing Return to Work Victoria to improve return to work outcomes for injured workers that are no longer eligible for weekly compensation payments.³¹

The VMIA explained the context in which increases to the number of claims and claims costs have taken place across the insurance sector:

Social inflation³² has significantly contributed to the growth in the frequency and size of liability claims as Australia, and Victoria in particular becomes a more litigious environment. This is shown in the increasing frequency of nervous shock claims, higher general damages allowances in compensation payments, expansion of types of damages in compensation payments such as economic loss and increasing legal representation costs due to the need to prepare increasing numbers of expert reports.³³

All insurers noted they experienced an increase in investment incomes in 2024–25 compared to the previous year due to high rate (over 11%) of return on their investment portfolios managed on their behalf by the Victorian Funds Management Corporation.³⁴ All the insurers further noted the increased investment income was used to fund claims costs.³⁵

FINDING 88: The state insurers experienced higher-than-expected investment income in 2024–25 reflecting strong returns on their portfolios managed by the Victorian Funds Management Corporation. This followed a period of difficult trading conditions for the Victorian Managed Insurance Authority and WorkSafe, including increases to the number of claims and claims costs, leading to premium increases in 2023–24 and 2024–25.

The insurance funding ratio (IFR) is used by PFC insurers as measure of an insurance scheme’s long-term financial sustainability. It shows the ratio of assets to liabilities.³⁶ An IFR of 104% indicates that for every \$100 an insurer has in liabilities, it has \$104 in assets.³⁷

30 Public Accounts and Estimates Committee, *Report on the 2023–24 Budget Estimates*, October 2023, p. 211.

31 *Ibid.*, pp. 212–213.

32 ‘Social Inflation’ is a term used by the insurance sector to describe rising claims costs that are due to non-economic factors. Source: Stacey Mitchell, ‘Regulator Insight: Social Inflation’, *Center for Insurance Policy and Research*, National Association of Insurance Commissioners, 2023, <<https://content.naic.org/sites/default/files/cjpr-report-social-inflation.pdf>> accessed 17 February 2026.

33 Victorian Managed Insurance Authority, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 42.

34 Victorian Managed Insurance Authority, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 20; WorkSafe Victoria, *2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 20; Transport Accident Commission, *2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, p. 20.

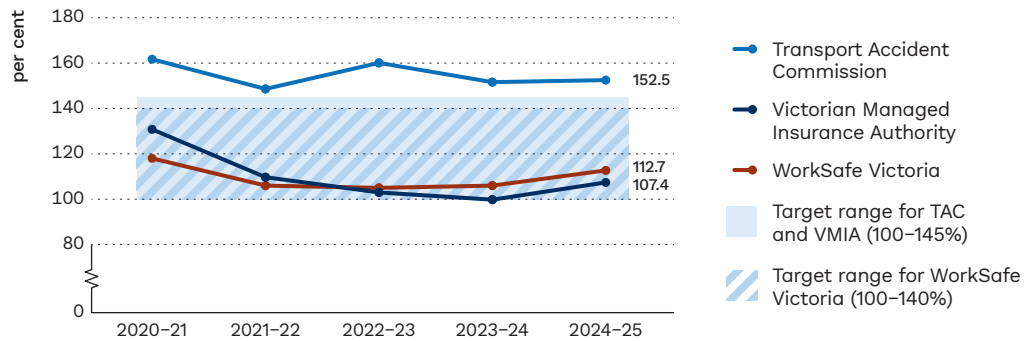
35 Victorian Managed Insurance Authority, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 20; WorkSafe Victoria, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 21; Transport Accident Commission, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 21.

36 Victorian Managed Insurance Authority, *Annual Report 2023–24*, Melbourne, 2024, p. 77.

37 WorkSafe Victoria, *Annual Report 2019–20*, Melbourne, 2020, p. 6.

The State's insurers all have a target IFR range. This is 100–145% for the Transport Accident Commission (TAC) and VMIA, and 100–140% for WorkSafe Victoria.³⁸

Figure 12.3 While the insurance funding ratio for WorkSafe Victoria and the Victorian Managed Insurance Authority improved in 2024–25 over the previous year's result, they were in the lower end of their preferred target range



Source: WorkSafe Victoria, *Annual Reports 2021–22 – 2024–25*, Victorian Managed Insurance Authority, *Annual Reports 2021–22 – 2024–25*, Transport Accident Commission, *Annual Reports 2021–22 – 2024–25*.

VMIA's financial position worsened in the years leading up to the 2024–25 premium rise due to increasing number of claims and more costly claims, reflecting the Black Saturday Bushfires of 2019, the 2022 floods and storm events in regional Victoria and the PDH collapse in March 2023.³⁹ The PDH collapse was 'one of the largest domestic builder insolvencies in Australian history'.⁴⁰ These events, and the resulting increase in claims, had a negative impact on VMIA's IFR.⁴¹ VMIA's IFR in 2024–25 increased to 107.4%, within the preferred target range, after dropping to 99.8% the previous year.⁴² In the questionnaire response, the VMIA also noted it has a Capital Management Plan in place to return to the mid-point of the preferred range (e.g. 122.5%) by June 2029.⁴³

WorkSafe's 2024–25 IFR result of 112.7% was also an improvement on the previous year's result (106%). However, WorkSafe noted in its 2024–25 Annual Report that this is below the organisation's mid-point IFR target of 120%.⁴⁴ WorkSafe stated the progress made towards the 120% target reflected not only the strong investment return for 2024–25 and a reduction in claims and claims costs, but also the impact of legislative

³⁸ Victorian Managed Insurance Authority, *Annual Report 2023–24*, p. 10; WorkSafe Victoria, *WorkSafe half-year results*, 12 March 2025, <<https://www.worksafe.vic.gov.au/news/2025-03/worksafe-half-year-results>> accessed 9 February 2026; Camille Kingston, Deputy Secretary, Commercial Transport Accident Commission, Department of Treasury and Finance, 2025–26 Budget Estimates hearing, WorkSafe and the TAC portfolio, Melbourne, 4 June 2025, *Transcript of evidence*, p. 7.

³⁹ Victorian Managed Insurance Authority, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 42.

⁴⁰ Victorian Managed Insurance Authority, *Annual Report 2023–24*, p. 10.

⁴¹ Victorian Managed Insurance Authority, *2024–25 Financial and Performance Outcomes Questionnaire*, pp. 42–43.

⁴² Victorian Managed Insurance Authority, *Annual Report 2024–25*, p. 35.

⁴³ Under DTF's policy guidance document for state insurers, an insurance agency is required to submit a Capital Management Plan to the Minister if the upper or lower bound of the IFR is breached, containing a strategy to move the IFR back to the mid-point of the preferred range within a five-year period. Source: Department of Treasury and Finance, *Prudential Insurance Standard for Victorian Government insurance agencies*, Melbourne, 2015, p. 7; Victorian Managed Insurance Authority, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 42.

⁴⁴ WorkSafe Victoria, *Annual Report 2024–25*, Melbourne, 2025, p. 34.

changes enacted in 2023–24 ‘to address sustainability challenges posed by rising rates of workplace mental injury and an increasing number of workers staying on the scheme for longer periods’.⁴⁵

The TAC’s 2024–25 IFR of 152.5% was over the upper end (145%) of its target range, reflecting the more favourable financial conditions it has experienced in recent years compared to the two other insurers.⁴⁶ Going forward, the TAC intends to use a ‘new long-term investment objective return of 7.3% effective 1 July 2025’, meaning the IFR will fall by 6.8% to 145.7%.⁴⁷ In its 2024–25 Annual Report, the TAC noted that it intends to reduce its IFR to the midpoint of the target range.⁴⁸ This would also be in line with DTF’s capital management policy guidance for state insurers.⁴⁹

The TAC’s net operating profit of \$1.1 billion was not only a result of the higher-than-expected investment return, but also a reduction in claims costs.⁵⁰ The TAC also paid \$1.1 billion to the general government sector in 2024–25, comprising a \$748 million dividend and a tax equivalent payment of \$387 million.⁵¹ The TAC questionnaire response noted the dividend payment would decrease the investment asset base negatively and impact future investment income.⁵²

FINDING 89: The insurance funding ratios for the Victorian Managed Insurance Authority and WorkSafe Victoria improved in 2024–25 after decreases to their respective insurance finding ratios in recent years, reflecting high levels of claims and claims cost increases.

⁴⁵ Ibid.

⁴⁶ Transport Accident Commission, *2024–25 Financial and Performance Outcomes Questionnaire*, pp. 20–22.

⁴⁷ Ibid., p. 28.

⁴⁸ Transport Accident Commission, *Annual Report 2024–25*, Melbourne, 2025, p. 55.

⁴⁹ Department of Treasury and Finance, *Prudential Insurance Standard for Victorian Government insurance agencies*, p.7.

⁵⁰ Transport Accident Commission, *Annual Report 2024–25*, p. 55.

⁵¹ Ibid., p. 89.

⁵² Transport Accident Commission, *2024–25 Financial and Performance Outcomes Questionnaire*, p. 28.

Chapter 13

Department of Premier and Cabinet

13.1 Overview

The Department of Premier and Cabinet's (DPC) vision is to be 'recognised and respected leaders in whole of government policy and performance'.¹

In 2024–25, DPC's objectives were:

- stronger policy outcomes for Victoria
- First Peoples in Victoria are strong and self-determining
- improved public administration and support for the Victorian public service.²

13.2 Outcomes and challenges

In response to the Committee's questionnaire, DPC was asked to identify its programs that delivered the most important outcomes in the community, programs that did not deliver their planned outcomes and the key challenges faced by the Department in 2024–25.

Key outcomes included:

- Victoria's Statewide Treaty. The Treaty process progressed significantly on several fronts, including successful negotiations with the First Peoples' Assembly of Victoria³
- the Victorian Truth and Justice process. DPC supported the State's engagement with the Yoorrook Justice Commission during the 2024–25 financial year. Outcomes included the release of several reports by the Commission, and the passage of the *Inquiries Amendment (Yoorrook Justice Commission Records and Other Matters) Act 2025 (Vic)*⁴
- supporting newly arrived migrant communities. DPC funded services through 40 community hubs and partnered with Refugee Legal to deliver free specialist legal assistance.⁵

1 Department of Premier and Cabinet, *Annual Report 2024–25*, Melbourne, 2025, p. 3.

2 Ibid., p. 4.

3 Department of Premier and Cabinet, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 10–11.

4 Ibid., pp. 11–13.

5 Ibid., pp. 16–17.

Programs that did not deliver their planned outcomes included:

- delivering commitments to Victoria's multicultural communities. DPC did not deliver the funding it intended to regarding the Multicultural Community Infrastructure Fund (MCIF) and the *Multicultural Media Grants Program* due to organisations requiring more time to ensure the viability of their projects, and due to the rigorous assessment of projects. Remaining funding for each program will be delivered in 2025–26⁶
- enabling Traditional Owner participation in recognition and settlement agreements with the State⁷

Key challenges included:

- supporting the Victorian Government to meet the five step fiscal strategy. DPC noted that it is working closely with DTF to provide economic policy analysis and advice to support decision-making consistent with the fiscal objectives
- progressing the Government's legal and public commitment to Treaty
- meeting the changing needs of Victoria's migrant communities, on account of limited support being provided by the Commonwealth, targeted support being needed for vulnerable multicultural communities, and some multicultural organisations needing governance and capability support. The Department's responses to this challenge included targeted programs, grants and initiatives.⁸

13.3 Financial analysis

13.3.1 Output expenditure

In 2024–25, DPC's output budget was \$487.8 million. Actual expenditure for the year was \$576.2 million, representing a variance of 18.1% (\$88.4 million).⁹

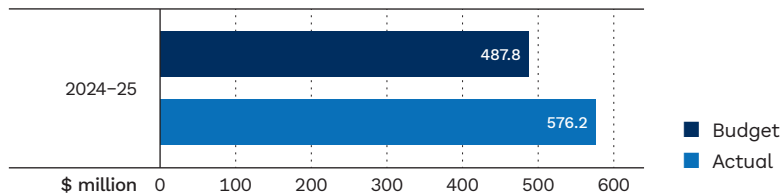
6 Ibid., pp. 18–20.

7 Ibid., pp. 21–22.

8 Ibid., pp. 80–82.

9 Department of Premier and Cabinet, *Annual Report 2024–25*, pp. 42–54.

Figure 13.1 In 2024–25 the Department of Premier and Cabinet exceeded its output budget by 18.1%



Source: Department of Premier and Cabinet, *Annual Report 2024–25*, Melbourne, 2025, pp. 42–54.

The largest variance occurred in the State Electoral Roll and Electoral Events output, which exceeded its budget by 66.3% (\$54.5 million). DPC stated that this was due to funding allocated to the Victorian Electoral Commission (VEC) to conduct scheduled local government elections, and supplementary funding to implement Victorian Public Service (VPS) Enterprise Agreement 2024 outcomes.¹⁰

The Executive Government Advice and Support output also overspent its budget by 60.3% (\$52.5 million). This was due to a release of funds from central contingency to implement government communication opportunities, establishing and operating the new Parliamentary Workplace Standards and Integrity Commission, and supplementary funding to implement VPS and Ministerial Enterprise Agreement 2024 outcomes.¹¹

13.3.2 Revenue and expenses

In 2024–25, DPC’s actual output appropriations were 4.5% (\$17.3 million) higher than its original budget.¹² DPC’s special appropriations were 41.6% (\$43.1 million) higher than its budget due to the workforce and operational requirements for the scheduled 2024 local government elections, and the implementation of the VPS Enterprise Agreement 2024.¹³

DPC underspent its grants revenue by 33.6% (\$8.3 million) on account of funding not being delivered through the MCIF due to organisations needing additional time, as noted above in DPC’s programs that did not achieve their planned outcomes.¹⁴

In 2024–25, DPC’s employee benefits were 17.3% (\$41.4 million) higher than its budget for the same reasons as its special appropriations revenue being over budget: the workforce associated with the 2024 local government elections, and the implementation of the VPS Enterprise Agreement 2024.¹⁵

¹⁰ Ibid., p. 54.

¹¹ Ibid., p. 50.

¹² Ibid., p. 141.

¹³ Department of Premier and Cabinet, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 43.

¹⁴ Ibid., pp. 43–44; Department of Premier and Cabinet, *Annual Report 2024–25*, p. 141.

¹⁵ Department of Premier and Cabinet, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, p. 47.

Overall financial performance

Table 13.1 below summarises DPC's financial performance in 2024–25.

Table 13.1 In 2024–25 the Department of Premier and Cabinet's expenses exceeded its income by \$10.9 million

Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	537.3	593.2
Expenses from transactions	539.4	604.1
Net result	(2.1)	(10.9)

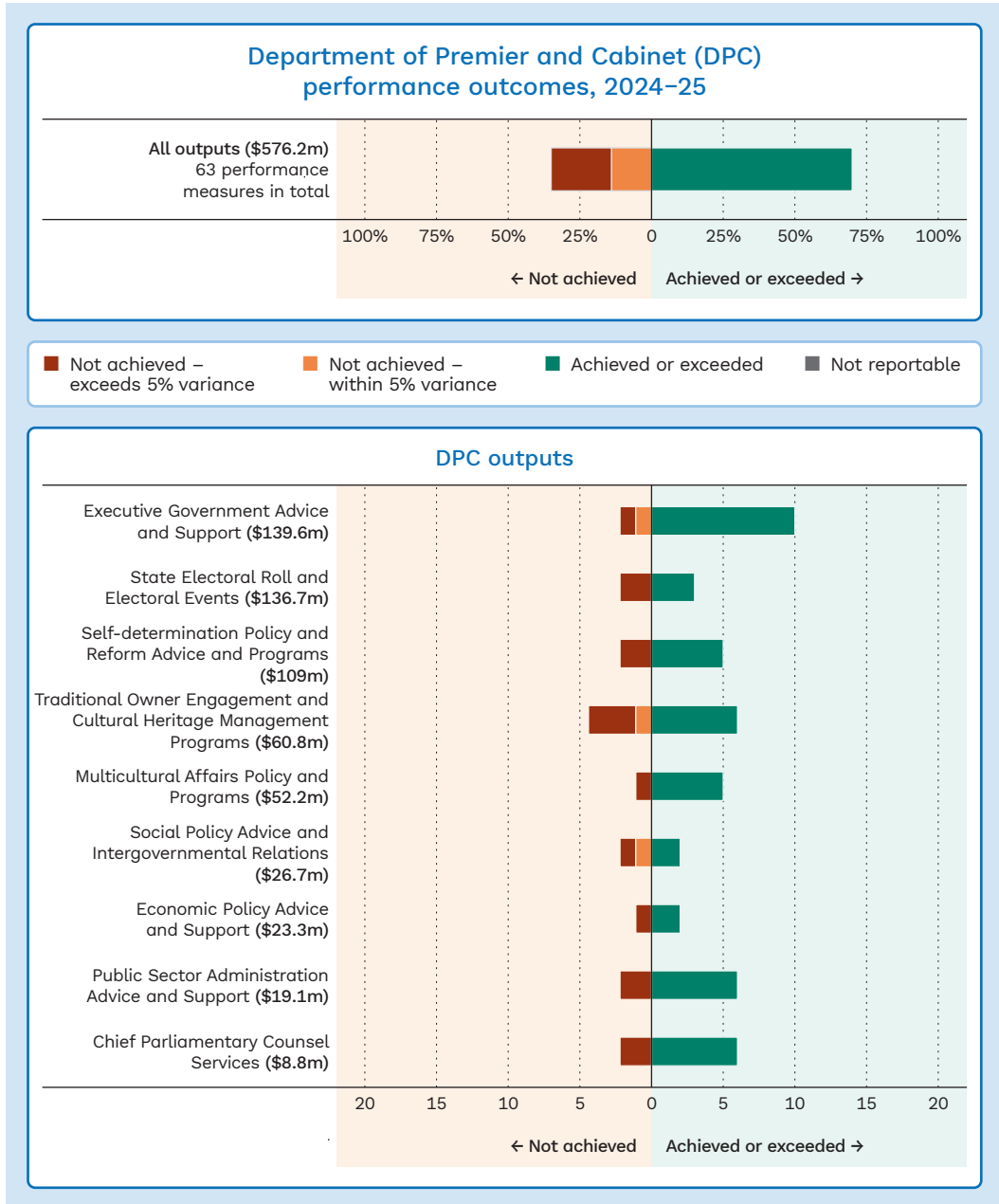
Source: Department of Premier and Cabinet, *Annual Report 2024–25*, Melbourne, 2025, p. 141.

13.4 Performance information

In 2024–25, DPC achieved or exceeded 70% of its 63 performance measures published in its Annual Report. The Department failed to meet 5% of its measures within a 5% variance, and 27% of its measures exceeding a 5% variance.¹⁶

¹⁶ Department of Premier and Cabinet, *Annual Report 2024–25*, pp. 42–54.

Figure 13.2 In 2024–25 the Department of Premier and Cabinet achieved 70% of its performance measures



Source: Department of Premier and Cabinet, *Annual Report 2024–25*, Melbourne, 2025, pp. 42–54.

Certain variances in output cost against the original budget were high (for example: State Electoral Roll and Electoral Events exceeded its original budget by 66.3%, and Executive Government Advice and Support exceeded its original budget by 60.3%),

although the actual amounts were small (\$54.5 million and \$52.5 million respectively).¹⁷ The State Electoral Roll and Electoral Events output exceeded its budget due in part to funding allocated to the VEC to conduct scheduled local government elections.¹⁸

13.5 Key issue: International engagement

As part of its responsibilities under the Economic Policy Advice and Support output, in 2024–25 DPC advised, delivered and facilitated engagement with international stakeholders in Victoria and overseas.¹⁹ During the hearings, the Secretary told the Committee that in 2024–25 DPC played a ‘coordination and strategic leadership role’ and led the development and publication of key country-related strategies for Victoria’s largest trading partners, as part of its role to ensure a whole-of-government approach in the area of economic development.²⁰

Regarding its leadership role, DPC provides advice to and coordinates with other government departments and agencies to help them leverage international partners, as departments and agencies support Victorian Government priorities.²¹ DPC provides advice to government entities based on a range of factors, such as the value of Victorian exports and foreign direct investment in the Victorian economy by international partners.²²

Regarding its role in developing country-specific strategies, DPC emphasised the work undertaken in 2024–25 with respect to the China Strategy and the India Strategy.²³ *Victoria’s China Strategy: For a New Golden Era* (China Strategy) was developed over the financial year and was launched on 15 September 2025.²⁴ During its development, DPC engaged with more than 200 organisations including industry, government, community, culture, and academic stakeholders in Victorian, Australian, Chinese, and global organisations.²⁵ DPC also hired RMIT University as a consultant to undertake research for the China Strategy, at a cost of \$40,648.²⁶

The China Strategy runs for five years and has three strategic objectives: supporting targeted economic engagement, strengthening Victoria’s reputation as a destination

¹⁷ Ibid., pp. 50, 54.

¹⁸ Ibid., pp. 54.

¹⁹ Department of Premier and Cabinet, *Annual Report 2024–25*, pp. 21, 23; Jason Loos, Deputy Secretary, Economic Policy and State Productivity, Department of Premier and Cabinet, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 25 November 2025, *Transcript of evidence*, pp. 10–13.

²⁰ Jeremi Moule, Secretary, Department of Premier and Cabinet, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 25 November 2025, *Transcript of evidence*, p. 10; Department of Premier and Cabinet, *Annual Report 2024–25*, p. 9.

²¹ Jason Loos, Deputy Secretary, Economic Policy and State Productivity, Department of Premier and Cabinet, *Transcript of evidence*, p. 10.

²² Ibid.

²³ Ibid., pp. 11–12.

²⁴ Ibid., p. 11.

²⁵ Ibid.

²⁶ Department of Premier and Cabinet, *2024–25 Annual Report*, p. 60.

to the Chinese population and celebrating and collaborating with Victoria's Chinese community.²⁷ Within each objective there are a further three action areas and several related goals. Progress on the strategy's goals will be reviewed by the end of 2028 as a midpoint, and DPC will conduct a final evaluation at the conclusion of the strategy.²⁸

Victoria's India Strategy: Our Shared Future 2025–30 (India Strategy) was published in September 2024. Similar to the China Strategy, during the India Strategy's development DPC engaged with numerous stakeholders including Commonwealth Government departments, State Government departments, industry, community leaders and cultural and academic institutions.²⁹ The India Strategy will run for five years and has three main objectives: to strengthen connections, to enhance strategic economic cooperation and to deepen bilateral education, innovation and technology. There are nine key sectors that the strategy is focusing on strengthening, growing and exploring.³⁰

DPC advised that since the release of the India Strategy, short-term outcomes have already been achieved—notably in the sport, education, creative industries, tourism and visitor economy sectors.³¹ Progress against the India Strategy will be reviewed by DPC in years one, three, and five.³²

FINDING 90: During 2024–25, the Department of Premier and Cabinet developed and published the India Strategy and the China Strategy. Both strategies have five-year outlooks and will be reviewed at their midpoints and upon their conclusion.

RECOMMENDATION 21: The Department of Premier and Cabinet publish the progress reviews and conclusionary evaluations of the China and India strategies as they are conducted.

13.6 Key issue: Victoria's anti-racism strategy

DPC published *Victoria's anti-racism strategy* (the strategy) in November 2024, which is a five-year plan of how the Government will prevent and address racism and faith-based discrimination.³³ During the hearings, the Committee and Departmental officials discussed the strategy in the context of its need, its development, what projects it includes and how its outcomes will be measured.

²⁷ Victorian Government, *Victoria's China Strategy: For a New Golden Era*, Melbourne, 2025, pp. 5, 6.

²⁸ Ibid., p. 44.

²⁹ Jason Loos, Deputy Secretary, Economic Policy and State Productivity, Department of Premier and Cabinet, *Transcript of evidence*, p. 12.

³⁰ Victorian Government, *Victoria's India Strategy: Our Shared Future 2025–30*, Melbourne, 2024, p. 7.

³¹ Jason Loos, Deputy Secretary, Economic Policy and State Productivity, Department of Premier and Cabinet, *Transcript of evidence*, p. 12.

³² Victorian Government, *Victoria's India Strategy: Our Shared Future 2025–30*, p. 43.

³³ Victorian Government, *Victoria's anti-racism strategy: 2024–2029*, Melbourne, 2024, p. 8.

Victoria is a diverse state, and the Government advised an anti-racism strategy was necessary because racism is a widespread experience for First Peoples, multicultural and multifaith people in Victoria.³⁴ The strategy looks to address racism and discrimination in various forms, with the intent of building a 'safer, fairer and more inclusive state'.³⁵ It has four priority goals:

1. racist attitudes, behaviours and beliefs are recognised, challenged and rejected
2. Government services and workplaces are safe, accesible and non-discriminatory
3. racism and discrimination are no longer barriers to participation, progression, safety and success across all sectors
4. people subjected to racism receive appropriate and culturally safe services and supports.³⁶

The strategy was developed through engagement with multicultural communities, in particular with First Nations, Jewish and Muslim communities.³⁷ To develop the strategy, DPC heard from 670 Victorians through roundtables, targeted consultations, written submissions and responses to an online survey.³⁸ The Deputy Secretary, First Peoples—State Relations, told the Committee that DPC had 'extensive involvement' with First Nations communities in the development of the strategy through its Aboriginal co-chair, Sheena Watt MP.³⁹

In relation to the development of the strategy, DPC told the Committee about where it sources its data for incidents of racism, including sources that specified where in Victoria incidents of racism have risen in recent years.⁴⁰ These sources include the Victorian Population Health Survey, the Victorian Equal Opportunity and Human Rights Commission (VEOHRC), the Jewish Council of Victoria and the Islamophobia Register of Australia.

The following statistics on racism and discrimination were notable:

- In 2023, of Victorians surveyed, 8% of men and 6.7% of women had experienced racism. Adults who live in metropolitan Victoria were more than twice as likely to experience racism than those who live in regional Victoria.⁴¹

³⁴ Ibid., pp. 2, 8.

³⁵ Ibid., p. 8.

³⁶ Ibid., p. 12.

³⁷ Dannii de Kretser, Acting Deputy Secretary, Social Policy, Department of Premier and Cabinet, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 25 November 2025, *Transcript of evidence*, pp. 21–22; Terry Garwood, Deputy Secretary, First Peoples–State Relations, Department of Premier and Cabinet, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 25 November 2025, *Transcript of evidence*, pp. 21–22.

³⁸ Victorian Government, *Victoria's anti-racism strategy: 2024–2029*, p. 16.

³⁹ Terry Garwood, Deputy Secretary, First Peoples–State Relations, Department of Premier and Cabinet, *Transcript of evidence*, pp. 21.

⁴⁰ Jeremi Moule, Secretary, Department of Premier and Cabinet, 2024–25 Financial and Performance Outcomes hearing, response to questions on notice, received 4 December 2025, p. 30; Dannii de Kretser, Acting Deputy Secretary, Social Policy, Department of Premier and Cabinet, *Transcript of evidence*, pp. 33–34; Jeremi Moule, Secretary, Department of Premier and Cabinet, *Transcript of evidence*, p. 33.

⁴¹ Victoria Agency for Health Information, *Victoria Population Health Survey 2023*, 2023, <<https://vahi.vic.gov.au/reports/victorian-population-health-survey-2023>> accessed 10 December 2025.

- Of the complaints of racism made by First Peoples in 2024–25, 56% occurred in Greater Melbourne and Geelong, while 44% occurred in regional and rural Victoria.⁴²
- In 2024, there were 552 antisemitic incidents in Victoria, which was the highest number ever documented in a single year (and a 52% increase from 2023).⁴³
- In 2023–24, 25.6% of in-person incidents of Islamophobia in Australia occurred in Victoria. Thirty-three per cent of Australian Muslims live in Victoria.⁴⁴ The Melbourne CBD had by far the largest number of Islamophobic incidents.⁴⁵

FINDING 91: In developing Victoria’s anti-racism strategy before its publication in November 2024, the Department of Premier and Cabinet analysed data that showed the quantity, location and type of incidents of racism occurring in Victoria. Broadly speaking, Victorians are more likely to experience racism in metropolitan Victoria compared to regional Victoria.

DPC explained that in the 2024–25 Budget, \$4 million in funding was dedicated to the strategy’s implementation.⁴⁶ It was split into two segments: \$2.4 million to fund approximately 30 projects through local community organisations, and \$1.6 million to fund three projects delivered through other agencies—the Department of Jobs, Skills, Industry and Regions (DJSIR), VEOHRC and Victoria Police.⁴⁷ Of the 30 local community organisations delivering projects as part of the strategy, 35% are First Nations’ organisations. These projects include education campaigns, youth leadership programs and initiatives in the arts.⁴⁸ The Secretary of DPC told the Committee that knowing where racist incidents occurred was important in understanding where the Government could direct its services, and which community organisations it should partner with.⁴⁹

The other three flagship projects (which received the \$1.6 million total in funding) are:

- an Anti-Racism Sport Campaign with DJSIR, which is currently⁵⁰ in its early phase of design
- an Anti-Racism Tick Scheme with VEOHRC, also in its early design. This will be an accreditation scheme, whereby private and community sector organisations can be

⁴² Victorian Equal Opportunity and Human Rights Commission, *Annual Report 2024–25*, Melbourne, 2025, p. 34.

⁴³ Jewish Community Council of Victoria and the Community Security Group, *2024 Victorian Antisemitism Report*, Melbourne, 2024, p. 11.

⁴⁴ Islamophobia Register of Australia, *Islamophobia in Australia Report V 2023–2024*, Sydney, 2025, p. 33.

⁴⁵ *Ibid.*, p. 37.

⁴⁶ Dannii de Kretser, Acting Deputy Secretary, Social Policy, Department of Premier and Cabinet, *Transcript of evidence*, p. 22; Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2024, pp. 73, 74.

⁴⁷ Dannii de Kretser, Acting Deputy Secretary, Social Policy, Department of Premier and Cabinet, *Transcript of evidence*, p. 22.

⁴⁸ *Ibid.*; Department of Premier and Cabinet, *2024–25 Annual Report*, pp. 174–175.

⁴⁹ Jeremi Moule, Secretary, Department of Premier and Cabinet, *Transcript of evidence*, p. 33; Dannii de Kretser, Acting Deputy Secretary, Social Policy, Department of Premier and Cabinet, *Transcript of evidence*, p. 33.

⁵⁰ As of the Financial and Performance Outcomes hearings—November 2025.

certified as applying anti-racist best practice in recruitment, retention, progression, and workplace health and safety⁵¹

- a Victoria Police human rights capability uplift program 2025–26, which will be designed by Victoria Police and will teach officers how to best approach First Peoples and multicultural communities in policing incidents.⁵²

During the hearings DPC also discussed how it would measure the outcomes of the strategy. The Secretary advised that part of the strategy includes being able to capture data ‘more accurately and more holistically’. This will allow the Government to better understand where racist incidents are taking place and how best to respond to them.⁵³ The data will populate a monitoring and evaluation framework, which will report back to the public on the strategy’s progress. The framework’s establishment is listed under ‘early action we will take’ in the strategy’s Action Plan.⁵⁴ No specific timeframe is provided for this action. The Committee will continue to follow the development and subsequent outcomes of this framework to determine the progress of the anti-racism strategy.

FINDING 92: To implement *Victoria’s anti-racism strategy*, the Department of Premier and Cabinet is funding projects through 30 community organisations (35% of which are First Peoples organisations) and three departments and agencies. The outcomes of the strategy will be demonstrated through a monitoring and evaluation framework, which is currently being developed.

13.7 Key issue: Closing the Gap

DPC is responsible for overseeing Victoria’s work in contributing to Closing the Gap targets. The Committee wrote about Victoria’s progress on the *National Agreement on Closing the Gap* (National Agreement) in its *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes* and found that progress has been uneven.⁵⁵ This topic was discussed again during this Inquiry’s hearings.

The Deputy Secretary for First Peoples—State Relations stated plainly that ‘in terms of Closing the Gap, yes, Victoria has got mixed results’.⁵⁶ According to the latest data, which varies primarily between 2021 and 2024, there are areas where Victoria has improved since the baseline year (2016) and are on track to meet their 2031 goals. However, there are also areas that have shown limited improvement from 2016 and are

⁵¹ Victorian Government, *Victoria’s anti-racism strategy: 2024–2029*, p. 45.

⁵² Dannii de Kretser, Acting Deputy Secretary, Social Policy, Department of Premier and Cabinet, *Transcript of evidence*, p. 22; Jeremi Moule, Secretary, Department of Premier and Cabinet, response to questions on notice, p. 32.

⁵³ Jeremi Moule, Secretary, Department of Premier and Cabinet, *Transcript of evidence*, p. 37.

⁵⁴ Jeremi Moule, Secretary, Department of Premier and Cabinet, response to questions on notice, p. 31; Victorian Government, *Victoria’s anti-racism strategy 2024–29 Action Plan*, p. 2.

⁵⁵ Public Accounts and Estimates Committee, *2021–22 and 2022–23 financial and performance outcomes*, Melbourne, 2024, pp. 255–258.

⁵⁶ Terry Garwood, Deputy Secretary, First Peoples–State Relations, Department of Premier and Cabinet, *Transcript of evidence*, p. 32.

assessed as not on track to meet their goals.⁵⁷ Outcomes that Victoria was stated to have improved on from 2016 and that are on track to meet the 2031 target include:

- Outcome 2: babies born with a healthy birthweight
- Outcome 3: children enrolled in preschool the year before full-time schooling
- Outcome 8: people aged 25–64 who are employed.⁵⁸

Outcomes that have shown limited improvement since the baseline indicators from 2016 and were stated as not on track to meet the 2031 target include:

- Outcome 4: children that were developmentally on track
- Outcome 6: people aged 25–34 who had completed a tertiary qualification
- Outcome 7: people aged 15–24 who were fully in education, employment or training.⁵⁹

The Deputy Secretary advised that ‘there are a lot of complex things that are at play in relation to where we are not achieving the results’.⁶⁰ Socio-economic issues in First Peoples communities are complex and multi-faceted, with varying historical and contemporary factors and no single solution.⁶¹

FINDING 93: The Department of Premier and Cabinet stated that Victoria’s progress on the Closing the Gap targets is currently mixed. Some areas have shown improvement since the 2016 baseline indicators and are on track to meet their goals by 2031, while other areas have shown limited improvement in that timeframe, and are not on track.

The 2024–25 Budget included funding for numerous initiatives that work towards meeting the Closing the Gap targets, however most were implemented by government departments other than DPC.⁶² DPC’s role in Closing the Gap is primarily a coordination and reporting one. During the financial year, DPC delivered the *Aboriginal Affairs Report 2024*, which examined how the Government is tracking its progress in improving specific Aboriginal outcomes, many of which overlap with Closing the Gap targets. The report also found mixed results, with some measures improving and others worsening.⁶³

⁵⁷ Ibid., pp. 37–38.

⁵⁸ Ibid.; Australian Government Productivity Commission, *Closing the Gap Information Repository: Dashboard*, 2025, <<https://www.pc.gov.au/closing-the-gap-data/dashboard>> accessed 12 December 2025.

⁵⁹ Terry Garwood, Deputy Secretary, First Peoples–State Relations, Department of Premier and Cabinet, *Transcript of evidence*, pp. 37–38; Australian Government Productivity Commission, *Closing the Gap Information Repository: Dashboard*, <<https://www.pc.gov.au/closing-the-gap-data/dashboard>> accessed 12 December 2025.

⁶⁰ Terry Garwood, Deputy Secretary, First Peoples–State Relations, Department of Premier and Cabinet, *Transcript of evidence*, p. 38.

⁶¹ Yoorrook Justice Commission, *Yoorrook for Transformation: Third Interim Report*, Melbourne, 2025.

⁶² Department of Treasury and Finance, *Budget Paper No. 3: 2024–25*, pp. 3–6.

⁶³ Department of Premier and Cabinet, *2024–25 Annual Report*, p. 30.

13.7.1 The Department of Premier and Cabinet's work in Closing the Gap

In 2024–25, DPC led the Government's work with Ngaweeyan Maar-oo, a decision-making body with 22 members: 14 from Aboriginal Community Controlled Organisations (ACCOs) and eight from Aboriginal Governance Forum Aboriginal Caucuses. Ngaweeyan Maar-oo is the formal implementation partner of the Closing the Gap National Agreement, and together with 14 Victorian Government representatives, comprises the Partnership Forum.⁶⁴

Key work that DPC did in 2024–25 with Ngaweeyan Maar-oo included:

- supporting three meetings of the Partnership Forum
- developing the new *Closing the Gap Implementation Plan*, which is due to be released in mid-2026. The prior plan concluded in June 2025, leaving a period of approximately a year without an implementation plan
- scoping a combined Place-Based Partnership and Community Data project
- funding ACCO sector strengthening projects.⁶⁵

Funding ACCO sector strengthening projects is discussed in detail in Section 13.7.2 below.

13.7.2 Aboriginal Community-Controlled Organisation Sector

During the hearings, the Committee asked about DPC's work with ACCOs and the ACCO sector's contribution to meeting the Closing the Gap targets.⁶⁶ Priority Reform Two of Closing the Gap is 'Building the Community-Controlled Sector', and in 2024–25 DPC worked with Ngaweeyan Maar-oo to provide \$4.5 million of grant funding to 13 ACCOs for specific outcome areas relating to Closing the Gap targets.⁶⁷

DPC also provided \$869,400 in total funding through the Partnership Forum to the following ACCOs for projects to strengthen the ACCO sector:

- Rumbalara Aboriginal Cooperative Limited for *Building the capacity of ACCOs to deliver a full range of disability services*

⁶⁴ Ibid., p. 30; Ngaweeyan Maar-oo, *About us*, 2025, <<https://ngaweeyanmaar-oo.org.au/about-us>> accessed 16 December 2025; Victorian Government, *Victoria's Partnership Forum on Closing the Gap Implementation*, 6 March 2024, <<https://www.firstpeoplesrelations.vic.gov.au/victorias-partnership-forum-closing-gap-implementation>> accessed 16 December 2025.

⁶⁵ Department of Premier and Cabinet, *2024–25 Annual Report*, p. 30.

⁶⁶ Public Accounts and Estimates Committee, 2024–25 Financial and Performance Outcomes hearing, Melbourne, 25 November 2025, *Transcript of evidence*, pp. 31–32.

⁶⁷ The precise amount was \$4,488,576. Sources: Department of Premier and Cabinet, *2024–25 Annual Report*, pp. 163–164; Terry Garwood, Deputy Secretary, First Peoples–State Relations, Department of Premier and Cabinet, *Transcript of evidence*, pp. 32–33; Closing the Gap, *Priority Reforms*, n.d., <<https://www.closingthegap.gov.au/national-agreement/priority-reforms>> accessed 19 December 2025; Closing the Gap, *Closing the Gap Targets and Outcomes*, n.d., <<https://www.closingthegap.gov.au/national-agreement/targets>> accessed 17 December 2025.

- Victorian Aboriginal Child and Community Agency Co Op Limited for *Developing a sector strengthening blueprint for Aboriginal children*
- Aboriginal Housing Victoria for *Developing Aboriginal Housing and Homelessness Five-year Regional Growth Plans*.⁶⁸

The alignment of the grant funding to Closing the Gap outcome areas was intentional; DPC advised that it had ‘a particular focus of going after our areas where we need to lift our game ... in partnership with Aboriginal community-controlled organisations’.⁶⁹

FINDING 94: In 2024–25, the Department of Premier and Cabinet provided \$5.4 million in total funding to Aboriginal Community Controlled Organisations (ACCO) to improve outcomes related to Closing the Gap target areas and to strengthen the ACCO sector.

Further information about the three projects that received the sector strengthening funding is available in DPC’s Annual Report and on the Ngaweeyan Maar-oo website, and some intended outcomes are stated.⁷⁰ This is not the case for the grants provided through the Partnership Forum—there is no public information about what the funding will accomplish, or any associated timelines.

Without specific outcomes publicly stated for the grant funding, the effectiveness of the funding can only be derived from broader, existing sources—such as progress on Closing the Gap targets. However, the relationship between the grant funding and the outcomes in Closing the Gap is not necessarily causal; as stated earlier, there are many factors influencing Aboriginal outcomes.

RECOMMENDATION 22: The Department of Premier and Cabinet publish specific outcomes associated with the grant funding provided through the Partnership Forum in its Aboriginal Affairs Reports and outline how the work being funded has contributed to progressing toward Closing the Gap targets.

⁶⁸ Department of Premier and Cabinet, *2024–25 Annual Report*, pp. 163–164; Closing the Gap, *Closing the Gap Targets and Outcomes*, <<https://www.closingthegap.gov.au/national-agreement/targets>> accessed 17 December 2025.

⁶⁹ Terry Garwood, Deputy Secretary, First Peoples–State Relations, Department of Premier and Cabinet, *Transcript of evidence*, p. 33.

⁷⁰ Department of Premier and Cabinet, *2024–25 Annual Report*, pp. 163–164; Ngaweeyan Maar-oo, *Our work*, 2025, <<https://ngaweeyanmaar-oo.org.au/our-work>> accessed 19 December 2025.

Chapter 14

Parliament

14.1 Overview

The Parliament of Victoria is an independent body that, through its elected representatives, is accountable to the Victorian community for the provision and conduct of representative government in the interests of Victorians. The Parliament has three administrative departments: the Department of the Legislative Council, the Department of the Legislative Assembly and the Department of Parliamentary Services (DPS).¹

The vision of the Parliamentary Departments is to deliver apolitical, professional and innovative services that support Victoria's elected representatives and the Parliament as an institution to ensure the proper, effective and independent functioning of the Parliament.²

In 2024–25, the Parliament had four strategic priorities:

- supporting Members
- parliament for the people
- First Nations focus
- a contemporary workplace.³

14.2 Outcomes and challenges

In response to the Committee's questionnaire, the Parliamentary Departments were asked to identify key challenges faced in 2024–25. The challenges were largely the same as those identified in previous years and included:

- physical security at Parliament House and electorate offices
- 'maintaining the People's House for future generations', relating to the refurbishment and its heritage nature
- implementation of the recommendations from the Operation Watts special report

1 Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2024, p. 189.

2 Ibid.

3 Ibid., p. 191.

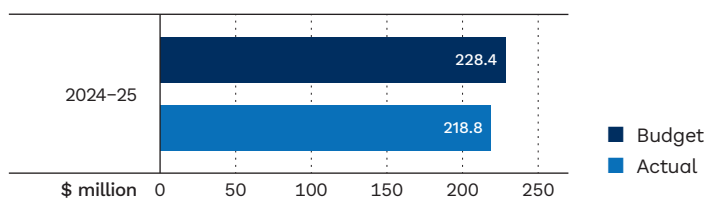
- an increased cyber security threat and higher information and communication technology costs
- aging technology systems and infrastructure requiring renewal.⁴

14.3 Financial analysis

14.3.1 Output expenditure

In 2024–25, the Parliamentary Departments' output budget was \$228.4 million. Actual expenditure was \$218.8 million, a variance of 4.2% (\$9.6 million).⁵

Figure 14.1 In 2024–25 the Parliamentary Departments underspent their output budget by 4.2%



Source: Department of Parliamentary Services, *Annual Report 2024–25*, Melbourne, 2025, pp. 29–32.

In 2024–25, the Parliamentary Departments' four outputs had an underspend compared to the budget. The Parliamentary Investigative Committees output had an underspend of 17.7% (\$1.1 million) due to lower than budgeted expenditure for joint investigatory committees.⁶

14.3.2 Revenue and expenses

The Parliamentary Departments recorded minimal variances in their revenue and expenses both year on year and when comparing actual revenue and expenditure to originally budgeted amounts in 2024–25.⁷ In 2024–25 the Parliamentary Departments' output appropriations increased by 6.7% (\$10.8 million) to \$172.5 million.⁸

Overall financial performance

Table 14.1 below summarises the Parliamentary Departments' financial performance in 2024–25.

⁴ Parliamentary Departments, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 46–47.

⁵ Department of Parliamentary Services, *Annual Report 2024–25*, Melbourne, 2025, pp. 29–32.

⁶ Ibid.

⁷ Parliamentary Departments, *Response to the 2024–25 Financial and Performance Outcomes Questionnaire*, received 13 November 2025, pp. 23–27.

⁸ Ibid., p. 23.

Table 14.1 In 2024–25 the Parliamentary Departments’ income exceeded their expenses by \$3.7 million

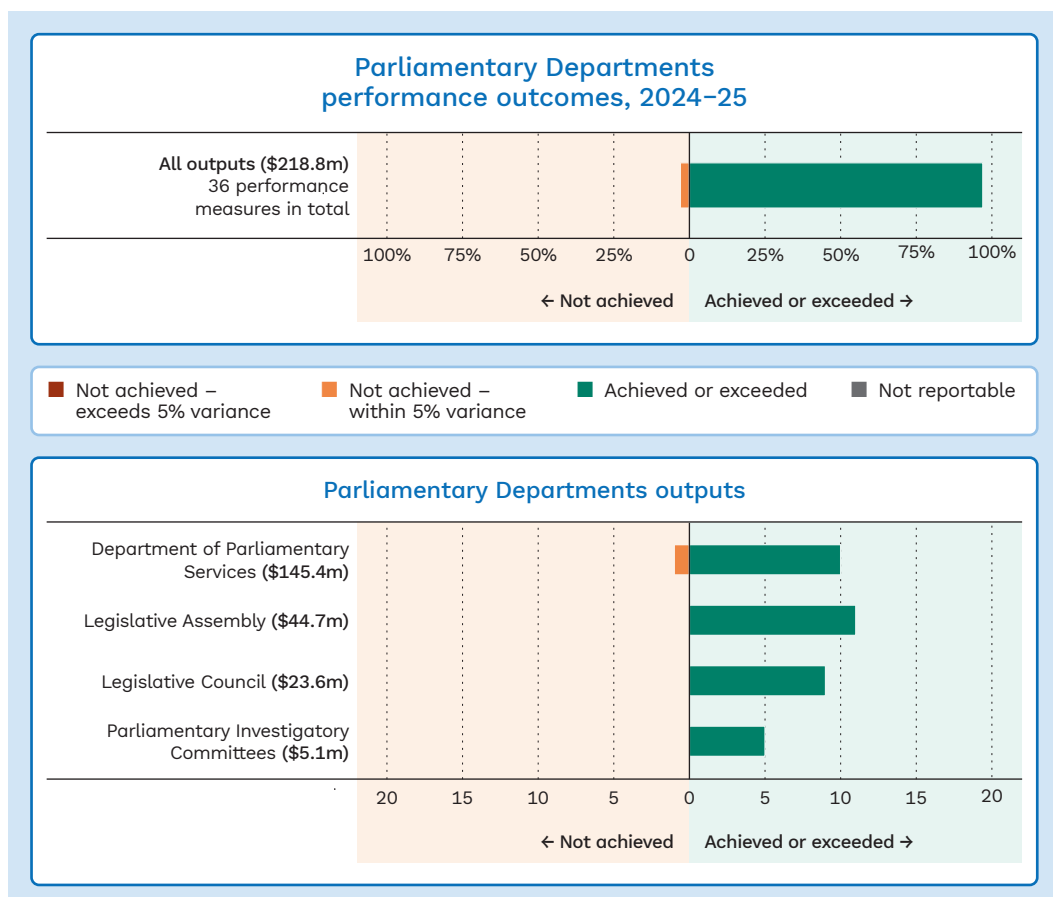
Controlled items	2024–25 Budget (\$ million)	2024–25 Actual (\$ million)
Income from transactions	228.4	224.1
Expenses from transactions	230.2	220.4
Net result	(1.8)	3.7

Source: Department of Parliamentary Services, *Annual Report 2024–25*, Melbourne, 2025, p. 110.

14.4 Performance information

In 2024–25, the Parliamentary Departments achieved or exceeded 97% of their 36 performance measures published in its Annual Report.⁹

Figure 14.2 In 2024–25 the Parliamentary Departments achieved 97% of their performance measures



Source: Department of Parliamentary Services, *Annual Report 2024–25*, Melbourne, 2025, pp. 29–32.

⁹ Department of Parliamentary Services, *Annual Report 2024–25*, pp. 29–32.

Only one measure was not met within a 5% variance in the Department of Parliamentary Services output, that being ‘Indexes, records, speeches, videos and transcripts available within published timeframes’ (target of 85%, actual achieved 84%).¹⁰ During the hearings, the Secretary of DPS noted that the result reflected the need to prioritise staff health and wellbeing during periods where Parliament sittings ran late into the evening.¹¹ Rather than work extra hours into the evening to get content published sooner, staff would resume the work the next day.¹²

14.5 Hearing summary

The key issues raised during the Parliamentary Departments’ hearing were a continuation of those discussed in the *Report on the 2023–24 Financial and Performance Outcomes*.¹³ The Parliamentary Departments have continued to deliver activities to progress:

- improvement of services to Members and electorate staff
- regional engagement
- security improvements at the Parliamentary precinct.¹⁴

During 2023–24, DPS completed notable security upgrades in electorate offices.¹⁵ DPS made progress in 2024–25 on delivering security upgrades to the perimeter of Parliament House, which had been delayed by two years. The Secretary advised that the reason for delay was that the scope of the project was expanded from strengthening security at one section of the perimeter to the whole perimeter.¹⁶ This was decided when a better, more contemporary solution was found during project research and planning.¹⁷ DPS now has a heritage permit and contractor in place for the perimeter security upgrades and is progressing work to meet the conditions of the heritage permit.¹⁸

Other upgrades to Parliament House that were progressed during 2024–25 were renovations to the public gallery in the Legislative Assembly to improve access and safety (completed), renovations to Committee hearings rooms at 55 St Andrews Place

¹⁰ Ibid., p. 29.

¹¹ Trish Burrows, Secretary, Department of Parliamentary Services, 2024–25 Financial and Performance Outcomes hearing, Parliamentary Departments, Melbourne, 24 November 2025, *Transcript of evidence*, p. 5.

¹² Ibid.

¹³ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, April 2025, pp. 208–214.

¹⁴ Trish Burrows, Secretary, Department of Parliamentary Services, *Transcript of evidence*, pp. 3–5, 7, 9–11.

¹⁵ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on the 2023–24 Financial and Performance Outcomes*, pp. 213–214.

¹⁶ Trish Burrows, Secretary, Department of Parliamentary Services, *Transcript of evidence*, pp. 3–4.

¹⁷ Trish Burrows, Secretary, Department of Parliamentary Services, *Transcript of evidence*, p. 3.

¹⁸ Ibid.

(in progress), and maintenance works on levels three and four in Parliament House (in progress).¹⁹

**Adopted by the Public Accounts and Estimates Committee
Parliament of Victoria, East Melbourne
16 March 2026**

¹⁹ Ibid., pp. 2, 5; Bridget Noonan, Clerk, Legislative Assembly, 2024–25 Financial and Performance Outcomes hearing, Parliamentary Departments, Melbourne, 24 November 2025, *Transcript of evidence*, p. 13.

Extract of proceedings

The Committee divided on the following questions during the consideration of this report. Questions agreed to without a division are not recorded in these extracts.

Committee meeting – 2 March 2026

Lauren Kathage moved that the Committee remove Recommendation 2 from Chapter 9:

The Victorian Government and the Department of Energy, Environment and Climate Action (DEECA) ensure the funding for DEECA's fire and emergency management services is sufficient and appropriate in future State Budgets, considering the increased frequency and severity of bushfires in Victoria.

Moved Lauren Kathage MP

Seconded Michael Galea MP

The question was put.

The Committee divided.

Ayes	Noes
Michael Galea MLC	John Pesutto MP, Deputy Chair
Mathew Hilakari MP	Aiv Puglielli MLC
Lauren Kathage MP	
Meng Heang Tak MP	

Resolved in the affirmative.

Lauren Kathage moved that the Committee remove Recommendation 1 from Chapter 5:

The Victorian Government and the Department of Justice and Community Safety ensure the base funding for the Emergency Management Capability output is sufficient, with consideration of total expenditure exceeding \$2 billion since 2020–21, and the increasing frequency of climate change impacts and fire, storm and flood emergency events.

Moved Lauren Kathage MP

Seconded Meng Heang Tak MP

The question was put.

The Committee divided.

Ayes	Noes
Michael Galea MLC	John Pesutto MP, Deputy Chair
Mathew Hilakari MP	Aiv Puglielli MLC
Lauren Kathage MP	
Meng Heang Tak MP	

Resolved in the affirmative.