

# PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



## 2026–27 Budget Estimates questionnaire

Department of Treasury and Finance

## Contents

Contents .....	2
Major initiatives .....	5
Strategic issues .....	20
Revenue and expenditure – variances .....	31
Revenue initiatives – new and changed .....	33
Expenditure – new programs and initiatives (output and asset) .....	36
Expenditure – lapsing programs (output initiatives, including grants).....	39
Capital asset expenditure .....	44
Public Private Partnerships – expenditure .....	45
Public Private Partnerships – expected and actual benefits .....	46
Major project contracting – DTP only.....	47
Savings initiatives .....	49
Use of funds saved from other programs or initiatives .....	51
Service delivery.....	52
Departmental objectives .....	69
Objective indicators.....	71
Outputs .....	73
Performance measures.....	75
Employees.....	81
Workforce capability and capacity.....	85
Contractors .....	86
Consultants.....	87
Labour Hire arrangements.....	89
Enterprise Bargaining Agreements .....	90
Relationship between the Commonwealth and Victoria .....	91
Climate Change.....	92
Gender Responsive Budgeting.....	94
Implementation of PAEC recommendations .....	97
Community consultation on budget initiatives .....	102
Victoria’s Housing Statement .....	104
Cyber security .....	105
Health spending – DH only .....	108
Large scale infrastructure projects – DTF/DTP only.....	110
Economic forecast – DTF only.....	133

Grants – DTF only ..... 144

Equity funding – DTF only..... 149

Land transfer duty – DTF only..... 150

Public Private Partnerships – modifications and accountability – DTF only ..... 153

Net Debt – DTF only..... 154

Long term financial management objectives – DTF only ..... 159

## Questionnaire information

The Committee's Inquiry into the 2026–27 Budget Estimates examines the Government's expenditure and revenue raising plan.

The Committee's Budget Estimates inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging effective and efficient delivery of public services and assets
- enhancing understanding of the budget estimates and the wider economic environment
- assisting members of Parliament in their deliberation on the appropriation bills.

This questionnaire seeks information about how the budget affects each department, including how budget allocations are connected to service delivery, infrastructure projects and assets, and other key economic, financial management and emerging issues.

### Timeline and format

Responses to this questionnaire are due by **5.00pm on 8 May 2026**.

It is essential that the Committee receive responses by this date to allow sufficient time to consider them before the budget estimates hearings.

The completed questionnaire and Excel worksheet in response to Question 10 should be sent (in the format received) to: [paec@parliament.vic.gov.au](mailto:paec@parliament.vic.gov.au).

### Consistency with the budget papers

Wherever referring to an initiative (including output, asset and savings initiatives) that is also referred to in the budget papers, please use the name used in the budget papers. This ensures that the Committee can correlate the information provided by the department with the information in the budget papers.

Wherever providing details about the department (including amounts of funding, anticipated expenditure and revenue and savings targets) please provide figures for the department on the same basis of consolidation as is used in the budget papers, unless otherwise specified.

### Machinery of government changes

For initiatives (including output, asset and savings initiatives) that have been subject to any prior machinery of government changes, the department with responsibility for the initiative at the time of the 2026–27 Budget is the relevant reporting department for this inquiry.

### Specific guidance

Additional guidance is provided for particular questions in the questionnaire.

For any inquiries about this questionnaire, please contact the Committee secretariat:

[paec@parliament.vic.gov.au](mailto:paec@parliament.vic.gov.au) or 03 8682 2867.

Kathleen Hurley, Financial Analyst at [kathleen.hurley@parliament.vic.gov.au](mailto:kathleen.hurley@parliament.vic.gov.au)

Charlotte Lever, Lead Analyst at [charlotte.lever@parliament.vic.gov.au](mailto:charlotte.lever@parliament.vic.gov.au)

Ryan Kennedy, Research Officer at [ryan.kennedy@parliament.vic.gov.au](mailto:ryan.kennedy@parliament.vic.gov.au)

<mailto:rowen.germain@parliament.vic.gov.au>

## Major initiatives

### Question 1

What progress has been made in implementing the major initiatives/programs identified in the 2025–26 Budget for the department. Please identify a minimum of five initiatives/programs.

### Response

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2026	Progress achieved against key Government objectives
1.	Gender responsive budgeting	Optimise Victoria's fiscal resources	Budget and Financial Advice	DTF has assessed the gender impacts of budget proposals through the <i>2026-27 Budget</i> . DTF has provided workshops and training sessions to departments and agencies to build capability in, and understanding of, gender responsive budgeting.	Percentage of attendees at Gender Responsive Budgeting (GRB) and Gender Impact Assessment (GIA) information sessions who indicated the session helped improve their understanding of associated requirements: 94 per cent	N/A

	<b>Major initiatives/programs</b>	<b>Objectives</b>	<b>Output</b>	<b>Activities undertaken</b>	<b>Progress against performance measures as at 30 April 2026</b>	<b>Progress achieved against key Government objectives</b>
2.	Continued monitoring and assurance of the state capital program	Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure	Commercial and Infrastructure Advice	Quarterly Major Project Performance Reports to Cabinet Assurance Reviews Capability Training	Progress made as at 30 April 2026 on the continued monitoring and assurance of the state capital program includes the completion by DTF of 56 assurance reviews on projects, delivery of 90 hours of capability training to 500 public servants translating into 12 days, and three quarterly major projects performance	Provided assurance on major project delivery and reported to Cabinet on key project risks and systemic issues. The 2025 VAGO Major Projects Performance Report (released March 2026) commends DTF's internal reporting processes and concludes that DTF's advice to Cabinet is meaningful and comprehensively analyses project risks and issues.

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2026	Progress achieved against key Government objectives
					reports (MPPRs) completed for Cabinet.	
3.	Workplace Inspectorate Victoria - Fair and productive Victorian workplaces	Strengthen Victoria's economic performance through fair, equitable and productive workplaces	Industrial Relations	<p>In the financial year to 31 March 2026 the Inspectorate has:</p> <ul style="list-style-type: none"> <li>finalised 40 long service leave investigations and recovered over \$2.6 million in unpaid long service leave, contributing to a cumulative \$4.6 million for Victorian workers.</li> <li>protected the safety and welfare of children working in Victoria by administering child employment laws, including assessing and granting over 500 new child employment licences for the</li> </ul>	<p>Workforce Inspectorate Victoria is on track to meet its performance measure targets for 2025-26.</p> <ul style="list-style-type: none"> <li>200 child employment investigations and compliance activities completed.</li> <li>50% Long Service Leave investigations completed within 90 days of lodgement.</li> </ul>	See activities undertaken column

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2026	Progress achieved against key Government objectives
				<p>employment of over 2,700 children.</p> <ul style="list-style-type: none"> <li>• answered over 5,500 calls to its helpline from people seeking information about rights and obligations under laws within the Inspectorate’s remit, and responded to over 1,000 written enquiries</li> <li>• undertaken regulatory responsibilities under the Owner Driver and Forestry Contractors Act, including auditing engagements to ensure hirers of owner/drivers are complying with the law.</li> </ul> <p>Since its inception as an independent statutory authority in July 2021, the Inspectorate has had 34 matters before the</p>		

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2026	Progress achieved against key Government objectives
				<p>courts, resulting in more than \$2.1 million in fines and costs. In the financial year to 31 March 2026, the Inspectorate has had 5 matters before the court for various breaches of its legislation.</p> <p>The Inspectorate also launched the Construction Complaints Referral Service in December 2025 to receive and refer complaints of unlawful conduct on Victorian Government construction projects.</p>		
4.	Maintaining positive public sector industrial relations	Strengthen Victoria's economic performance through fair, equitable and productive workplaces	Industrial Relations	Industrial Relations Victoria provides centralised industrial relations advice and assistance to Government, departments and agencies. It is responsible for supporting enterprise bargaining in the Victorian public sector and developing and implementing the Government's public sector	Industrial Relations Victoria is on track to meet or exceed its 2025-26 performance measure targets.	See activities undertaken column

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2026	Progress achieved against key Government objectives
				<p>industrial policy. Activities undertaken include:</p> <ul style="list-style-type: none"> <li>Finalisation of over 50 policies to underpin the consistent implementation of the VPS Enterprise Agreement, and revision of the broader Public Sector IR policies.</li> <li>Oversight of the successful negotiation of 32 public sector agreements approved since 1 July 2025.</li> </ul>	<ul style="list-style-type: none"> <li>100% Public sector agreements renewed and approved within current enterprise bargaining framework</li> <li>90% of submitted public sector enterprise bargaining costings and proposed agreements completed and submitted for approval</li> </ul>	

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2026	Progress achieved against key Government objectives
					within four weeks	
5.	Response to the independent review into Victorian Government Bodies' engagement with Construction Companies and Construction Unions	Strengthen Victoria's economic performance through fair, equitable and productive workplaces	Industrial Relations	<p>DTF has broadly implemented Recommendations 1 to 7 of the Wilson Review. Recommendation 8 is a proposed review of the implementation of the Wilson Recommendations which is not yet due.</p> <ul style="list-style-type: none"> <li>• Recommendation 1: The Construction Complaints Referral Service (CCRS) has been established within Workforce Inspectorate Victoria (WIV) following passage of the <i>Wage Theft Amendment Act 2025</i>. The CCRS commenced operation in December 2025.</li> <li>• Recommendation 2: An alliance of law enforcement and delivery agencies has been established with membership including Victoria Police, Australian Federal Police, Industrial</li> </ul>	N/A	See activities undertaken column

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2026	Progress achieved against key Government objectives
				<p>Relations Victoria, the Labour Hire Authority (LHA), the Fair Work Ombudsman, the Fair Work Commission, WorkSafe Victoria, the Victorian Infrastructure Delivery Authority and the Suburban Rail Loop Authority. The alliance continues to meet regularly.</p> <ul style="list-style-type: none"> <li>• Recommendations 3-6: The labour hire regulatory regime has been strengthened in line with the Wilson review recommendations. Recommendations 3-6 are acquitted through amendments in the <i>Labour Hire Legislation Amendment (Licensing) Act 2025</i> that passed the Parliament on 9 December 2025 and received Royal Assent on 16 December 2025. Regulations to fully acquit recommendation 4 are being developed for consideration with preparation of the</li> </ul>		

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2026	Progress achieved against key Government objectives
				<p>requisite Regulatory Impact Statement in 2026.</p> <ul style="list-style-type: none"> <li>• Recommendation 7: The <i>Reporting Criminal and Unlawful Conduct policy</i> commenced on 1 January 2026 and gives effect to this recommendation.</li> </ul>		

## Question 2

What initiatives or programs have been streamlined or eliminated from the 2025–26 and 2026–27 Budget in line with the Government’s response to the Independent Review of the Victorian Public Service?<sup>1</sup>

### Response

Initiative/program	Reason for streamlining/elimination	Anticipated saving in 2026–27	Anticipated impact on department/agency	Anticipated impact on service delivery
Infrastructure Victoria savings	Infrastructure Victoria to focus on its core statutory functions, including updating Victoria’s infrastructure strategy.	\$1.920 million	Budget and staffing impacts.	N/A

<sup>1</sup> Victorian Government, *Ensuring the public sector is focussed on what matters most*, Melbourne, 2025.

### Question 3

For each of the output initiatives detailed in the 2022 Victorian Economic and Fiscal Update, 2023–24 Budget, 2023–24 Budget Update, 2024–25 Budget, 2024–25 Budget Update, 2025–26 Budget and the 2025–26 Budget Update that have allocated funding in 2025–26 and 2026–27,<sup>2</sup> please detail (on the same basis of consolidation as the budget papers):

- the original funding allocation for 2025–26 and 2026–27
- the current expected funding allocation for 2025–26 and 2026–27
- an explanation for any variances between the current funding and what was originally published in the budget papers when the initiative was announced. If machinery of government changes affected the implementation of these initiatives, please detail how.

### Response

	<b>Output initiative</b>	<b>Original funding allocation for 2025–26</b>	<b>Current expected funding allocation for 2025–26</b>	<b>Explanation of variance (if any)</b>	<b>Original funding allocation for 2026–27</b>	<b>Current expected funding allocation for 2026–27</b>	<b>Explanation of variance (if any)</b>
<b>2022 Victorian Economic and Fiscal Update</b>	Expanding the Victorian Homebuyer Fund	\$4.1m	\$4.1m	N/A - [please note this only reflects a portion of the Victorian Homebuyer Fund initiative budget.]	\$4.1m	\$4.1m	N/A - [please note this only reflects a portion of the Victorian Homebuyer Fund initiative budget.]
<b>2023–24 Budget</b>	Gender responsive budgeting	NIL	\$0.5m	The increase reflects approved funding in the 2025-26 Budget.	NIL	\$0.5m	The increase reflects approved funding in the 2025-26 Budget.

<sup>2</sup> Please include any programs that originally had funding allocated for 2025–26 and 2026–27 but no longer have funding.

<b>2023–24 Budget</b>	Making Victoria an Easy Place to do Business through Regulatory Reform	\$11.2m	\$15.0m	Carryover of funding from 2024-25 to 2025-26.	\$11.3m	\$11.7m	Rephase of funding from 2025-26 to 2026-27.
<b>2023–24 Budget</b>	Maximising outcomes through social investments	\$7.9m	\$8.5m	Carryover of funding from 2024-25 to 2025-26.	\$6.6m	\$6.6m	N/A
<b>2023–24 Budget</b>	Standing up for workplace safety	\$6.1m	NIL	WorkSafe will self-fund the monitoring and enforcement unit.	\$6.2m	NIL	WorkSafe will self-fund the monitoring and enforcement unit.
<b>2023–24 Budget</b>	State Revenue Office Compliance Program	\$43.0m	\$43.0m	N/A	\$43.4m	\$43.4m	N/A
<b>2023–24 Budget</b>	Building Equity Policy	\$0.1m	\$0.1m	N/A	NIL	\$0.1m	The variance is due to subsequent budget phasing adjustments to align with the program delivery.
<b>2023–24 Budget</b>	Industrial relations attraction and retention policies	\$2.5m	\$2.5m	N/A	\$2.5m	NIL	The variance is due to subsequent budget phasing adjustments to align with

							the program delivery.
<b>2023-24 Budget</b>	On-demand worker support	NIL	\$3.0m	The variance is due to subsequent budget phasing adjustments to align with the program milestones.	NIL	\$0.6m	The variance is due to subsequent budget phasing adjustments to align with the program milestones.
<b>2024-25 Budget</b>	Expanding the Victorian Homebuyer Fund	\$2.2m	\$2.2m	N/A - [Please note this only reflects a portion of the Victorian Homebuyer Fund initiative budget.]	\$2.2m	\$2.2m	N/A - [Please note this only reflects a portion of the Victorian Homebuyer Fund initiative budget.]
<b>2024-25 Budget</b>	Psychological health regulations – public sector planning and implementation	\$0.4m	\$1.2m	The variance is due to subsequent budget phasing adjustments to align with the program milestones.	\$0.4m	\$0.6m	The variance is due to subsequent budget phasing adjustments to align with the program milestones.
<b>2024-25 Budget</b>	Supporting the community and public	\$4.9m	\$4.9m	N/A	\$5.0m	\$5.0m	N/A

	sector to tackle asbestos and its impacts						
<b>2024-25 Budget</b>	State Revenue Office expanded compliance program	\$18.2m	\$18.2m	N/A	\$18.2m	\$18.2m	N/A
<b>2025-26 Budget</b>	Gender responsive budgeting	\$0.5m	\$0.5m	N/A	\$0.5m	\$0.5m	N/A
<b>2025-26 Budget</b>	Continued monitoring and assurance of the state capital program	\$0.7m	\$0.7m	N/A	\$0.7m	\$0.7m	N/A
<b>2025-26 Budget</b>	Fair and Productive Victorian workplaces*	\$3.1m	\$3.4m	The increase reflects funding rephased from 2024-25.	NIL	\$3.1m	The increase reflects approved funding in the 2026-27 Budget.
<b>2025-26 Budget</b>	Maintaining positive public sector industrial relations	\$1.3m	\$1.3m	N/A	\$1.3m	\$1.3m	N/A
<b>2025-26 Budget</b>	Response to the independent review into Victorian Government Bodies' engagement with Construction Companies and Construction Unions	\$4.0m	\$2.6m	Rephase of funding from 2025-26 to 2026-27.	\$2.1m	\$3.6m	Rephase of funding from 2025-26 to 2026-27.
<b>2025-26 Budget</b>	Extending the temporary off-the-plan stamp duty concession for apartments, units and townhouses	\$0.7m	\$0.7m	N/A	\$0.1m	\$0.1m	N/A

<b>2025–26 Budget Update</b>	Independent Review of Employee Representatives	\$1.3m	\$1.3m	N/A	NIL	NIL	N/A
--------------------------------------	--	--------	--------	-----	-----	-----	-----

\* this initiative was titled Wage Inspectorate Victoria – fair and safe Victorian workplaces in the 2024-25 Budget

## Strategic issues

### Question 4

In order of priority, please list the five most significant strategic issues that influenced the development of the department's estimates for the 2026–27 financial year. Please describe how the department will address these issues in 2026–27.

#### Response

	Strategic issue	How the department will address the issue in 2026–27	What progress, if any, has been made as at 30 April 2026, if applicable?
1.	Maintaining critical service delivery (such as continuing to create jobs, reduce unemployment and restore economic growth)	The following budget decision has been approved in the <i>2026-27 Budget</i> :	
		<ul style="list-style-type: none"> <li>Social Housing Growth Fund and Affordable Housing Investment Partnerships expansion</li> </ul>	Not applicable. This is a new initiative as part of the <i>2026-27 Budget</i> to support an ongoing pipeline of new social housing through the community housing sector.
		The following initiative was in the <i>2025-26 Budget</i> and will continue in 2026-27:	
		<ul style="list-style-type: none"> <li>Maintaining Positive Public Sector Industrial Relations.</li> </ul>	<p>Industrial Relations Victoria provides centralised industrial relations advice and assistance to Government, departments and agencies. It is responsible for supporting enterprise bargaining in the Victorian public sector and developing and implementing the Government's public sector industrial policy priorities. Activities undertaken include:</p> <ul style="list-style-type: none"> <li>Finalisation of over 50 policies to underpin the consistent implementation of the VPS Enterprise Agreement, and revision of the broader Public Sector Industrial Relations policies.</li> <li>Oversight of the successful negotiation of 32 public sector agreements approved since 1 July 2025.</li> </ul>

		<p><b>The following initiative was in the 2023-24 Budget and will continue in 2026-27:</b></p>	
		<ul style="list-style-type: none"> <li>• Making Victoria an Easy Place for Business through Regulatory Reform (four-year initiative from 2023-24 to 2026-27)</li> </ul>	<p>The Whole of Government Regulatory Reform program implementation is in progress, with initiatives underway with departments, regulators and councils.</p> <p>This includes the Business Acceleration Fund (BAF), which will provide \$40 million from 2023-24 to 2026-27 to save Victorians time and money by streamlining regulatory processes across the state’s regulators and local councils.</p> <p>Outcomes delivered for Victorian businesses under the BAF are expected to deliver more than \$250 million of annual benefits to businesses and workers by reducing red tape, simplifying processes and speeding up approvals.</p> <p>Other deliverables include creating new guidance on data sharing, local laws and to support regulators using Service Victoria. These are published on the Council and Regulator Toolkit, an online one-stop shop of best practice resources for departments, regulators and councils that will make it easier for businesses to interact with government.</p>
		<p><b>The following initiatives were in the 2020-21 Budget:</b></p>	

		<ul style="list-style-type: none"> <li>Expanded Social Housing Growth Fund</li> </ul>	<p>The Social Housing Growth Fund (SHGF) through successive expansions in 2020-21, 2022-23 and 2023-24 is collectively delivering more than 8,300 social and affordable housing dwellings across Victoria.</p>
		<ul style="list-style-type: none"> <li>Victorian Homebuyer Fund</li> </ul>	<p>The Victorian Homebuyer Fund (VHF) has committed \$2.73 billion in shared equity contributions as of 10 March 2026 to help thousands of Victorians achieve home ownership. Since launching in October 2021, over 17,350 participants have settled on their homes, and an additional 500 participants have been approved in the scheme to start looking at houses.</p> <p>The VHF has been closed to new participants since September 2025; hence, some settlements will occur in 2026-27 as participants have up to 12 months from obtaining a Provisional Approval to enter the scheme to purchase a home.</p>
		<p><b>The following Initiatives were in the <i>Economic Growth Statement December 2024</i> and will continue in 2026-27:</b></p>	
		<ul style="list-style-type: none"> <li>Halve the number of regulators by 2030 (DTF)</li> </ul>	<p>The business regulator consolidation reform program has commenced with the construction and food sectors. To date, the Building and Plumbing Commission is the first business regulator consolidation completed.</p> <p>The Victorian Government released its formal response to the Independent Review of the Victorian Public Service (Silver Review) and included several regulatory consolidation reforms to reduce red tape and make it easier for businesses to navigate government.</p> <p>Nine further consolidations are currently underway across multiple portfolios including the soon to be established Safe Food Victoria.</p>

		<ul style="list-style-type: none"> <li>• Launching a Regulatory Digitisation and AI program (DTF)</li> </ul>	An \$11 million digitisation and AI program is supporting councils and regulators to digitise outdated processes and streamline approvals. This includes developing digital portals, online concierge services and digitising historical planning records, saving businesses time when they interact with councils and regulators.
		<ul style="list-style-type: none"> <li>• Setting a regulatory burden reduction target of \$500 million by 2030 (DTF)</li> </ul>	<p>Under the <i>Economic Growth Statement</i>, the Government committed to deliver \$500 million in benefits to business by 2030. This will be measured in time and money saved for businesses through regulatory burden reduction reforms.</p> <p>New regulatory reforms which benefit businesses across government agencies that have commenced on or after the <i>Economic Growth Statement</i> will be counted towards the target. The <i>Economic Growth Statement</i> also provided \$2.6 million for departments and regulators to implement high-value regulatory reduction initiatives, including intensive legislative reviews and modernising projects.</p>
		<ul style="list-style-type: none"> <li>• Reducing red tape in the regions (DTF)</li> </ul>	\$3.5 million in targeted investment in 2025-26 is addressing regulatory challenges faced by businesses in Victoria's regional communities. Examples include streamlining regulation for key industries like freight, food production or manufacturing, and digitising regional council systems.
2.	<b>Meeting priority investments (such as continuing to implement Early Intervention Investment Framework, and other reforms and enhance compliance activities)</b>	<b>The following initiatives were in the 2025-26 Budget and will continue in 2026-27:</b>	
		<ul style="list-style-type: none"> <li>• Response to the independent review into Victorian Government Bodies' engagement</li> </ul>	Implementing the 8 Recommendations made by the Wilson Review has been a priority for Government.

		<p>with Construction Companies and Construction Unions</p>	<p>DTF has broadly implemented Recommendations 1 to 7 of the Wilson Review. Recommendation 8 is a proposed review of the implementation of the Wilson Recommendations which is not due yet.</p> <ul style="list-style-type: none"> <li>• Recommendation 1: The Construction Complaints Referral Service (CCRS) has been established within Workforce Inspectorate Victoria (WIV) following the passage of <i>Wage Theft Amendment Act 2025</i>.</li> <li>• Recommendation 2: The alliance has been established with membership including Victoria Police, Australian Federal Police, Industrial Relations Victoria, Labour Hire Authority (LHA), Fair Work Ombudsman, Fair Work Commission, WorkSafe Victoria, VIDA and SRLA.</li> <li>• Recommendations 3-6: The labour hire regulatory regime will be strengthened in line with the Wilson review report. Recommendations 3-6 are acquitted through amendments in the <i>Labour Hire Legislation Amendment (Licensing) Act 2025</i> that passed the Parliament on 9 December 2025 and received Royal Assent on 16 December 2025. Regulations to fully acquit recommendation 4 are being developed for consideration with preparation of the requisite Regulatory Impact Statement in 2026.</li> <li>• Recommendation 7: The Reporting Criminal and Unlawful Conduct policy commenced on 1 January 2026 and gives effect to this recommendation.</li> </ul>
		<ul style="list-style-type: none"> <li>• Continued Monitoring and Assurance of the state capital program</li> </ul>	<p>Progress made as at 30 April 2026 on the continued monitoring and assurance of the state capital program includes the completion by DTF of 56 assurance reviews on projects, delivery of 90 hours of capability training to</p>

			500 public servants translating into 12 days, and three quarterly major projects performance reports (MPPRs) completed for Cabinet.
		<ul style="list-style-type: none"> <li>Gender responsive budgeting</li> </ul>	DTF has assessed the gender impacts of budget proposals through the <i>2026-27 Budget</i> . DTF has provided workshops and training sessions to departments and agencies to build capability in, and understanding of, gender responsive budgeting.
		<b>The following initiatives were in the 2024-25 Budget and will continue in 2026-27:</b>	
		<ul style="list-style-type: none"> <li>State Revenue Office (SRO) expanded compliance program</li> </ul>	<p>Funding approved from 1 July 2024 to build upon the broad range of taxation compliance programs administered by the State Revenue Office.</p> <p>Revenue compliance activities continue to achieve targets.</p> <p>Work continues to enhance data quality and management and improve call centre technology.</p>
		<ul style="list-style-type: none"> <li>Psychological health regulations – public sector planning and implementation (with further funding provided as part of a new decision in the <i>2026-27 Budget</i> – i.e. Boosting return to work support and delivering safer workplaces for Victorians)</li> </ul>	<p>The initiative has supported departments and Victoria Police to develop action plans identifying priority measures to be implement in the short, medium and long term to embed the regulatory requirements (BP3 output measure).</p> <p>The initiative has delivered an OHS Psychosocial Systems Maturity Tool, a self-assessment tool evaluating enterprise level systems and practices across categories aligned to the Psychological Health Regulations. The tool enabled departments and Victoria Police to identify key areas of strength, and opportunities for improvement that could be included in their action plans.</p>

			<p>The initiative has also delivered a range of workshops and evidence-based resources to support readiness for compliance with the regulations. This has included a focus on uplifting capability of people leaders to understand and apply the regulatory requirements, as well as strengthening systems and practices for controlling psychosocial risks.</p> <p>Effort in 2026-27 will focus on:</p> <ul style="list-style-type: none"> <li>- the development of more applied workshops on psychosocial risks,</li> <li>- re-running the Systems Maturity Tool to help benchmark progress against the 2025 results; and</li> <li>- investigating how best to leverage existing tools, workshops and guidance to service the broader VPS, such as through creation of an online digital hub to house all of the Initiatives workshop materials, resources and tools; and developing options to improve visibility on controls currently utilised across the public sector to continue to build the evidence base on what works in government.</li> </ul> <p>Additional funding provided in the <i>2026-27 Budget</i> will enable further activities to address public sector rates of injury.</p>
		<p><b>The following initiatives were in the 2023-24 Budget and will continue in 2026-27:</b></p>	
		<ul style="list-style-type: none"> <li>• SRO Compliance Program</li> </ul>	<p>The program funding commenced from 1 July 2023 to maintain and expand the broad range of taxation compliance programs and to enhance data quality and management.</p>

			Revenue compliance activities continue to achieve targets, and a range of data quality programs are continuing.
		<ul style="list-style-type: none"> <li>Maximising outcomes through social investments</li> </ul>	<p>In 2024-25, DTF awarded contracts to 22 projects under the Empowerment Fund to support organisations to improve their data and evaluation capabilities. Details on nine completed projects are available on the DTF website, with remaining projects still underway.</p> <p>The <i>2023-24 Budget</i> funded two Partnerships Addressing Disadvantage (PADs), to complement the five existing programs. The first of these two PADs has undergone market sounding and request for proposal. Details are available on the DTF website.</p> <p>DTF worked in partnership with the Victorian Aboriginal Child and Community Agency to develop a Cultural Safety Framework to underpin the Early Intervention Investment Framework (EIIF). The Cultural Safety Framework is in its second year of implementation and is available on the DTF website.</p>
		<b>The following initiatives were in the 2021-22 Budget and will continue in 2026-27:</b>	
		<ul style="list-style-type: none"> <li>Embedding Early Intervention in Government Service Delivery</li> </ul>	<p>The EIIF has been government policy for the last six years, further embedding a focus on measuring wellbeing impacts for submissions in the Victorian budget process.</p> <p>For each EIIF initiative, there are quantified expected impacts in terms of wellbeing outcomes, avoided fiscal costs, and economic benefits. The evidence generated through the EIIF enables Government to make more</p>

			informed decisions and balance the mix of acute services with preventative services.
		<ul style="list-style-type: none"> <li>Partnerships Addressing Disadvantage (PADs)</li> </ul>	The Arc PAD is now being implemented as a partnership with the Department of Families, Fairness and Housing, Department of Justice and Community Safety, Vacro and Social Ventures Australia.
3.	<b>Implementing the Independent Review of the Victorian Public Service and Resetting the Victorian Public Sector</b>	<p>By the end of 2026-27, the planned reduction in executive and VPS FTE are:</p> <p>SES/STS: 4.0 FTE VPS: 0 FTE</p> <p>DTF will reallocate tasks and workload to match the changed seniority profile, with the aim of minimising any impact on service delivery.</p>	N/A
4.	<b>Continuing the savings initiative announced in 2025-26 Budget</b>	<b>The following savings initiative was in 2025-26 Budget and will continue to be implemented in 2026-27:</b>	
		Savings and efficiencies and expenditure reduction measures in <i>2025-26 Budget</i>	<p>DTF undertook measures to reduce expenditure including capping the budgets allocated for purchase of supplies and services and stronger centralised budget management.</p> <p>The target was met through general savings and efficiencies measures across the department, including reduced spending on corporate and back-office functions, administrative efficiencies, such as streamlining processes, and realignment of priorities.</p>
5.	<b>Renewing lapsing program</b>	<b>The 2026-27 Budget provides funding to continue the following initiative:</b>	
		<ul style="list-style-type: none"> <li>Fair and productive Victorian workplaces</li> </ul>	Since establishment on 1 July 2021, the Workforce Inspectorate Victoria (the Inspectorate), previously Wage Inspectorate Victoria, has undertaken informal evaluations annually. Annual evaluations have provided

evidence demonstrating the efficiency and effectiveness of the Inspectorate as a regulator committed to delivering optimum outcomes for Victoria and the Victorian public. The Inspectorate's operations support the department's objective to 'Strengthen Victoria's economic performance through fair, equitable and productive workplaces'.

It does so by promoting compliance and enforcement with the laws within its remit, including *the Child Employment Act, the Child Safety and Wellbeing Act, the Long Service Leave Act and the Owner Driver Forestry Contractors Act*.

In the financial year to 31 March 2026, the Inspectorate:

- finalised 40 long service leave investigations and recovered over \$2.6 million of dollars in unpaid long service leave, contributing to a cumulative \$4.6 million for Victorian workers
- protected the safety and welfare of children working in Victoria by administering child employment laws, including assessing and granting over 500 new child employment licences for the employment of over 2,700 children
- answered over 5,500 calls to its helpline from people seeking information about rights and obligations under laws within the Inspectorate's remit, and responded to over 1,000 written enquiries
- undertook regulatory responsibilities *under the Owner Drive and Forestry Contractors Act*, including auditing engagements to ensure hirers of owner drivers were complying with the law.

			<p>Since its inception as an independent statutory authority in July 2021, the Inspectorate has had 34 matters before the courts, resulting in more than \$2.1 million in fines and costs. In the financial year to 31 March 2026, the Inspectorate has had 5 matters before the court for various breaches of its legislation.</p> <p>The Inspectorate also launched the Construction Complaints Referral Service in December 2025 to receive and refer complaints of unacceptable behaviour on any Victorian government construction project.</p>
--	--	--	---

## Revenue and expenditure – variances

### Question 5

*Budget Paper No. 5: Statement of Finances* provides a comprehensive operating statement that details each department's revenue and expenses on an accrual basis reflecting the cost of providing its output.

For each line item of the comprehensive operating statement if there is a variance greater than 10 per cent (positive or negative) or greater than \$100 million (positive or negative) please explain the reason for the variance between the budget for 2025–26, the revised estimate for 2025–26 and the budget for 2026–27.

#### Guidance

Where the variance is in 'Other operating expenses', please supply the relevant expense category.

### Response

Line item	2025–26 Budget (\$ million)	2025–26 Revised estimate (\$ million)	Explanation for any variances greater than ±10% (or greater than \$100 million) 2025–26 Budget vs. 2025–26 Revised estimate
Grants	2.6	2.0	The decrease primarily reflects revised timing of the receipts from the Workplace Incidents Consultative Committee trust, which are now expected in 2027-28.
Other income	1.1	1.4	The increase reflects funding from the Victorian Future Fund to administer the trust.
Depreciation and amortisation	12.8	11.2	The depreciation budget has been revised to align with the projected depreciation expenses associated with the Department's capital expenditure.
Grants and other transfers	67.8	41.9	The decrease primarily reflects rephasing of expenditure for various grant programs.
Other operating expenses	166.2	191.0	The increase primarily reflects carry over of funds from 2024-25 that was approved after the published budget.
Line item	2025–26 Budget (\$ million)	2026–27 Budget (\$ million)	Explanation for any variances greater than ±10% (or greater than \$100 million) 2025–26 Budget vs. 2026–27 Budget
Grants	2.6	1.9	The decrease primarily reflects cessation of grants from the Department of Transport and Planning to fund the Department's resources for the 'Refranchising Melbourne's tram and train networks' initiative.

Other income	1.1	1.4	The increase reflects funding from the Victorian Future Fund to administer the trust.
Grants and other transfers	67.8	45.3	The higher 2025-26 Budget mainly reflects higher grants expenditure from Industrial Relations Victoria and funding for the Economic Growth Statement in 2025-26.
Other operating expenses	166.2	187.7	The increase primarily reflects funding rephased into 2026-27 from 2025-26 for various initiatives and new funding decisions included in the 2026-27 Budget.
<b>Line item</b>	<b>2025–26 Revised estimate (\$ million)</b>	<b>2026–27 Budget (\$ million)</b>	<b>Explanation for any variances greater than ±10% (or greater than \$100 million) 2025–26 Revised estimate vs. 2026–27 Budget</b>
Depreciation and amortisation	11.2	12.8	The increase primarily reflects depreciation associated with the capital expenditure phasings for the State Revenue Office Expanded Compliance Program and State Revenue Office Advanced Revenue Management Program.

## Revenue initiatives – new and changed

### Question 6

For all new revenue initiatives in the 2026–27 budget papers and for all existing revenue initiatives that have changed in the 2026–27 budget papers as compared to the previous financial year, please provide the:

- a) name of the initiative in the 2026–27 budget papers
- b) objective/s of the initiative
- c) reason for the new initiative or change to the initiative
- d) expected outcome/benefit for the Victorian community of the new initiative/change to the initiative
- e) anticipated revenue in the financial year 2026–27 and over the forward estimates gained or foregone as a result of the new initiative/change to the initiative.

### Response

Name of the initiative in the 2026–27 budget papers	Indexing the payroll tax income per student threshold for lower-fee non-government schools
Objective/s of the initiative	Align the fee per student threshold for the non-government schools payroll tax exemption with the School Resource Standard for secondary students.
Reason for new initiative or change	To reduce the pressure on school fees and payroll tax on lower-fee non-government schools.
Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	Reduced pressure on school fees for lower-fee non-government schools.
Anticipated revenue in financial year 2026–27 gained or foregone	-\$1.6 million
Anticipated revenue in financial year 2027–28 gained or foregone	-\$4.9 million
Anticipated revenue in financial year 2028–29 gained or foregone	-\$7.9 million
Anticipated revenue in financial year 2029–30 gained or foregone	-\$13.5 million

Name of the initiative in the 2026–27 budget papers	Extending the temporary off-the-plan stamp duty concession for apartments, units and townhouses for a further 6 months
Objective/s of the initiative	<p>The temporary land transfer duty concession for off-the-plan apartments, townhouses, and units announced on 21 October 2024 will be extended for a further six months.</p> <p>The concession will now apply to contracts signed on or after 21 October 2024 and before 21 April 2027.</p> <p>The concession allows outstanding construction costs to be deducted when determining the dutiable value of non-detached dwellings within a strata subdivision sold off-the-plan.</p> <p>This concession was initially announced as part of the 2024-25 Budget Update and had a twelve-month time frame. The concession was extended as part of the 2025-26 State Budget for twelve months.</p>
Reason for new initiative or change	This measure is designed to increase housing supply and reduce housing affordability pressures.
Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	<p>Anyone buying an eligible apartment, unit or townhouse off-the-plan can claim the concession.</p> <p>The concession will cut upfront costs for purchasers.</p> <p>Developers may be able to commence construction earlier, as this measure will assist in meeting pre-sale targets sooner for finance requirements.</p>
Anticipated revenue in financial year 2026–27 gained or foregone	-0.6 million
Anticipated revenue in financial year 2027–28 gained or foregone	-6.8 million
Anticipated revenue in financial year 2028–29 gained or foregone	-11.7 million

Anticipated revenue in financial year 2029–30 gained or foregone	-13.6 million
--	---------------

Name of the initiative in the 2026–27 budget papers	Cessation of motor vehicle duty concession for luxury green passenger cars
Objective/s of the initiative	From 1 July 2027, green passenger vehicles above the luxury car threshold will no longer be charged a lower rate of motor vehicle duty than other standard passenger vehicles.
Reason for new initiative or change	<p>The proportion of sales in Victoria of new light vehicles that are battery electric, plug-in hybrid electric or hybrid electric vehicles has grown from 11 per cent in the first quarter of 2022 to 35 per cent in the fourth quarter of 2025. A wide range of green vehicle models is now available in the market, with a growing number of new electric vehicles available for about \$40,000.</p> <p>This change will only affect a small proportion of green vehicle sales, with less than 10 per cent of green passenger vehicles sold in 2024-25 above that year's luxury threshold of \$80,567.</p>
Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	This change will increase fairness among Victorian taxpayers as luxury vehicles will be charged the same rate of duty as standard luxury vehicles. Green vehicles pay less or no fuel excise, and this will help ensure that all vehicle purchasers are contributing to infrastructure and services, including building and maintaining Victoria's roads.
Anticipated revenue in financial year 2026–27 gained or foregone	Nil
Anticipated revenue in financial year 2027–28 gained or foregone	\$12.0 million
Anticipated revenue in financial year 2028–29 gained or foregone	\$12.6 million
Anticipated revenue in financial year 2029–30 gained or foregone	\$13.3 million

## Expenditure – new programs and initiatives (output and asset)

### Question 7

For all new programs and initiatives (output and asset) in the 2026–27 budget papers, please provide the:

- name of the program/initiative
- objective(s) of the program
- factors that have driven the creation of the initiative (including social, environmental or economic factors)
- budgeted expenditure in financial year 2026–27 on the program/initiative
- how it will be funded (i.e. through new output appropriation, Commonwealth funding, internal reprioritisation etc.)
- how the outcomes and impacts will be measured (such as relevant indicators, evaluations, routine monitoring).

### Response

Name of the program/initiative	Objective(s) of the program	Factors driving creation of the initiative	Budgeted expenditure in FY 2026–27 on the program/initiative (\$ million)	How it will be funded	How the outcomes and impacts will be measured
<b>Boosting return to work support and delivering safer workplaces for Victorians</b>	To deliver a package of targeted initiatives to improve recovery and return to work outcomes for injured workers, prevent workplace injury through enhanced capability building and enforcement activities, and improve support for families affected by workplace fatalities.	Workplace injuries and fatalities have significant negative implications for individual injured workers, their families and their workplaces, as well as affecting productivity for businesses and	\$6.5 million	Expenditure for this initiative will be fully funded by the Victorian WorkCover Authority.	A new performance measure related to the independent support trial will measure the impact of this component – “Family satisfaction with independent support services provided as part of family support pilot”.

		<p>the Victorian economy.</p> <p>Preventing workplace incidents and fostering safe and healthy workplaces is the best way to avoid these costs. However, when workplace injuries do occur, it is essential that injured workers and their families are supported to achieve their recovery and return to work goals.</p> <p>Each component is targeted to address a specific identified area of need or uplift required within the current system.</p>			
<b>Social Housing Growth Fund and Affordable</b>	To fund an ongoing pipeline of new social	Continuing significant	\$125.6 million will be invested into	The investment into the Social Housing	The following BP3 performance measure

<p><b>Housing Investment Partnerships expansion</b></p>	<p>housing through the community housing sector</p>	<p>demand for social housing on the Victorian Housing Register.</p> <p>Significant demand for Affordable Housing Investment Partnerships (AHIP) finance.</p>	<p>the Social Housing Growth Fund</p>	<p>Growth Fund will be funded returns from existing investments.</p>	<p>is to be established as part of the 2026-27 <i>Budget</i>:</p> <p>“Social and Affordable Housing dwellings committed by the Social Housing Growth Fund.”</p> <p>Homes Victoria also reports on the total amount of social housing in Victoria.</p>
---	---	--	---------------------------------------	--	---

## Expenditure – lapsing programs (output initiatives, including grants)

### Question 8

For all programs (output initiatives, including grants) with total funding of equal to or greater than \$5 million that were to lapse in the financial year 2025–26, where funding is to be extended in the 2026–27 Budget, please provide the:

- a) name of the program
- b) objective(s) of the program
- c) expenditure in the financial years 2025–26 and 2026–27 (and where relevant, future years)
- d) details of how the program will be funded (i.e. through new output appropriation, Commonwealth funding, internal reprioritisation etc.)
- e) confirmation that an evaluation of the program has been conducted as per *Section 6.1 Evaluating lapsing programs* of the Resource Management Framework (RMF). Please advise who undertook the evaluation and attach a copy of the executive summary of the evaluation in the questionnaire response. If ‘appropriate evidence’ or annual outcomes reporting was provided in lieu of an evaluation report (as permitted under the RMF for lapsing programs with less than \$20 million in funding), please briefly describe the evidence provided.<sup>3</sup>
- f) evidence of the continued need for the program, and Government’s role in delivering it
- g) evidence of the program’s progress towards its stated objectives and expected outcomes, including the alignment between the program, its output (as outlined in *Budget Paper No. 3: Service Delivery*), departmental objectives and any Government priorities
- h) evidence of the program being delivered within its scope, budget, expected timeframe and in line with appropriate governance and risk management practices
- i) extent and level of efficiencies realised in the delivery of the program
- j) information about the nature of the impact of the program ceasing and what strategies have been identified to minimise any negative impacts
- k) evidence that the further funding reflects the actual cost required to deliver the program.

#### **Guidance**

Lapsing program—the Committee uses the definition of lapsing program as set out in the Department of Treasury and Finance, *Resource Management Framework*: A lapsing program is a program to deliver services (output-related) that is funded for a specified time period only (and not ongoing in nature). Programs of a ‘one-off’ or a time-specific nature (e.g. funding provided for specific events) are considered ‘fixed-term’ and do not fall under the definition of a ‘lapsing program’.

**Response**

Name of the program	<b>Fair and productive Victorian workplaces (Workforce Inspectorate Victoria)</b>	
Objective(s) of the program	To continue delivering fair and productive Victorian workplaces through strong compliance and enforcement action under Victoria's Industrial Relations (IR) laws.	
Expenditure in the financial years 2025–26 and 2026–27 (and, where relevant, future years) (\$ million)	2025–26 \$3.1m	2026–27 & 2027-28 \$3.1m each
Details of how the program will be funded	Output appropriations	
Confirmation that an evaluation for the program has been conducted. Please advise who undertook the evaluation and attach a copy of the executive summary of the evaluation	Wage Inspectorate Victoria was renamed Workforce Inspectorate Victoria in December 2025. At the time of the Workforce Inspectorate's establishment in July 2021, it was proposed a formal review of the reforms to ensure compliance and enforcement of wage theft laws would be undertaken in July 2024. It was anticipated the review would be more meaningful if it was undertaken once the reforms had been operational for three years. However, significant changes which occurred in 2023-24 have affected the Inspectorate's operations, meaning it was no longer sensible to undertake the formal review as initially planned. These significant changes include the Federal Government legislating the wage theft offences, and subsequent repeal of Victoria's wage theft offences. Given these changes, it is proposed that the formal review be conducted after 1 July 2026 (about 18 months after the operation of the new structure).	
Evidence of the continued need for the program and the Government's role in delivering it	The Inspectorate supports fair and safe Victorian workplaces by strong compliance and enforcement action under Victoria's Industrial Relations (IR) laws. It does this by delivering the core legislated regulatory functions under the laws within its remit, including the Child Employment Act 2003 (CE Act), Child Safe Standards (CSS) under the Child Wellbeing and Safety Act 2005, Long Service Leave Act 2018 (LSL Act) and Owner Drivers and Forestry Contractors 2005 (ODFC Act).	
Evidence of the program's progress toward its stated objectives and expected outcomes	In the financial year to 31 March 2026, the Inspectorate:	

	<ul style="list-style-type: none"> <li>• finalised 40 long service leave investigations and recovered over \$2.6 million in unpaid long service leave, contributing to a cumulative \$4.6 million for Victorian workers.</li> <li>• protected the safety and welfare of children working in Victoria by administering child employment laws, including assessing and granting over 500 new child employment licences for the employment of over 2,700 children.</li> <li>• answered over 5,500 calls to its helpline from people seeking information about rights and obligations under laws within the Inspectorate’s remit, and responded to over 1,000 written enquiries.</li> <li>• undertook regulatory responsibilities under the Owner Driver and Forestry Contractors Act, including auditing engagements to ensure hirers of owner drivers were complying with the law.</li> </ul> <p>Since its inception as an independent statutory authority in July 2021, the Inspectorate has had 34 matters before the courts, resulting in more than \$2.1 million in fines and costs. In this financial year to 31 March 2026, the Inspectorate has had 5 matters before the court for various breaches of its legislation.</p> <p>The Inspectorate also launched the Construction Complaints Referral Service in December 2025 to receive and refer complaints of unacceptable behaviour on any Victorian government construction project.</p>
Evidence of the program being delivered within its scope, budget, expected timeframe and in line with appropriate governance and risk management practices	Since establishment, the Inspectorate has operated within its annual budget. The Inspectorate manages risk within the Victorian Government Risk Management Framework. Its management of risk is supported by the Inspectorate’s Audit and Risk Management Committee.
Nature of the impact of the program ceasing and what strategies have been identified to minimise any negative impacts	Without further ongoing funding, the Inspectorate would be unable to effectively enforce compliance and enforcement with key industrial relations laws after the 2027-28 financial year. Any monitoring activities assigned to the Inspectorate may need to be repealed, which would require legislative

	change. Employees that deliver these functions would need to be made redundant as a result.
Evidence that the further funding reflects the actual cost required to deliver the program	The Inspectorate has undergone a restructure and realises efficiencies by leveraging existing services and contracts within Government. This has continued to allow the Inspectorate to access services at a lower cost than if it sought to negotiate its own arrangements. This includes a range of corporate services offered by the Department of Government Services, including procurement. The Inspectorate will continue to deliver essential regulatory activities within its allocated funding.

### Question 9

For all programs (output initiatives, including grants) with total funding of equal to or greater than \$5 million that are to lapse in 2025–26, please provide the:

- a) name of the program
- b) objective(s) of the program
- c) expenditure in the financial year 2025–26
- d) reasons why the program was established
- e) details of who (describe the type of users, for example, health care providers, families, volunteers etc.) and how many used the program, and evidence of the outcomes achieved
- f) reasons why further funding is not being sought
- g) impact of ceasing the program
- h) strategies that are being implemented to minimise any negative impacts.

### Response

Name of the program	Nil
Objective(s) of the program	
Expenditure in the financial year 2025–26 (\$ million)	
Reasons why the program was established	
Details of who and how many used the program and evidence of the outcomes achieved	
Reasons why further funding is not being sought	
Impact of ceasing the program	
Strategies that are being implemented to minimise any negative impacts	

## Capital asset expenditure

### Question 10

*Budget Paper No. 5: Statement of Finances* provides cash flow statements for departments.

*Budget Paper No. 4: State Capital Program* provides the capital projects undertaken by departments.

For the 'Payments for nonfinancial assets' line item in the 2026–27 budget cash flow statement, please provide a breakdown of these costs and indicate which capital project they relate to.

If any other line items in the cash flow statement comprises expenditure on Public Private Partnerships (PPPs), please list the PPP it relates to and the cost.

#### **Guidance**

Capital projects extracted from the cash flow statements are expected to correspond to capital projects listed in *Budget Paper No. 4: State Capital Program* as 'New projects', 'Existing projects', or 'Completed projects'.

### Response

*Please see Excel Worksheet for response*

## Public Private Partnerships – expenditure

### Question 11

*Budget Paper No. 5: Statement of Finances* provides a comprehensive operating statement that details each department’s revenue and expenses on an accrual basis reflecting the cost of providing its output.

- a) In the 2026–27 comprehensive operating statement please identify all expenditure on Public Private Partnerships (PPP) by line item and provide a breakdown of these costs and indicate to which project they relate.

#### **Guidance**

If the line item ‘Other operating expenses’ in the comprehensive operating statement comprises expenditure on PPPs, please also list the PPP it relates to and the cost.

- b) Please also provide the estimated/forecast expenditure for all PPPs across forward estimates.

### Response

a)

Line item	2024–25 Actual (\$ million)	2025–26 revised Budget (\$ million)	2026–27 Budget (\$ million)	Related project(s)
Nil return				
<b>Total</b>				

b)

PPPs	2024–25 Actual (\$ million)	2025–26 revised Budget (\$ million)	2026–27 Budget (\$ million)	2027–28 Estimated/Forecast (\$ million)	2028–29 Estimated/Forecast (\$ million)	2029– 30Estimated/Forecast (\$ million)
Nil return						
<b>Total</b>						

## Public Private Partnerships – expected and actual benefits

### Question 12

For Public Private Partnerships (PPP) projects in operation and in procurement and delivery, please provide detail on:

- the expected benefits of the PPP project in the uncommissioned (planning and construction) stages
- the value to the State of the expected benefits of the PPP project in the uncommissioned stages
- the actual/existing benefits of the PPP project in its commissioned (operations and maintenance) stage
- the value of the actual/existing benefits of the PPP project in its commissioned stage per year
- how benefits are monitored, measured and publicly reported.

### Response:

PPP	Expected benefits in uncommissioned (planning and construction) phases	Value of expected benefits to the State (\$ million)	Actual/existing benefits of commissioned (operations and maintenance) stage	Value of actual/existing benefits per year (\$ million)	How benefits are monitored, measured and publicly reported
Nil return					

## Major project contracting – DTP only

### Question 13

- a) For all the major transport projects (TEI >\$100 million), please provide the following details:
- i) project name
  - ii) total estimated investment at announcement
  - iii) budget year of announcement
  - iv) revised total estimated investment in the 2026–27 Budget
  - v) delivery model – please specify if the major projects are delivered through PPP, alliance contracting or other financing arrangement outlined in the *Whole of government infrastructure procurement framework*.<sup>4</sup> If other, please specify the arrangement
  - vi) estimated completion date at the announcement
  - vii) revised estimated completion date in the 2026–27 Budget
  - viii) explanation for variances in project cost and timeliness

### Response

Project name	Total estimated investment at announcement	Budget year	Revised total estimated investment	Delivery model (PPP, Alliance contracting or other – please specify)	Estimated completion date at announcement	Revised estimated completion date	Explanation for variances in project cost and timeliness

- b) Please note which of the above projects have a publicly available business case and where this can be found.

<sup>4</sup> See Department of Treasury and Finance, *A modernised infrastructure procurement framework for Victoria*, September 2023, p.1.



## Savings initiatives

### Question 14

For each of the savings initiatives detailed in the 2025–26 Budget,<sup>6</sup> please detail:

- the department's saving target for 2025–26 and 2026–27
- a breakdown of how the department will meet the savings targets in 2025–26 and 2026–27
- the impact that these actions will have on the delivery of services and assets/infrastructure during 2025–26 and 2026–27.

### Response

Initiative	2025–26			2026–27		
	Savings target for (\$ million)	Breakdown of how the department met savings targets	Impact these actions had on the delivery of services and assets/infrastructure	Savings target (\$ million)	How the department will meet savings targets	Impact these actions will have on delivery of services and assets/infrastructure
Whole of Government savings and efficiencies	14.14	The Department undertook measures to reduce expenditure including capping the budgets allocated for purchase of supplies and services and stronger centralised budget management.	No anticipated material impacts on service delivery or asset/infrastructure projects.	14.14	The target will be met through general savings and efficiencies measures across the department, including reduced spending and administrative efficiencies, such as streamlining processes, and realignment of priorities.	No anticipated material impacts on service delivery or asset/infrastructure projects.
Other						

<sup>6</sup> Department of Treasury and Finance, *Budget Paper No. 3: 2024–25 Service Delivery*, Melbourne, 2024, p. 92.

## Question 15

For each of the savings initiatives detailed in the 2026–27 Budget, please detail (on the same basis of consolidation as the budget papers):

- a) the department’s saving target for 2026–27
- b) how the department will meet the various savings targets in 2026–27
- c) the impact that these actions will have on the delivery of services and assets/infrastructure during 2026–27.

### Response

<b>Initiative</b>	<b>Savings target for 2026–27 (\$ million)</b>	<b>Savings target for 2027–28 (\$ million)</b>	<b>Savings target for 2028–29 (\$ million)</b>	<b>Savings target for 2030–31 (\$ million)</b>	<b>How the department will meet various savings targets</b>	<b>Impact these actions will have on delivery of services and assets/infrastructure</b>
Savings and efficiencies and expenditure reduction measures in 2026–27 Budget	N/A	N/A	N/A	N/A	Data cannot be provided at this stage, as details of individual savings initiatives are subject to the final whole of government implementation approach and consultation with impacted staff.	Data cannot be provided at this stage, as details of individual savings initiatives are subject to the final whole of government implementation approach and consultation with impacted staff.

## Use of funds saved from other programs or initiatives

### Question 16

In relation to any programs or initiatives that have been reprioritised, curtailed or reduced for 2026–27, please identify:

- the amount expected to be spent under the program or initiative during 2026–27 at the time of the 2025–26 Budget
- the amount currently to be spent under the program or initiative during 2026–27
- the use to which the funds realised by this reduction will be put. Please include the name(s) of any program or initiative that will be funded or partially funded.

### Response

Program/initiative that has been reprioritised, curtailed or reduced	The amount expected to be spent under the program or initiative during 2026–27 (\$ million)		The use to which the funds will be put
	At the time of the 2025–26 Budget	At the time of the 2026–27 Budget	
NIL			

## Service delivery

### Question 17

- a) Please provide the total estimated cost to the department (if any) of the machinery of government changes made since July 2025.

#### Response

N/A - The department has not been affected by any machinery of government changes since July 2025.

- b) Please complete the table below detailing the impacts on the department of any machinery of government changes since July 2025.

#### Response

Impact on the department	N/A
Impact on departmental outputs	
Impact on departmental agencies	
Impact on portfolios	
Impact on statutory authorities	
Estimated cost and date changes are anticipated to be fully implemented	
New portfolio responsibilities and/or how responsibilities are shared, if relevant	
* Where the machinery of government change has no impact on the department, please type N/A where appropriate in the table above.	

## Question 18

*Department Performance Statement: Service Delivery* presents departmental performance statements that state the department's outputs by departmental objectives.

Please provide, by ministerial portfolio, the relevant objective(s), objective indicator(s), output(s) and performance measure(s) as provided in the 2026–27 Budget. Where responsibility for outputs, initiatives or performance measures is shared, please clearly outline what is shared and how responsibility is divided between Ministers or portfolios.

Please use a separate table for each portfolio.

Please use one line per output and ensure that outputs align with the relevant objective and indicator/s.

### Response

Minister*	Treasurer		
Portfolio	Treasurer		
Objective	Objective indicator/s	Output	Performance measures
Optimise Victoria's fiscal resources	<ul style="list-style-type: none"> <li>General government net debt as a percentage of gross state product (GSP) to stabilise and reduce in the medium term</li> <li>Fully fund the unfunded superannuation liability by 2035</li> <li>A net operating cash surplus consistent with maintaining general government net debt at a sustainable level</li> <li>General government interest expense as a percentage of revenue to stabilise in the medium term</li> <li>Agency compliance with the Standing Directions under the <i>Financial Management Act 1994</i></li> </ul>	Budget and Financial advice	<ul style="list-style-type: none"> <li>Number of funding reviews contributed to by DTF</li> <li>Number of periodic portfolio performance reports provided to Government</li> <li>Percentage of VPS stakeholder feedback indicating that the advice and sessions provided supported understanding of the financial reporting and financial management frameworks across the VPS.</li> <li>Percentage of attendees at Gender Responsive Budgeting (GRB) and Gender Impact Assessment (GIA) information sessions who indicated the session helped improve their</li> </ul>

	<ul style="list-style-type: none"> <li>• Advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources</li> </ul>		<p>understanding of associated requirements</p> <ul style="list-style-type: none"> <li>• Unqualified audit reports/reviews for the State of Victoria Financial Report and Estimated Financial Statements</li> <li>• Variance of the revised estimate of general government budget expenditure</li> <li>• Annual Budget published by date agreed by Treasurer</li> <li>• Budget Update, Financial Report for the State of Victoria, Mid-Year Financial Report, and Quarterly Financial Reports are transmitted by legislated timelines</li> </ul>
Optimise Victoria's fiscal resources	<ul style="list-style-type: none"> <li>• General government net debt as a percentage of gross state product (GSP) to stabilise and reduce in the medium term</li> <li>• Fully fund the unfunded superannuation liability by 2035</li> <li>• A net operating cash surplus consistent with maintaining general government net debt at a sustainable level</li> <li>• General government interest expense as a percentage of revenue to stabilise in the medium term</li> </ul>	Revenue Management and Administrative Services to Government	<ul style="list-style-type: none"> <li>• Compliance revenue assessed meets target</li> <li>• Revenue accrued as a percentage of State Budget forecast</li> <li>• Average cases of debt over 12 months overdue as a percentage of average total cases of overdue debt</li> <li>• Business processes maintained to retain ISO 9001 (Quality Management Systems) Certification</li> <li>• Customer satisfaction level</li> </ul>

	<ul style="list-style-type: none"> <li>• Agency compliance with the Standing Directions under the <i>Financial Management Act 1994</i></li> <li>• Achievement of Government policies and priorities relating to optimising Victoria's fiscal resources</li> </ul>		<ul style="list-style-type: none"> <li>• Litigated success rate</li> <li>• Objections received to assessments issued as a result of compliance projects</li> <li>• Ratio of outstanding debt to total revenue (monthly average)</li> <li>• Achievement of scheduled milestones in the Advanced Revenue Management Program</li> <li>• Timely handling of objections (within 90 days)</li> <li>• Timely handling of private rulings (within 90 days)</li> <li>• Total output cost</li> </ul>
Strengthen Victoria's economic performance	<ul style="list-style-type: none"> <li>• Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)</li> <li>• Total Victorian employment to grow each year (annual percentage change)</li> <li>• Advice contributes to the achievement of government policies and priorities relating to economic and social outcomes</li> </ul>	Economic and Policy Advice	<ul style="list-style-type: none"> <li>• Economic research projects and papers completed that contribute to deeper understanding of economic issues and development of government policy</li> <li>• Facilitation of roundtables and information sessions that inform government policy and contribute to public policy debate</li> <li>• Accuracy of estimating state taxation revenue in the State budget</li> <li>• Accuracy of estimating the employment growth rate in the State budget</li> <li>• Accuracy of estimating the gross state product growth rate in the State budget</li> </ul>

			<ul style="list-style-type: none"> <li>Briefings on key Australian Bureau of Statistics economic data on the day of release</li> </ul>
Improve how Government manages its balance sheet and commercial activities and public sector infrastructure	<ul style="list-style-type: none"> <li>High-Value High-Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope</li> <li>Government Business Enterprises performing against agreed financial and non-financial indicators</li> <li>Advice contributes to the achievement of Government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure</li> <li>Quality infrastructure drives economic growth activity in Victoria</li> </ul>	Commercial and Infrastructure Advice	<ul style="list-style-type: none"> <li>Assurance and gateway reviews undertaken</li> <li>Develop and implement policy guidance and infrastructure investment frameworks to govern and build capability to deliver infrastructure</li> <li>Develop and implement training to build capability to deliver infrastructure</li> <li>Dwellings supported by Affordable Housing Investment Partnerships</li> <li>Number of HVHR project assurance plans in place</li> <li>Social and Affordable Housing dwellings committed by the Social Housing Growth Fund</li> <li>Credit agencies agree that the presentation and information provided support annual assessment</li> <li>Senior responsible owner agrees Gateway review was beneficial and would impact positively on project outcomes</li> </ul>
Improve how Government manages its balance sheet, commercial activities and public sector infrastructure	<ul style="list-style-type: none"> <li>Quality infrastructure drives economic growth activity in Victoria</li> </ul>	Infrastructure Victoria	<ul style="list-style-type: none"> <li>Number of publications or discussion papers released</li> <li>Stakeholder satisfaction with consultation process</li> </ul>

			<ul style="list-style-type: none"><li>• Delivery of research, advisory or infrastructure strategies within agreed timelines</li><li>• Total output cost</li></ul>
--	--	--	---

\* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate

<b>Minister*</b>	Treasurer and Minister for Finance		
<b>Portfolio</b>	Treasurer and Finance		
<b>Objective</b>	<b>Objective indicator/s</b>	<b>Output</b>	<b>Performance measures</b>
Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure	<ul style="list-style-type: none"> <li>• High Value High Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope</li> <li>• Government Business Enterprises performing against agreed financial and non-financial indicators</li> <li>• Advice contributes to the achievement of government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure</li> <li>• Quality infrastructure drives economic growth activity in Victoria</li> </ul>	Commercial and Infrastructure Advice	<ul style="list-style-type: none"> <li>• Provide effective monitoring of the delivery of HVHR public infrastructure commitments through quarterly reporting</li> </ul>
Optimise Victoria's fiscal resources	<ul style="list-style-type: none"> <li>• General government net debt as a percentage of gross state product (GSP) to stabilise and reduce in the medium term</li> <li>• Fully fund the unfunded superannuation liability by 2035</li> <li>• A net operating cash surplus consistent with maintaining</li> </ul>	Budget and Financial Advice	<ul style="list-style-type: none"> <li>• Total output cost</li> </ul>

	<p>general government net debt at a sustainable level</p> <ul style="list-style-type: none"> <li>• General government interest expense as a percentage of revenue to stabilise in the medium term</li> <li>• Agency compliance with the Standing Directions under the <i>Financial Management Act 1994</i></li> <li>• Advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources</li> </ul>		
Strengthen Victoria's economic performance	<ul style="list-style-type: none"> <li>• Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)</li> <li>• Total Victorian employment to grow each year (annual percentage change)</li> <li>• Advice contributes to the achievement of government policies and priorities relating to economic and social outcomes</li> </ul>	Economic and Policy Advice	<ul style="list-style-type: none"> <li>• Total output cost</li> </ul>

<b>Minister*</b>	Minister for Finance		
<b>Portfolio</b>	Finance		
<b>Objective</b>	<b>Objective indicator/s</b>	<b>Output</b>	<b>Performance measures</b>
Optimise Victoria's fiscal resources	<ul style="list-style-type: none"> <li>• General government net debt as a percentage of gross state product (GSP) to stabilise and reduce in the medium term</li> <li>• Fully fund the unfunded superannuation liability by 2035</li> <li>• A net operating cash surplus consistent with maintaining general government net debt at a sustainable level</li> <li>• General government interest expense as a percentage of revenue to stabilise in the medium term</li> <li>• Agency compliance with the Standing Directions under the <i>Financial Management Act 1994</i></li> <li>• Advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources</li> </ul>	Budget and Financial Advice	<ul style="list-style-type: none"> <li>• Annual financial management compliance report for the previous financial year is submitted to the Minister for Finance</li> </ul>
Strengthen Victoria's economic performance	<ul style="list-style-type: none"> <li>• Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)</li> </ul>	Economic and Policy Advice	<ul style="list-style-type: none"> <li>• Regulation reviews completed</li> <li>• Benefit to business (including through red tape savings) as a ratio of grant funding from the Business Acceleration Fund</li> </ul>

	<ul style="list-style-type: none"> <li>• Total Victorian employment to grow each year (annual percentage change)</li> <li>• Advice contributes to the achievement of government policies and priorities relating to economic and social outcomes</li> </ul>		<ul style="list-style-type: none"> <li>• Better Regulation Victoria's support for preparing Regulatory Impact Statements or Legislative Impact Assessments was valuable overall, as assessed by departments</li> <li>• Conduct an annual survey to assess the impact of changes to Victorian regulations on business</li> <li>• Proportion of stakeholders that found Better Regulation Victoria's 'regulatory helpdesk service' responsive to their needs</li> <li>• Satisfaction of key stakeholders, including Members of Parliament, public sector employers and elected local government officials, with the Remuneration Tribunal's process regarding determinations, reviews and advice</li> <li>• Better Regulation Victoria's advice on Regulatory Impact Statements or Legislative Impact Assessments was timely, as assessed by departments</li> <li>• Regulation reviews completed by scheduled date</li> </ul>
--	---	--	---

Strengthen Victoria's economic performance	<ul style="list-style-type: none"> <li>• Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)</li> <li>• Total Victorian employment to grow each year (annual percentage change)</li> <li>• Advice contributes to the achievement of government policies and priorities relating to economic and social outcomes</li> </ul>	Economic Regulatory Services	<ul style="list-style-type: none"> <li>• Compliance and enforcement activities – Energy</li> <li>• Compliance and enforcement activities – Victorian Energy Upgrades</li> <li>• Performance and compliance reports issued about regulated industries</li> <li>• Price determinations of regulated businesses</li> <li>• Setting of regulated price and tariffs in the energy sector</li> <li>• Victorian Energy Upgrades program approvals and refusals</li> <li>• Stakeholder Perceptions Survey</li> <li>• Delivery of major milestones within agreed timelines</li> <li>• Total output cost</li> </ul>
Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure	<ul style="list-style-type: none"> <li>• High Value High Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope</li> <li>• Government Business Enterprises performing against agreed financial and non-financial indicators</li> </ul>	Commercial and Infrastructure Advice	<ul style="list-style-type: none"> <li>• Percentage of registered housing agencies assessed annually against performance standards</li> </ul>

	<ul style="list-style-type: none"> <li>• Advice contributes to the achievement of government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure</li> <li>• Quality infrastructure drives economic growth activity in Victoria</li> </ul>		
--	--	--	--

<b>Minister*</b>	Minister for WorkSafe and the TAC		
<b>Portfolio</b>	WorkSafe and the TAC		
<b>Objective</b>	<b>Objective indicator/s</b>	<b>Output</b>	<b>Performance measures</b>
Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure	<ul style="list-style-type: none"> <li>• High Value High Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope</li> <li>• Government Business Enterprises performing against agreed financial and non-financial indicators</li> <li>• Advice contributes to the achievement of government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure</li> </ul>	Commercial and Infrastructure Advice	<ul style="list-style-type: none"> <li>• Develop Department action plans to identify and implement priority measures to manage psychological health risks</li> <li>• Family satisfaction with independent support services provided as part of family support pilot</li> </ul>

	<ul style="list-style-type: none"> <li>Quality infrastructure drives economic growth activity in Victoria</li> </ul>		
--	--	--	--

<b>Minister*</b>	Treasurer and Minister for WorkSafe and the TAC		
<b>Portfolio</b>	Treasurer and WorkSafe and the TAC		
<b>Objective</b>	<b>Objective indicator/s</b>	<b>Output</b>	<b>Performance measures</b>
Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure	<ul style="list-style-type: none"> <li>High Value High Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope</li> <li>Government Business Enterprises performing against agreed financial and non-financial indicators</li> <li>Advice contributes to the achievement of government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure</li> <li>Quality infrastructure drives economic growth activity in Victoria</li> </ul>	Commercial and Infrastructure Advice	<ul style="list-style-type: none"> <li>Provision of PNFC/PFC financial estimates and actuals, along with commentary and analysis, for the State budget papers and financial reports</li> </ul>

<b>Minister*</b>	Industrial Relations		
<b>Portfolio</b>	Industrial Relations		
<b>Objective</b>	<b>Objective indicator/s</b>	<b>Output</b>	<b>Performance measures</b>
Strengthen Victoria's economic performance through fair, equitable and productive workplaces	<ul style="list-style-type: none"> <li>Advice contributes to the achievement of government policies and priorities relating to industrial relations outcomes</li> </ul>	Industrial Relations	<ul style="list-style-type: none"> <li>Workforce Inspectorate Victoria: Child employment investigations and compliance activities completed</li> <li>Public sector agreements renewed and approved within current enterprise bargaining framework</li> <li>Victoria represented in major industrial relations cases and inquiries</li> <li>Review and assessment of submitted proposed public sector enterprise bargaining costings and proposed agreements completed and submitted for approval within four weeks following verification of associated enterprise agreement costings.</li> <li>Workforce Inspectorate Victoria: Long Service leave investigations completed within 90 days of lodgement</li> <li>Total output cost</li> </ul>

<b>Minister*</b>	Treasurer and Minister for WorkSafe and the TAC and Minister for Finance		
<b>Portfolio</b>	Treasurer, WorkSafe and the TAC, Finance		
<b>Objective</b>	<b>Objective indicator/s</b>	<b>Output</b>	<b>Performance measures</b>
Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure	<ul style="list-style-type: none"> <li>• High Value High Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope</li> <li>• Government Business Enterprises performing against agreed financial and non-financial indicators</li> <li>• Advice contributes to the achievement of government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure</li> <li>• Quality infrastructure drives economic growth activity in Victoria</li> </ul>	Commercial and Infrastructure Advice	<ul style="list-style-type: none"> <li>• Advice provided to Government on board appointments at least three months prior to upcoming board vacancies</li> <li>• Advice provided to enable the Treasurer to make a dividend and/or capital repatriation determination</li> <li>• Analysis and review of corporate plans within two months of receipt</li> <li>• Total output cost</li> </ul>

## Question 19

- a) Please provide, by ministerial portfolio, a list of the agencies/entities/bodies and the categories (for example statutory/administrative office/authority) to which the information contained in this questionnaire relates.

Ministerial Portfolio	Name of agency/entity/body	Category of agency/entity/body
Treasurer	Department of Treasury and Finance (including State Revenue Office)	Public Service Body (Department)
Minister for Finance	Essential Services Commission	Public entity (Office)
Treasurer	Infrastructure Victoria	Public entity (Office)
Minister for Finance	Victorian Independent Remuneration Tribunal	Special body
Minister for Finance	Better Regulation Victoria	Administrative Office
Minister for Finance	Economic Growth Victoria	Administrative Office
Industrial Relations	Workforce Inspectorate Victoria	Public entity (Office)
Industrial Relations	Labour Hire Authority	Public entity (Office)
Industrial Relations	Portable Long Service Leave Authority	Public entity (Office)
WorkSafe and the TAC	Victorian Asbestos Eradication Agency	Public entity (Facilities management)
WorkSafe and the TAC	WorkSafe Victoria	Public entity (Finance/Insurance)

- b) Please identify functions that have been moved into the department in line with the Government's response to the Independent Review of the Public Service<sup>7</sup> (or are planned to be moved in this budget year and over the estimates)?

Function	Entity previously responsible for function	What is/will be the impact on the department of taking on these functions? (including budgetary and service delivery impacts)	What is/will be the impact on the function of moving it into the department?

<sup>7</sup> Victorian Government, *Ensuring the public sector is focused on what matters most*, Melbourne, 2025, p. 9.

DTF

N/A			
-----	--	--	--

## Departmental objectives

### Question 20 – new objectives

For all new departmental objectives in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) a description of the objective
- b) an explanation of why the objective was added
- c) related outputs
- d) related objective indicators
- e) how the departmental objective aligns with Government objectives and priorities.

#### Response

Objective	
Description of the objective	No new objectives were added.
Explanation of why the objective was added	
Related outputs	
Related objective indicators	
How departmental objective aligns with Government objectives and priorities	

### Question 21 – modified objectives

For all modified departmental objectives in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) a description of changes made to the objective
- b) an explanation of why the objective was changed.

#### Response

Objective	
Description of changes made to the objective	No new objectives were modified.
Explanation of why the objective was changed	

## Question 22 – discontinued objectives

For all discontinued departmental objectives in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) a description of the objective
- b) an explanation of why the objective was discontinued
- c) any objectives that will replace the discontinued objective in part or in full.

### Response

Objective	
Description of the objective	No objectives were discontinued.
Explanation of why the objective was discontinued	
Any objectives that will replace the discontinued objective	

## Objective indicators

### Question 23 – new indicators

For all new objective indicators in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) the related objective
- b) a description of the indicator
- c) an explanation of why the indicator was added
- d) the assumptions and methodology underpinning the indicator
- e) the target (if applicable)
- f) how the target was set (if applicable)
- g) any shortcomings of the indicator, including data limitations, that limit the ability to assess performance against departmental objectives.

### Response

Indicator	
Related objective	No new objective indicators were added.
Description of the indicator	
Why the indicator was added	
Assumptions and methodology underpinning the indicator	
Target	
How the target was set	
Any shortcomings of the indicator, including data limitations	

### Question 24 – modified objective indicators

For all modified objective indicators in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) a description of changes made to the indicator
- b) an explanation of why the indicator was changed.

#### Response

Indicator	
Description of changes made to the indicator	No objective indicators were modified.
Explanation of why the indicator was changed	

### Question 25 – discontinued indicators

For all discontinued objective indicators in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) a description of the indicator
- b) an explanation of why the indicator was discontinued
- c) any impacts on the ability to measure achievement of departmental objectives
- d) any indicators that will replace the discontinued indicator in part or in full.

#### Response

Indicator	
Description of the indicator	No objective indicators were discontinued.
Explanation of why the indicator was discontinued	
Any impacts on the ability to measure achievement of departmental objectives	
Any indicators that will replace the discontinued indicator	

## Outputs

### Question 26 – new outputs

For all new outputs in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) a description of the output
- b) an explanation of why the output was added
- c) related performance measures
- d) how the output will contribute to outcomes in terms of departmental objectives.

#### Response

Output	
Description of the output	No new outputs were added
Explanation of why the output was added	
Related performance measures	
How the output will contribute to outcomes in terms of departmental objectives	

### Question 27 – modified outputs

For all modified outputs in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) a description of changes made to the output
- b) an explanation of why the output was changed.

#### Response

Output	
Description of changes made to the output	The output ‘Commercial and Infrastructure Advice’ itself was not modified, but the output commentary was updated. Additional dot point: <i>provide advice and reports on the financial and non-financial performance of the State's insurers.</i>
Explanation of why the output was changed	Output commentary change was made to reflect current Commercial Division focus areas.

### Question 28 – discontinued outputs

For all discontinued outputs in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) a description of the output
- b) an explanation of why the output was discontinued
- c) any impacts on the achievement of departmental objectives
- d) any outputs that will replace the discontinued output in part or in full.

#### Response

Output	
Description of the output	No outputs were discontinued.
Explanation of why the output was discontinued	
Any impacts on the achievement of departmental objectives	
Any outputs that will replace the discontinued output	

## Performance measures

### Question 29 – new performance measures

For all new performance measures in the 2026–27 B Department Performance Statement 3: Service Delivery, please provide:

- the output the measure relates to
- a description of the measure
- the assumptions and methodology underpinning the measure (including how the supporting data are calculated or derived, source and frequency of data collection, as well as any other business rules and assumptions)
- how the target was set
- the shortcomings of the measure, including data limitations.

### Response

Performance measure	Social and Affordable Housing dwellings committed by the Social Housing Growth Fund
Output the measure relates to	Commercial and Infrastructure Advice
Description of the measure	Number of dwellings committed by the Social Housing Growth Fund
Assumptions and methodology underpinning the measure	The measure's outcome will be calculated by determining the total number of dwellings for projects which had a funding agreement executed by Government within the financial year. Data is updated as each housing project contract is executed.
How target was set	The 2026-27 target is set based on the scale of grant rounds that the Social Housing Growth Fund has under way or in development, including grant rounds currently being contracted and/or evaluated.
Shortcomings of the measure, including data limitations	No shortcomings of this measure have been identified. All data is collected internally by DTF.

<b>Performance measure</b>	<b>Family satisfaction with independent support services provided as part of family support pilot</b>
Output the measure relates to	Commercial and Infrastructure Advice
Description of the measure	A pilot to provide an independent model of support for family members affected by a workplace fatality.
Assumptions and methodology underpinning the measure	DTF anticipates engaging a third-party service provider to establish and administer the pilot. They will be expected to conduct an annual survey of pilot participants to assess satisfaction.
How target was set	Seventy percent was chosen as the performance measure, as it would indicate that most people are satisfied with the pilot, while recognising the program will still be in its infancy and will benefit from feedback provided by participants during delivery.
Shortcomings of the measure, including data limitations	The sample size could be quite small, so one opinion could skew overall results. With fewer data points, it could be difficult to detect patterns or areas for improvement. It's also unclear whether some families who have recently suffered the loss of a family member will choose to participate in a survey.

### Question 30 – modified performance measures

For all existing performance measures with an associated target that has been modified in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- the output the measure relates to
- a description of the measure
- the previous target
- the new target and how it was set
- the justification for changing the target
- an explanation of why the target was not met in 2024–25, if applicable and the 2025–26 expected outcome
- the methodology behind estimating the 2025–26 expected outcome in the 2026–27 Budget.

#### Response

Performance measure	Develop and implement training to build capability to deliver infrastructure
Output the measure relates to	Commercial and Infrastructure Advice
Description/purpose of the measure	The number of training days supplied to build capability to deliver infrastructure.
The previous target	30
The new target and how it was set	100
The justification for changing the target	The higher target reflects a change from count of training days delivered to count of the number of people trained. The change in methodology for this measure more accurately reflects scale and impact of training programs.
An explanation of why the target was not met in 2024–25, if applicable, and the 2025–26 expected outcome	The 2024–25 actual (35) was lower than the 2024–25 target (56) as DTF was retendering some capability programs. Lower training completions were anticipated due to this process. The 2025–26 expected outcome (20) is lower than the 2025–26 target (30) due to the retendering of a major capability program.
The methodology behind estimating the 2025–26 expected outcome in the 2026–27 Budget	The 2025–26 expected outcome is based on the number of workshops held and their duration and the number of attendees at each workshop.

### Question 31 – discontinued performance measures

For performance measures that are identified as to be discontinued in the 2026–27 *Department Performance Statement: Service Delivery*, please provide:

- a) the output the measure related to
- b) a description/purpose of the measure and the year the measure was introduced
- c) the previous target
- d) when the target was last modified and reasons for modification
- e) the justification for discontinuing the measure, including any further information that is not available in *Budget Paper No. 3*
- f) any performance measures that will replace the discontinued measure in part or full.

### Response

Performance measure	Average debt over 12 months overdue as a percentage of overdue debt
Output the measure related to	Budget and Financial Advice
Description/purpose of the measure and year introduced	Average debt which is over 12 months overdue. The performance measure was introduced in 2023-24.
The previous target	<25
When the target was last modified and reason for modification	No modification was made to the target.
The justification for discontinuing the measure	This performance measure is proposed to be replaced with 'Average cases of debt over 12 months overdue as a percentage of average total cases of overdue debt'. It will measure the volume of aged debts to encourage resolution across both high and low value debts to ensure all taxpayers are treated fairly and equitably and encourage innovation and continuous improvement.
Performance measures that will replace the discontinued measure	Average cases of debt over 12 months overdue as a percentage of average total cases of overdue debt

Performance measure	Reviews, investigations or advisory projects
Output the measure related to	Economic Regulatory Services
Description/purpose of the measure and year introduced	Number of reviews, investigations or advisory projects undertaken, either initiated by relevant Ministers or by the Commission directly.

The previous target	2
When the target was last modified and reason for modification	The target was last modified down from 3 to 2 in the 2021-22 department performance statement. The lower 2021-22 target was due to an increased focus to be given to a single retail energy market competition review compared with previous allowances for two reviews.
The justification for discontinuing the measure	This measure is proposed to be discontinued as these functions have been discontinued as a result of the Entities Legislation Amendment (Consolidation and Other Matters) Act 2026 and no longer reflects the Essential Services Commission's forward responsibilities.
Performance measures that will replace the discontinued measure	Nil

<b>Performance measure</b>	<b>Home purchases settled through the Victorian Homebuyer Fund</b>
Output the measure related to	Commercial and Infrastructure Advice
Description/purpose of the measure and year introduced	To measure scheme uptake - the number of Victorian households supported into home ownership through the scheme. The year the performance measure was introduced was 2022-23.
The previous target	600
When the target was last modified and reason for modification	No modification was made to the target.
The justification for discontinuing the measure	The measure is proposed to be discontinued as the Victorian Homebuyer Fund closed to new applications on 10 September 2025 having exhausted its funding allocation.
Performance measures that will replace the discontinued measure	Nil

<b>Performance measure</b>	<b>Social and Affordable Housing dwellings committed by the Social Housing Growth Fund Grants Program</b>
Output the measure related to	Commercial and Infrastructure Advice

Description/purpose of the measure and year introduced	Number of dwellings committed by the Social Housing Growth Fund (SHGF) Grants Program. The year the performance measure was introduced was 2023-24.
The previous target	1300
When the target was last modified and reason for modification	No modification was made to the target.
The justification for discontinuing the measure	The measure is proposed to be discontinued as the Social Housing Growth Fund Grants Program is funded by the Big Housing Build and is expected to be fully expended in 2025–26.
Performance measures that will replace the discontinued measure	Nil

## Employees

### Question 32

The Victorian Government's response to the Independent Review of the Victorian Public Service stated that the Government will reduce executive-like roles by 332 and reduce the proportion of senior VPS5 and VPS6 positions. In terms of the Government's response, please indicate:

- the planned number roles reduced in 2025–26 by VPS/Executive classification (Please list each level and actual FTE)
- the number of roles planned for reduction in 2026–27 by VPS/Executive classification (Please list each level and actual FTE)
- anticipated total budgeted savings made as part of the Review for 2025–26 (\$ million)
- anticipated total budgeted savings made as part of the Review for 2026–27 (\$ million)
- the functions within the department expected to be impacted by the reduction of roles
- the impact of role reductions on service delivery.

### Response

Number of roles planned for reduction in 2025–26 by VPS/Executive classification (Actual FTE)	Number of roles planned for reduction in 2026–27 by VPS/Executive classification (Actual FTE)	Anticipated total budgeted savings for 2025–26 (\$ million)	Anticipated total budgeted savings in 2026–27 (\$ million)	Functions expected to be impacted by the reduction of roles	Impact of the role reductions on service delivery
None - no roles are expected to reduce starting in 2026-27	By the end of 2026-27, the planned reduction in executive and VPS FTE are: SES/STS: 4.0 FTE VPS: 0.0 FTE	None – savings not expected to start in 2025-26	3.570	DTF will reallocate tasks and workload to match the changed seniority profile, with the aim of minimising any impact on service delivery.	DTF will reallocate tasks and workload to match the changed seniority profile, with the aim of minimising any impact on service delivery.

### Question 33

Please provide the department's (actual/expected/forecast) Full Time Equivalent (FTE) staff numbers for the financial years ending 30 June 2025, 30 June 2026 and 30 June 2027:

- broken down into employee classification codes
- broken down into categories of on-going, fixed term or casual
- according to their gender identification
- employees identifying as Aboriginal or Torres Strait Islander or having a disability.

#### Guidance

In responding to this question please provide details about the department on the same basis of consolidation as is used in the comprehensive operating statement audited by the Victorian Auditor-General's Office in the department's Annual Report.

#### Response

a)

Classification	As at 30-06-2025		As at 30-06-2026		As at 30-06-2027	
	(Actual FTE Number)	(% of total staff)	(Expected FTE Number)	(% of total staff)	(Forecast FTE Number)	(% of total staff)
Secretary	1	0%	1	0%	1	0%
SES-3	6	0%	6	0%	6	0%
SES-2	34	2%	37	2%	37	2%
SES-1	66	4%	68	4%	64	4%
VPS Grade 7.3	1	0%	3	0%	3	0%
VPS Grade 7.2	2	0%	4	0%	4	0%
VPS Grade 7.1	11	1%	8	0%	8	0%
VPS Grade 6.2	148	9%	150	9%	152	9%
VPS Grade 6.1	118	7%	115	7%	116	7%
VPS Grade 5.2	221	14%	229	14%	233	14%
VPS Grade 5.1	189	12%	184	11%	181	11%
VPS Grade 4	304	19%	306	19%	309	19%
VPS Grade 3	415	25%	400	24%	410	25%

VPS Grade 2	98	6%	109	7%	116	7%
VPS Grade 1	1	0%	0	0%	1	0%
Other (Legal Officers)	22	1%	25	1%	26	2%
<b>Total</b>	<b>1,637</b>		<b>1,644</b>		<b>1,665</b>	

Totals may not add due to rounding

b)

Category	As at 30-06-2025		As at 30-06-2026		As at 30-06-2027	
	(Actual FTE Number)	(% of total staff)	(Expected FTE Number)	(% of total staff)	(Forecast FTE Number)	(% of total staff)
Ongoing	1,541	94%	1,456	89%	1,491	90%
Fixed-term	96	6%	188	11%	174	10%
Casual	0	0%	-	0%	-	0%
<b>Total</b>	<b>1,637</b>		<b>1,644</b>		<b>1,665</b>	

Totals may not add due to rounding

c)

Identification	As at 30-06-2025		As at 30-06-2026		As at 30-06-2027	
	(Actual FTE Number)	(% of total staff)	(Expected FTE Number)	(% of total staff)	(Forecast FTE Number)	(% of total staff)
Men	756	46%	781	47%	788	47%
Women	880	54%	862	52%	876	53%
Self-described	1	0%	1	0%	1	0%
<b>Total</b>	<b>1,637</b>		<b>1,644</b>		<b>1,665</b>	

Totals may not add due to rounding

d)

Identification	As at 30-06-2025	As at 30-06-2026	As at 30-06-2027
----------------	------------------	------------------	------------------

## DTF

	(Actual FTE Number)	(% of total staff)	(Expected FTE Number)	(% of total staff)	(Forecast FTE Number)	(% of total staff)
People who identify as Aboriginal or Torres Strait Islander	10	1%	10	1%	10	1%
People who identify as having a disability	21	1%	18	1%	19	1%
<b>Total</b>	<b>31</b>	<b>2%</b>	<b>28</b>	<b>2%</b>	<b>29</b>	<b>2%</b>

Totals may not add due to rounding

### Notes

1. Figures include workforces of the Department of Treasury and Finance, State Revenue Office and Workforce Inspectorate Victoria as per the comprehensive operating statement audited by the Victorian Auditor-General's Office in the department's Annual Report.
2. Forecast to 30 June 2027 is driven by 4 FTE reduction across the SES-1 classification in DTF and a moderate increase in SRO's FTE. While SRO forecasts a decrease in its overall position establishment, SRO's current establishment includes vacancies which the SRO plans to fill by 30 June 2026, after which FTE will stabilise.

## Workforce capability and capacity

### Question 34

What are the main gaps in the department's capability and capacity identified in the 2025–26 financial year, and expected in the 2026–27 and 2027–28 financial years?

### Response

Financial year	Main gaps in capability and capacity
2025–26	<ul style="list-style-type: none"> <li>• Due to competition with the private sector, DTF experienced challenges in attracting staff with strong financial capability. DTF was able to fill these roles, however DTF is competing with the private sector for these skilled resources where remuneration is higher.</li> <li>• DTF experienced challenges filling positions requiring a mix of specialised legal roles, such as positions requiring a legal qualification and specialisation in economics.</li> <li>• Consistent with previous years, SRO experienced challenges attracting IT professionals due to competition with the private sector, and solicitors with an accounting or tax law background.</li> <li>• The SRO continues to require additional tax technical skills and mentoring and quality assurance capability at the VPSG4-5 level.</li> </ul>
2026–27	<ul style="list-style-type: none"> <li>• Both DTF and SRO anticipate capability and capacity constraints to continue where related to unique skills mixes, such as legal and economics or accounting, or where related to competition with the private sector (i.e., Finance, IT and Legal roles).</li> <li>• DTF generally anticipates that the market supply constraint identified in 2025-26 will remain.</li> </ul>
2027–28	<ul style="list-style-type: none"> <li>• Gaps identified above are expected to continue if labour market conditions remain the same.</li> </ul>

## Contractors

### Guidance

In responding to this question please provide details about the department on the same basis of consolidation as is used in the comprehensive operating statement audited by the Victorian Auditor-General's Office in the department's Annual Report.

### Question 35

For each of the 2024–25, 2025–26 and 2026–27 financial years, please outline the actual, expected or anticipated:

- spend on contractors
- occupation categories for those contractors
- total number of contractor arrangements.

### Response

	2024–25 (actual)	2025–26 (expected)	2026–27 (anticipated)
<b>Spend</b>	\$2.9 million	\$3.4 million	\$3.5 million
<b>Occupation categories</b>	Includes a range of categories including, legal, IT, telecommunications, risk management and administrative support.	Same as 2024-25.	Same as 2024-25.
<b>Total number of contractor arrangements</b>	Multiple contracts.	Multiple contracts.	Multiple contracts.

## Consultants

### Guidance

In responding to this question please provide details about the department on the same basis of consolidation as is used in the comprehensive operating statement audited by the Victorian Auditor-General's Office in the department's Annual Report.

### Question 36

- a) For the 2024–25 financial year, please outline the department's total spend on consultants and completed consultancy projects.

### Response

Total expenditure on consultants in 2024-25: \$11.418 million  
Total spend on completed consultancy projects: \$8.891 million

Department of Treasury and Finance 2025, 2024–25 annual report: consultancy expenditure, <https://www.dtf.vic.gov.au/sites/default/files/2025-10/2024-25-DTF-Annual-Report-consultancy-expenditure.pdf>

- b) For the 2024–25 financial year please outline: the **top five** department consultancy projects that were completed by spend, the actual outcomes achieved by the listed **top five**, the relevant occupation categories for those consultants, and the total number of consultant arrangements
- c) For the 2025–26 financial year please outline: the department's expected spend on consultants, the relevant occupation categories for those consultants, and the total number of consultant arrangements
- d) For the 2026–27 financial year please outline: the department's anticipated spend for consultants, and what the anticipated occupation categories are for consultant arrangements.

### Response

	2024–25	2025–26	2026–27 (Anticipated)
<b>Spend</b>	\$11.418 million	\$7.164 million	The 2026–27 consultancy figures cannot be accurately determined at this stage. These figures will be reported to Parliament in the department's annual report.

<b>Outcomes</b>	<ol style="list-style-type: none"> <li>1. Commercial and transaction advice - specialist accounting and tax advice (KPMG)</li> <li>2. Commercial and transaction advice – specialist commercial advice (Ad Astra Corporate Advisory)</li> <li>3. Support for the Independent Review into the Victorian Public Sector – specialist legal advice (Gilbert &amp; Tobin)</li> <li>4. Support for the Independent Review into the Victorian Public Sector – specialist advice (Ernst &amp; Young)</li> <li>5. Digitally Ready Regulators – playbook for digitisation (Nous Group Pty Ltd)</li> </ol>	N/A	N/A
<b>Occupation categories</b>	Professional advisory services, commercial and financial advisory services	Professional advisory services, commercial and financial advisory services	N/A
<b>Total number of consultant arrangements</b>	62 engagements	54 engagements	N/A

## Labour Hire arrangements

### Guidance

In responding to this question please provide details about the department on the same basis of consolidation as is used in the comprehensive operating statement audited by the Victorian Auditor-General's Office in the department's Annual Report.

### Question 37

For the 2024–25, 2025–26 and 2026–27 financial years, please outline the department's actual, expected or anticipated:

- spend on labour hire arrangements
- occupation categories for those labour hire arrangements
- total number of labour hire arrangements.

### Response

	2024–25 (actual)	2025–26 (expected)	2026–27 (anticipated)
<b>Spend</b>	\$25.8 million	\$23.4 million	\$26.1 million
<b>Occupation categories</b>	Includes a range of categories including IT, telecommunications, administrative support, and project management.	Same as 2024-25.	Same as 2024-25.
<b>Total number of labour hire arrangements</b>	Multiple contracts	Multiple contracts.	Multiple contracts.

# Enterprise Bargaining Agreements

## Question 38

- a) Please list all Enterprise Bargaining Agreements (EBAs) that are expected to be completed during the 2026–27 year that affect the department, along with an estimate of the proportion of your department’s workforce (full-time equivalent) covered by the EBA.
- b) Please describe the effect the EBAs listed above have had on estimates of 2026–27 employee benefits.

## Response

a)

There are no EBAs in the DTF portfolio expected to be completed during the 2026-27 financial year.

The Department's non-executive workforce is covered by the Victorian Public Service Enterprise Agreement 2024, which has a nominal expiry date of 9 April 2028 (in 2027–28).

b)

n/a

## Relationship between the Commonwealth and Victoria

### Question 39

What impact, if any, have changes to federal/state capital funding agreements and Commonwealth Government policy initiatives had on the department's 2026–27 Budget?

### Response

On 2 April 2026, state and territories agreed to collectively contribute up to \$400 million to the Commonwealth to support a reduction in the fuel excise of 5.7 cents per litre from April 2026 to June 2026. Victoria's contribution is estimated to be \$109.3 million and is expected to be paid in the 2026–27 financial year. DTF will administer the agreement.

## Climate Change

### Question 40

- a) Please specify the initiatives in the department's 2026–27 Budget that will contribute to Victoria's Climate Change Strategy. Please also outline the budget allocation, the ways in which the initiatives will contribute to Victoria's Climate Change Strategy and the year the initiative will likely realise benefits.

#### Response

Initiatives in 2026–27 Budget that contribute to Climate Change Strategy	Budget allocation in 2026–27 Budget	How will the initiative contribute to Victoria's Climate Change Strategy	Year likely to realise benefits
DTF does not have any initiatives in the 2026–27 Budget that will contribute to Victoria's Climate Change Strategy.			

- b) *The Climate Change Act 2017*, Part 3, section 17, requires decision makers from some departments to have regard to climate change.
- What is the most significant challenge for the department in complying with section 17?
  - What guidance does the department have in place to assist decision makers to comply with the *Climate Change Act 2017*?
  - What work is planned and budget allocated in 2026–27 to facilitate compliance of the department with section 17?

#### Response

Most significant challenge to compliance	N/A. Section 17 of the Climate Change Act 2017 states that decision makers must have regard to climate for the decisions or actions authorised under Acts specified in Schedule 1 of the Climate Change Act 2017.
Guidance in place to assist decision makers	
Work planned/budget allocation to facilitate compliance in 2026–27	

- c) Under *FRD 24 Reporting of environmental data by government entities*, Victorian Government organisations must report their greenhouse gas emissions and other environmental impacts. Does the department have internal targets for reducing greenhouse gas emissions? If yes, please provide details, quantifying where possible and outlining actions that will be taken in the 2026–27 year onwards to achieve these targets.

**Response**

Internal targets for reducing greenhouse gas emissions	Actions to be taken in 2025–26 and onward to achieve these targets
NIL	DTF does not have internal targets for reducing greenhouse gas emissions.

# Gender Responsive Budgeting

## Question 41

- a) Please list the programs/initiatives (output and asset) from the 2026–27 Budget for which the department has undertaken a gender impact assessment and describe the main outcomes or results of the gender impact assessment process for each program/initiative. Please also advise what percentage of the department’s 2026–27 output and asset initiatives have been subject to a gender impact assessment.

### Response

Initiative	Outcome/result of gender impact assessment
Boosting return to work support and delivering safer workplaces for Victorians	A gender impact assessment (GIA) was undertaken and determined that the overall gender impact would be positive. The program will improve return to work and occupational health and safety outcomes for workers of all genders within the targeted cohorts. The overall improvement of health and safety in Victorian workplaces will also contribute to addressing gender disparities seen in OHS indicators relating to the target populations. This includes improved recovery and quicker return to work for injured workers in frontline roles, including in sectors such as education and healthcare and addressing the prevalence of mental injuries among VPS staff.
Fair and productive Victorian workplaces	A gender impact assessment (GIA) was undertaken and determined that the overall gender impact would be positive as it will reduce the underpayment or non-payment of long service leave entitlements, which disproportionately impacts women over the short and long terms. Further, this initiative considers gender norms and roles, particularly around women as primary caregivers, and identifies how these can be overcome to ensure accessibility of the service.
Social Housing Growth Fund and Affordable Housing Investment Partnership expansion	A gender impact assessment (GIA) was undertaken and determined that the overall gender impact would be positive, reflecting the significant representation of women in priority housing cohorts on the Victorian Housing Register (VHR). For example, women are the lead applicant for 94 per cent of domestic violence applications and 88 per cent of single parent household applications. The initiative targets the construction of more than 7000 new social dwelling homes over 10 years that will be used to house a range of priority cohorts on the VHR including the above.

	<b>Proportion of initiatives subject to Gender Impact Assessment (as percentage)</b>
<b>Output budget</b>	50%
<b>Asset budget</b>	N/A

- b) Please list any other programs/initiatives (output and asset) in the 2026–27 Budget where Gender Responsive Budgeting (GRB) processes or principles were applied/considered by the department. Please detail: the initiative, how GRB was applied/considered and the outcome of this consideration.

### Response

<b>Initiative</b>	<b>How GRB was considered</b>	<b>Outcome of GRB consideration</b>
N/A		

- c) Please list what evaluations of the department’s programs/initiatives have been undertaken from a gender perspective and what the key findings of the evaluations were.

### Response

<b>Programs/initiatives that have been evaluated from a gender perspective</b>	<b>Key findings of the evaluation</b>
Boosting return to work support and delivering safer workplaces for Victorians	A gender impact assessment (GIA) was undertaken and determined that the overall gender impact would be positive. The program will improve return to work and occupational health and safety outcomes for workers of all genders within the targeted cohorts. The overall improvement of health and safety in Victorian workplaces will also contribute to addressing gender disparities seen in OHS indicators relating to the target populations. This includes improved recovery and quicker return to work for injured workers in frontline roles, including in sectors such as education and healthcare and addressing the prevalence of mental injuries among VPS staff.
Fair and productive Victorian workplaces	A gender impact assessment (GIA) was undertaken and determined that the overall gender impact would be positive as it will reduce the underpayment or non-payment of long service leave entitlements, which disproportionately impacts women over the short and long terms.

	Further, this initiative considers gender norms and roles, particularly around women as primary caregivers, and identifies how these can be overcome to ensure accessibility of the service.
Social Housing Growth Fund and Affordable Housing Investment Partnership expansion	A gender impact assessment (GIA) was undertaken and determined that the overall gender impact would be positive, reflecting the significant representation of women in priority housing cohorts on the Victorian Housing Register (VHR). For example, women are the lead applicant for 94 percent of domestic violence applications and 88 percent of single parent household applications. The initiative targets the construction of more than 7000 new social dwelling homes over 10 years that will be used to house a range of priority cohorts on the VHR including the above.

d) What further work is being undertaken by the department in 2026–27 to embed GRB?

### Response

<b>Further work being undertaken by the department in 2026–27 to embed GRB</b>
DTF will continue working to ensure gender impacts are considered at all stages of the budget process, including in the policy development and design stage. Furthermore, DTF will continue to support policy makers in departments and central agency budget analysts to assess the gender impacts of programs and initiatives.

## Implementation of PAEC recommendations

### Question 42 – Update on status of implementation

Please provide an update on the status of the implementation of:

- a) Committee recommendations that were made in the *Report on the 2024–25 Budget Estimates* and supported by the Government
- b) Committee recommendations that were made in the *Report on the 2025–26 Budget Estimates* and supported by the Government

Please populate the below table according to each department’s supported recommendations.

### Response

#### Update on the implementation of recommendations made in the *2024–25 Budget Estimates Report*

Department	Recommendation supported by Government	Actions taken at the time of this questionnaire	Update on status of implementation
DTF - Social	Recommendation 2: Victorian Government departments implementing output initiatives that form part of the Early Intervention Investment Framework publicly report on the initiative’s progress through the outcome measures developed during the budget process, either in the departmental annual reports or via an annually released whole of government publication.	This recommendation was supported in principle by Government.  In the 2025-26 Budget, DTF published the descriptions, funding, key impact areas, avoided costs, economic benefits and cohort size for 30 initiatives that formed part of the Early Intervention Investment Framework (EIIF).	DTF continues to publish key information such as descriptions, funding, key impact areas, avoided costs, economic benefits and cohort size for initiatives that form part of the Early Intervention Investment Framework (EIIF). Relevant Departmental performance indicator data provide information on initiative progress alongside other budget-funded initiatives.
DTF - FAL	Recommendation 37: The Victorian Managed Insurance	This recommendation was supported in principle by Government.	The Victorian Managed Insurance Authority’s (VMIA)

	<p>Authority include performance reporting in its future annual reports, including the age of claims and timeliness of processing claims, separated by claim type.</p>	<p>The Government's response considered that the intention of this recommendation referred only to performance reporting for Domestic Building Insurance (DBI) claims management.</p>	<p>responsibilities for DBI transferred to the Building and Plumbing Commission on 1 July 2025.</p> <p>As such, VMIA will not provide performance reporting on DBI in their annual reports.</p>
--	--	---	---

### Update on the implementation of recommendations made in the *2025–26 Budget Estimates Report*

<b>Department</b>	<b>Recommendation supported by Government</b>	<b>Actions taken at the time of this questionnaire</b>	<b>Update on status of implementation</b>
DTF	<p>Recommendation 5: The Department of Treasury and Finance create specific targets and timelines for its goal of reducing interest payments on debt as a proportion of general government sector operating revenue and publish these in the budget papers.</p>	<p>Steps 4 and 5 of the Government's fiscal strategy are to stabilise and then reduce net debt as a percentage of GSP by the end of the forward estimates. These steps involve progressively generating operating cash surpluses while growing the economy. These surpluses will fund a higher proportion of capital expenditure, reducing the reliance on borrowings. The General government sector debt management strategy has the objectives of minimising interest cost and controlling interest rate risk by spreading borrowings relatively evenly over a 15-year horizon. This strategy assists in stabilising interest expenses by managing the amount of debt that is either maturing or subject to resetting of interest rates. This reduces the risk of large amounts of debt being subject</p>	<p>In the 2026-27 Budget, interest expense as a share of total revenue is expected to average an estimated 8.6 per cent a year between 2026-27 and 2029-30.</p> <p>DTF will continue working with Government on the parameters of its fiscal strategy.</p>

Department	Recommendation supported by Government	Actions taken at the time of this questionnaire	Update on status of implementation
		to movements in interest rates in any particular period.	
DTF	Recommendation 6: The Department of Treasury and Finance set measures and targets for achieving fiscal net cash surpluses and reducing gross debt as a proportion of public sector operating revenue and publish them in the budget papers.	<p>In response to the COVID-19 pandemic, the Government developed a comprehensive fiscal strategy in the <i>2020-21 Budget</i> to protect Victorian households and businesses and provide a strong foundation for recovery. This initially involved a four-step plan to support Victorians, grow the economy and return to surpluses over the medium term. The Government has consistently reported on its progress over the last five years and updated the plan in the <i>2024-25 Budget</i> to introduce a fifth step. The <i>2026-27 Budget</i> forecasts the achievement of steps 4 and 5 of the Government's fiscal strategy, with net debt as a percentage of GSP stabilising and then declining by the end of the forward estimates.</p>	<p>Net debt to GSP is forecast to decline from an expected peak of 24.9 per cent in 2026-27 to 24.4 per cent by the end of the forward estimates.</p> <p>DTF will continue working with Government on the parameters of its fiscal strategy.</p>
DTF	Recommendation 7: The Department of Treasury and Finance amend the model report to require departments to report on the delivery of saving initiatives in their annual reports.	<p>The recommendation was not supported by the Government.</p> <p>Departments report on savings measures through their responses to the PAEC questionnaire, noting that savings measures are often complex and achieved</p>	This recommendation was not supported by the Government.

Department	Recommendation supported by Government	Actions taken at the time of this questionnaire	Update on status of implementation
		<p>through a combination of operating efficiencies, reprioritisations and workforce re-calibration.</p> <p>The purpose of the departmental annual report is to provide an overview of financial performance, operational achievements and strategic direction over the past year. Including further reporting requirements through the model report in addition to current PAEC reporting would be duplicative and would unnecessarily increase the reporting burden for departments and agencies.</p>	
DTF	<p>Recommendation 8: In future budgets, the Department of Treasury and Finance and the Department of Health outline reasons why a project schedule was revised in Budget Paper No. 4 when a project has a revised completion date.</p>	<p>The 2026-27 Budget Paper No.4 will provide explanatory footnotes for changes to project schedules.</p>	<p>The Department of Health, in coordination with the Department of Treasury and Finance, continues to provide explanatory footnotes in Budget Paper No. 4 outlining reasons for changes to project schedules.</p>
DTF	<p>Recommendation 15: In future budget papers, the Department of Treasury and Finance report the proportion of each department or entity's total estimated investment in capital projects that is funded by the Commonwealth Government.</p>	<p>This recommendation was supported in principle by Government.</p> <p>The 2026-27 Budget Paper No.5 will report Commonwealth grants for specific purposes, including payments for infrastructure services, noting the majority</p>	<p>The Department of Treasury and Finance continues to report Commonwealth grants for infrastructure services, and infrastructure project funding details with disclosure in Budget Paper No.4 footnotes where a</p>

Department	Recommendation supported by Government	Actions taken at the time of this questionnaire	Update on status of implementation
		<p>of funding is for road and rail infrastructure.</p> <p>The 2026-27 Budget Paper No.4 will report Commonwealth infrastructure project funding with details disclosed in individual project footnotes.</p>	<p>project includes funding by the Commonwealth Government, thereby maintaining consistency of reporting and ongoing transparency.</p>
DTF	<p>Recommendation 18: The Suburban Rail Loop Authority and/or Department of Transport and Planning publish details of the value capture mechanisms it will use to fund the Suburban Rail Loop East project.</p>	<p>On 18 December 2025, the Premier, Minister for Suburban Rail Loop and Treasurer announced the Suburban Rail Loop value capture package.</p> <p>The Premier’s media release and a link providing details of the value capture mechanisms used to fund the SRL East project are below.</p> <p><a href="https://www.premier.vic.gov.au/delivering-suburban-rail-loop">https://www.premier.vic.gov.au/delivering-suburban-rail-loop</a>  <a href="https://www.vic.gov.au/delivering-suburban-rail-loop/using-value-capture-fund-srl">https://www.vic.gov.au/delivering-suburban-rail-loop/using-value-capture-fund-srl</a></p>	Completed
DTF	<p>Recommendation 40: The Department of Treasury and Finance ensure all information that was included in the Budget Update and the quarter 1 financial report be included in future pre-election budget</p>	<p>Support in principle.</p> <p>DTF will provide options for government consideration around reporting of information in the public domain outside of PEBU such as financial information contained within the September Quarterly</p>	Work in progress

Department	Recommendation supported by Government	Actions taken at the time of this questionnaire	Update on status of implementation
	updates (PEBU). This includes information that was not previously included in the PEBU and actual results to September 30 of an election year.	as well as the Uniform Presentation Framework (UPF) information, including on the Public Non-Financial and Public Financial Corporation sectors.	
DTF	Recommendation 41: The Department of Treasury and Finance publish information about proposed and ongoing financial management reform measures on its website.	<p>Support in principle.</p> <p>DTF delivered a series of amendments to the <i>Financial Management Act 1994</i> in August 2025.</p> <p>Further non-legislative reforms will continue to be made over time. Government will disclose details of these reforms as appropriate.</p>	Implemented.
DTF	Recommendation 42: The Department of Treasury and Finance publish information about any review or change to the Resource Management Framework in the context of broader financial management reform on its website by the end of 2025.	<p>Support in principle.</p> <p>The Resource Management Framework already discloses updates and changes to the document via the 'Changes to the RMF since the [month][year] published version' section.</p>	The Resource Management Framework was updated on 1 January 2026.

## Community consultation on budget initiatives

### Question 43

With regard to the new initiatives in the 2026–27 Budget, which relevant and interested community groups and stakeholders did the department consult or engage with? Please detail the budget initiatives' consultation related to and the final outcomes of consultation.

### Response

DTF has engaged with relevant community groups and stakeholders on new initiatives as part of the 2026–27 Budget. DTF utilises such consultation to identify the impact of new initiatives on relevant community groups and stakeholders, highlight potential challenges and opportunities for new initiatives to minimise the risk of unintended consequences and poor outcomes. The following example illustrates the outcomes of consultation undertaken by DTF in relation to new initiatives in the 2026–27 Budget:

- As part of the *Boosting return to work support and delivering safer workplaces for Victorians* initiative, DTF consulted with the Workplace Incidents Consultative Committee to scope an independent model of support for families following a workplace fatality. The Committee, which includes 9 members with lived experience of a serious workplace incident involving death, serious injury or illness, identified a current gap in supports for family members and emphasised the importance of providing an independent, consistent point of contact to help families navigate various systems and processes following a workplace death.
- Other organisations and community groups were consulted in relation to other components of the *Boosting return to work support and delivering safer workplaces for Victorians* initiative. This included WorkSafe's consultations with employee and employer representatives, and sector organisations, to inform activities to strengthen WorkSafe's regulatory capability, including efforts to address high-risk industries and establish a multi-disciplinary compliance unit focused on the health care and social assistance sector.

DTF engages with relevant stakeholders on new initiatives as part of the 2026–27 Budget. DTF utilises these views to identify the impact of new initiatives on relevant groups and highlight opportunities to maximise the benefit of government investment. The following example illustrates the impact of the engagement DTF has with relevant stakeholders in relation to new initiatives in the 2026–27 Budget:

- The Social Housing Growth Fund, which is jointly delivered by DTF and Homes Victoria, regularly engages with the community housing organisation peak body, the Community Housing Industry Association Victoria (CHIA Vic), to understand the sector's ideas and challenges. CHIA Vic has previously called for an expansion of the Social Housing Growth Fund to enable the community housing sector to deliver more new social housing. The Social Housing Growth Fund and Affordable Housing Investment Partnerships expansion initiative funded in the 2026–27 budget delivers a substantial expansion of the Social Housing Growth Fund to enable the community housing sector to deliver new social housing at scale.

# Victoria's Housing Statement

## Question 44

- a) Please list the department's output and asset initiatives in the 2026–27 Budget that will deliver on outcomes outlined in *Victoria's Housing Statement: The decade ahead 2024-2034*.<sup>8</sup>

### Response

Initiative	2025–26 funding (\$ million)	2026–27 funding (\$ million)	2027–28 funding (\$ million)	2028–29 funding (\$ million)	2029–30 funding (\$ million)
Nil					

- b) What will be the impact of the initiatives on
- i. housing affordability
  - ii. Victoria's planning system
  - iii. housing supply (expressed as a number)
  - iv. the regulation of rental properties
  - v. public housing supply (expressed as a number)
  - vi. community housing supply (expressed as a number)

### Response

Initiative	Timeframe (e.g. 1-5 years, 5-10 years)	Housing affordability (if applicable)	Victoria's planning system (if applicable)	Housing supply (if applicable)	The regulation of rental properties (if applicable)	Public housing supply (if applicable)	Community housing supply (if applicable)
Nil							

<sup>8</sup> Department of Premier and Cabinet, *Victoria's Housing Statement: The decade ahead 2024-2034*, Melbourne, 2023, <[https://content.vic.gov.au/sites/default/files/2023-09/DTP0424\\_Housing\\_Statement\\_v6\\_FA\\_WEB.pdf](https://content.vic.gov.au/sites/default/files/2023-09/DTP0424_Housing_Statement_v6_FA_WEB.pdf)>

## Cyber security

### Question 45

- a) What actions has the department taken over 2025–26, and plans to take over 2026–27, to improve cyber security and mitigate the risk of a cyber-attack or data breach?

### Response

	<b>Cyber security and cyber-attack risk mitigation measures planned by department</b>
2025–26	<p>The Department of Government Services has taken the following actions to improve cybersecurity and mitigate the risk of a cyberattack or data breach for DTF:</p> <ul style="list-style-type: none"> <li>• Email Phishing Awareness campaigns.</li> <li>• Disaster Recovery Tests for critical systems.</li> <li>• Vulnerability Assessments and Penetration tests of department business systems.</li> <li>• Social engineering simulation.</li> <li>• Cloud security assessments.</li> <li>• End user training and awareness campaigns including: <ul style="list-style-type: none"> <li>- the safe and responsible use of AI</li> <li>- applying protective markings correctly</li> <li>- phishing and scams awareness</li> <li>- Using BYOD responsibly</li> <li>- How to create strong and complex passwords</li> </ul> </li> <li>• How to recognise and report privacy and security incidents.</li> <li>• Rolled out a security hardened modern desktop to all department mobile devices.</li> <li>• Identified and verified the business value of our information assets.</li> <li>• Published our Information and Security Management Framework and contextualised Business Impact Levels Guide.</li> </ul>
2026–27	<p>The Department of Government Services plans to take the following actions to improve cybersecurity and mitigate the risk of a cyberattack or data breach for DTF:</p> <ul style="list-style-type: none"> <li>• Track and report completion metrics on compulsory Information and Security training courses.</li> <li>• Publish standardised, common Information and Security Policies.</li> <li>• Continue end user training and awareness campaigns as well as phishing simulations.</li> <li>• Conduct a cyber incident simulation and social engineering simulation.</li> </ul>

	<ul style="list-style-type: none"> <li>• Activate the Cyber Security Technical Advisory Group to assure that required baseline security controls on digital platforms are in place.</li> <li>• Publish the Information and Security Controls Library.</li> <li>• Publish refreshed information and security key risk indicators.</li> <li>• Produce security guidance on third party access.</li> <li>• Uplift data loss prevention controls.</li> </ul>
--	--

b) What resources in terms of funding levels and staffing has the department assigned to cyber security for 2025–26 and 2026–27?

#### Response

	Department cyber security funding (\$ million)	Staff (FTE)
2025–26	\$1,110,000	1.0
2026–27	\$1,110,000	1.0

If the department (or any of the department’s agencies) experienced a cyber attack or data breach in 2025–26:

c) What was the impact of this data breach on the department/agency’s resources, staffing, services provided to the community and ongoing support to individuals impacted by the cybersecurity event?

#### Response

Cyber attack/data breach	Impact on department/agency resources	Impact on staffing	Impact on services provided by department/agency to community	Ongoing support to individuals impacted by cyber-attack or data breach
No successful data breaches occurred.	N/A	N/A	N/A	N/A

d) What measures were implemented after the event to improve cyber security?

**Response**

Not required

## Health spending – DH only

### Question 46

a) When comparing one year to the next from 2022–23 to the forecast for 2027–28, please state the amount of funding provided to each of the below service types. Where the year-on-year variance is +/- 5 per cent, please provide an explanation for the increase/decrease in spending for the service type:

- Primary and community health
- Ambulance services
- Public hospitals
- Services for mental health

#### Guidance

The Committee notes that for the purposes of this question, the Committee uses the definitions of services in the sector as used in the Productivity Commission, Report on Government Services. See: <https://www.pc.gov.au/ongoing/report-on-government-services/2025/health> (accessed 12 March 2025).

#### Response

	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	Reason for any year-on-year variances $\pm 5\%$
Primary and community health							
Ambulance services							
Public hospitals							
Services for mental health							

b) Please explain how DH's 'Victorian public health and wellbeing outcomes framework' is used to inform funding allocations.

#### Response

c) How much did the Victorian Government spend overall on health in 2022–23, 2023–24, 2024–25, 2025–26 and 2026–27. Where the year-on-year variance is +/- 5 per cent, please provide an explanation for the increase/decrease in spending.

**Response**

Year	Total health spending	Reason for any year-on-year variances $\pm 5\%$
2022–23		
2023–24		
2024–25		
2025–26		
2026–27		

## Large scale infrastructure projects – DTF/DTP only

### Question 47

For the North-East Link, Melbourne Airport Rail Stage 1, and the Level Crossing Removal Program please provide the information requested in the tables below regarding expenditure, scope and outcomes.

#### North East Link – Primary Package (Tunnels) and State Tolling Corporation (Greensborough)

##### Expenditure – response

Project name	North East Link – Primary Package (Tunnels) and State Tolling Corporation (Greensborough)
Total estimated investment at announcement	<p>The Victorian Government committed \$15.8 billion for North East Link at announcement. Funding arrangements reflected in 2022-23 Budget recognised the North East Link State Tolling Corporation.</p> <p>The TEI includes the \$11.1 billion contract with the Spark consortium to deliver the Primary Package (Tunnels) and other costs associated with the operations of STC. The TEI includes a share of \$5 billion of Commonwealth Government funding. The TEI excludes financing costs associated with the Primary Package.</p> <p>STC is responsible for providing funding contributions to the North East Link – Primary Package (Tunnels).</p>
Total estimated investment in the 2026–27 Budget	\$14,034.000 million.
Explanation for change in TEI	TEI is unchanged from 2025-26 Budget.
Actual cost of the program to date (i.e. cost since announcement)	Estimated cost to 30 June 2026 as per 2026-27 Budget Paper No. 4: \$9,997.524 million.
Amount allocated to the project/program in the 2026–27 Budget	Forecast cost for the 2026-27 financial year as per 2026-27 Budget Paper No. 4: \$2,653.866 million.

Amount forecast for the project/program in 2027–28	Total forecast remaining expenditure as per 2026-27 Budget Paper No. 4: \$1,382.610 million.
Amount forecast for the project/program in 2028–29	TBC
Amount forecast for the project/program in 2029–30	TBC
How the department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report and the North East Link State Tolling Corporation Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> </ul>
Cost/benefit ratio of the project/program	The benefit cost ratio of the North East Link is estimated to be 1.3. The analysis behind this ratio can be found on the Big Build website.

### Scope – response

<b>Project name</b>	<b>North East Link – Primary Package (Tunnels) and State Tolling Corporation (Greensborough)</b>
Scope of works (brief description of completed and future works to be delivered through this project, including any components of other projects or asset initiatives)	<p>The Primary Package (Tunnels) scope includes:</p> <ul style="list-style-type: none"> <li>• twin, three-lane tunnels</li> <li>• split interchange at Lower Plenty Road and Manningham Road, and an upgrade on the existing interchange South of Bulleen Road to accommodate the tunnel on-ramp and a new interchange west of Thompsons Road to service the new Bulleen Park &amp; Ride and accommodate the tunnel off- and on-ramps</li> <li>• new and upgraded green land bridges, development of extensive shared user paths and walking and cycling infrastructure, to form a new North East Trail network</li> </ul>

	<ul style="list-style-type: none"> <li>high quality outcomes in open space, noise walls design and maximising tree canopy replacement.</li> </ul>
Changes to scope in 2026–27	No material scope changes have occurred.
Explanation for changes to scope	N/A

### Outcomes – response

<b>Project name</b>	<b>North East Link – Primary Package (Tunnels) and State Tolling Corporation (Greensborough)</b>
The outcomes achieved by the project/program to date	<p>The key project achievements to date include:</p> <ul style="list-style-type: none"> <li>The Environment Effects Statement (EES) process undertaken for North East Link was Victoria’s most comprehensive.</li> <li>All primary planning and environmental approvals required for works to date have been obtained.</li> <li>Completion of Early Works, involving the relocation of around 100 local utilities, to facilitate the commencement of major construction for North East Link.</li> <li>Approval of the Urban Design and Landscape Plan (UDLP) for the North East Link tunnels, following community consultation.</li> <li>Contract award and commencement of major construction for the North East Link tunnels.</li> <li>Launching of two tunnel boring machines (TBMs) for major tunnelling construction from Watsonia to Bulleen, with tunnelling significantly progressed.</li> <li>Breakthrough achieved for the first stage of the mined section of tunnel between Manningham and Bulleen.</li> <li>Completed tunnelling and concrete lining for the ventilation tunnel in Yallambie.</li> <li>Started works to widen Lower Plenty Road.</li> <li>Started building the new Motorway Control Centre.</li> </ul>

	<ul style="list-style-type: none"> <li>• Temporarily realigned Manningham Road and Bridge Street to keep traffic moving while the new Manningham interchange is built.</li> <li>• North East Community Fund established to support and strengthen local communities most impacted by construction.</li> <li>• Six brand new pavilions have been built as part of major upgrades being delivered at 19 sports grounds to support community sport in the northern and eastern suburbs.</li> <li>• Completion of local sporting facility upgrades at Templestowe Road, including a new soccer facility.</li> <li>• Contract award and commencement of construction for upgrades to Bulleen Park, including three upgraded ovals and two brand new pavilions.</li> <li>• Traffic switched onto new permanent Bulleen Road in mid-2025, including new dedicated access for Marcellin College and the Manningham Hotel and Club.</li> </ul>
The anticipated outcomes of the project/program in 2026–27 and across the forward estimates	<p>Anticipated outcomes in 2026-27 and across the forward estimates:</p> <ul style="list-style-type: none"> <li>• Works continue on the two tunnel ventilation structures.</li> <li>• Works commence to build the new Greensborough Boulevard.</li> <li>• Tunnel boring and works to connect the North East Link tunnels with the upgraded Eastern Freeway and M80 Ring Road completed.</li> <li>• Finalise funding requests from the North East Community Fund.</li> </ul>
How the department will measure the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> <li>• Gateway 6 Review</li> </ul>
How the department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and</li> </ul>

	Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet
--	--

### M80 Ring Road Upgrade (Greensborough) Expenditure – response

#### Expenditure – response

Project name	M80 Ring Road Upgrade (Greensborough)
Total estimated investment at announcement	This project was previously published as part of 'North East Link (State and Freeway Packages)' in the 2023-24 Budget Paper No. 4 State Capital Program.  The Commonwealth Government is contributing \$5 billion to the North East Link with \$3.25 billion of funding for the non-tolled sections of the project announced in May 2024.
Total estimated investment in the 2026–27 Budget	\$3,824.210 million
Explanation for change in TEI	TEI is unchanged from 2025-26 Budget.
Actual cost of the program to date (i.e. cost since announcement)	Estimated cost to 30 June 2026 as per 2026-27 Budget Paper No 4: \$2,387.391 million.
Amount allocated to the project/program in the 2026–27 Budget	Forecast cost for the 2026-27 financial year as per 2026-27 Budget Paper No 4: \$758.007 million.
Amount forecast for the project/program in 2027–28	Total forecast remaining expenditure as per 2026-27 Budget Paper No.4: \$651.812 million.
Amount forecast for the project/program in 2028–29	TBC
Amount forecast for the project/program in 2029–30	TBC
How the department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> </ul>

	<ul style="list-style-type: none"> <li>Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> </ul>
Cost/benefit ratio of the project/program	The benefit cost ratio of the North East Link is estimated to be 1.3. The analysis behind this ratio can be found on the Big Build website.

### Scope – response

<b>Project name</b>	<b>M80 Ring Road Upgrade (Greensborough)</b>
Scope of works (brief description of completed and future works to be delivered through this project, including any components of other projects or asset initiatives)	<p>Connecting the M80 Ring Road in Greensborough to the North East Link tunnels and adding new lanes, express lanes and smart technology.</p> <p>The project will also include:</p> <ul style="list-style-type: none"> <li>new free-flowing interchanges on the M80 Ring Road and Grimshaw Street</li> <li>new noise walls to meet tougher noise standards</li> <li>10km of new and upgraded walking and cycling paths with new bridges, underpasses and crossings to link schools, shops, and public transport</li> <li>an upgraded Watsonia Station car park.</li> </ul>
Changes to scope in 2026–27	No material scope changes have occurred.
Explanation for changes to scope	N/A

### Outcomes – response

<b>Project name</b>	<b>M80 Ring Road Upgrade (Greensborough)</b>
The outcomes achieved by the project/program to date	<p>The key project achievements to date include:</p> <ul style="list-style-type: none"> <li>Contract award and commencement of construction phase for the M80 Ring Road Upgrade project.</li> </ul>

	<ul style="list-style-type: none"> <li>• Approval of the UDLP for the M80 Ring Road Upgrade project, following community consultation.</li> <li>• Excavated over one million tonnes of dirt and rock across the project.</li> <li>• Installed the first permanent noise walls along the M80 Ring Road.</li> <li>• Appointed the Independent Environmental Auditor for the overhaul of the Eastern Freeway and the completion of the M80 Ring Road.</li> <li>• Expanded the existing Hurstbridge line rail tunnel ready to build the freeway on top.</li> </ul>
The anticipated outcomes of the project/program in 2026–27 and across the forward estimates	<p>Anticipated outcomes in 2026-27 and across the forward estimates:</p> <ul style="list-style-type: none"> <li>• Public exhibition and community consultation for the UDLP for the new Watsonia Station car park in early 2026.</li> <li>• Elder Street and Watsonia Road landscaped bridges open to traffic in 2026.</li> <li>• Nell Street pedestrian bridge open in 2026.</li> <li>• Connect the upgraded M80 Ring Road to the North East Link tunnels.</li> <li>• Build more than 15 kilometres of new lanes and traffic management systems along the freeway.</li> <li>• Deliver 10 kilometres of walking and cycling paths including a wider brighter underpass at Yando Street in Greensborough, and 2 wide landscaped bridges at Watsonia Road and Elder Street.</li> <li>• Completion of construction in 2028.</li> </ul>
How the department will measure the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> <li>• Gateway 6 Review</li> </ul>
How the department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report.</li> </ul>

- Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet

### Eastern Freeway Upgrade (Springvale to Hoddle) Expenditure – response

#### Expenditure – response

Project name	Eastern Freeway Upgrade (Springvale to Hoddle)
Total estimated investment at announcement	The project was previously published as part of the 'North East Link (State and Freeway Packages)' in the 2023-24 Budget Paper No. 4 State Capital Program.  The Commonwealth Government is contributing \$5 billion to the North East Link with \$3.25 billion of funding for the non-tolled sections of the project announced in May 2024.
Total estimated investment in the 2026–27 Budget	\$5,708.993 million
Explanation for change in TEI	TEI is unchanged from 2025-26 Budget.
Actual cost of the program to date (i.e. cost since announcement)	Estimated cost to 30 June 2026 as per 2026-27 Budget Paper No 4: \$2,935.092 million.
Amount allocated to the project/program in the 2026–27 Budget	Forecast cost for the 2026-27 financial year as per 2026-27 Budget Paper No 4: \$1,694.270 million.
Amount forecast for the project/program in 2027–28	Total forecast remaining expenditure as per 2026-27 Budget Paper No.4: \$1,079.630 million.
Amount forecast for the project/program in 2028–29	TBC
Amount forecast for the project/program in 2029–30	TBC

How the department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> </ul>
Cost/benefit ratio of the project/program	The benefit cost ratio of the North East Link is estimated to be 1.3. The analysis behind this ratio can be found on the Big Build website.

### Scope – response

<b>Project name</b>	<b>Eastern Freeway Upgrade (Springvale to Hoddle)</b>
Scope of works (brief description of completed and future works to be delivered through this project, including any components of other projects or asset initiatives)	<p>Connecting the Eastern Freeway to the North East Link tunnels and upgrading the freeway with new express lanes, new traffic management technology and Melbourne's first dedicated busway. The project will also involve:</p> <ul style="list-style-type: none"> <li>• building new and upgraded walking and cycling paths, bridges and underpasses</li> <li>• upgrading Koonung Creek Reserve</li> <li>• revitalising waterways and wetlands and planting new trees and plants</li> </ul> <p>The upgrade will be delivered in three stages:</p> <ul style="list-style-type: none"> <li>• Burke Road to Tram Road (construction underway)</li> <li>• Hoddle Street to Burke Road (construction underway)</li> <li>• Tram Road to Springvale Road (construction underway)</li> </ul>
Changes to scope in 2026–27	No material scope changes have occurred.
Explanation for changes to scope	N/A

### Outcomes – response

Project name	Eastern Freeway Upgrade (Springvale to Hoddle)
The outcomes achieved by the project/program to date	<p>The key project achievements to date include:</p> <ul style="list-style-type: none"> <li>• Contract award and commencement of construction phase for all three packages.</li> <li>• Approval of the UDLP for the Burke Road to Tram Road project, following community consultation.</li> <li>• Appointed the Independent Environmental Auditor for the overhaul of the Eastern Freeway and the completion of the M80 Ring Road.</li> <li>• Contract award for Tram Road to Springvale Road and Hoddle Street to Burke Road projects as part of the Eastern Freeway Upgrade.</li> <li>• Opened the new Bulleen Park &amp; Ride, the first part of the Eastern Express Busway.</li> <li>• Public exhibition and community consultation undertaken in September 2024 for the UDLP for Doncaster Park and Ride.</li> <li>• All bridge beams installed for the new Bulleen Road bridge north of Thompsons Road.</li> <li>• New Estelle Street and Heyington Avenue walking and cycling bridges installed over Eastern Freeway in Bulleen.</li> <li>• Mega beam lift completed at Bulleen Road interchange, with a 1080 tonne beam lifted into place over the Eastern Freeway.</li> </ul>
The anticipated outcomes of the project/program in 2026–27 and across the forward estimates	<p>Anticipated outcomes in 2026-27 and across the forward estimates:</p> <ul style="list-style-type: none"> <li>• Approval of the UDLP for the Doncaster Park and Ride.</li> <li>• Public exhibition and community consultation of UDLPs for the Tram Road to Springvale Road and Hoddle Street to Burke Road projects as part of the Eastern Freeway Upgrade.</li> <li>• Completion of the TBM tunnelling from Watsonia to Manningham in 2026.</li> <li>• Completion of the SEM tunnelling from Bulleen to Manningham in 2026.</li> <li>• Connecting an upgraded Eastern Freeway to the North East Link tunnels.</li> </ul>

	<ul style="list-style-type: none"> <li>• Build more than 45 kilometres of new lanes and traffic management systems along the freeway.</li> <li>• Build Melbourne’s first dedicated busway from Doncaster to the City, and an upgraded Park &amp; Ride at Doncaster.</li> <li>• Deliver 10 kilometres of walking and cycling paths and a rebuilt Koonung Creek Reserve.</li> <li>• Completion of construction in 2028.</li> </ul>
How the department will measure the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects’ performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> <li>• Gateway 6 Review</li> </ul>
How the department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects’ performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> </ul>

### North East Link Connections (Bulleen/Watsonia)

#### Expenditure – response

Project name	North East Link Connections (Bulleen/Watsonia)
Total estimated investment at announcement	The project was previously published as part of ‘North East Link (State and Freeway Packages)’ in the 2023-24 Budget Paper No. 4 State Capital Program.

	The Commonwealth Government is contributing \$5 billion to the North East Link with \$3.25 billion of funding for the non-tolled sections of the project announced in May 2024.
Total estimated investment in the 2026–27 Budget	\$2,642.257 million
Explanation for change in TEI	TEI is unchanged from 2025-26 Budget.
Actual cost of the program to date (i.e. cost since announcement)	Estimated cost to 30 June 2026 as per 2026-27 Budget Paper No 4: \$1,854.891 million.
Amount allocated to the project/program in the 2026–27 Budget	Forecast cost for the 2026-27 financial year as per 2026-27 Budget Paper No 4: \$481.087 million.
Amount forecast for the project/program in 2027–28	Total forecast remaining expenditure as per 2026-27 Budget Paper No.4: \$306.279 million.
Amount forecast for the project/program in 2028–29	TBC
Amount forecast for the project/program in 2029–30	TBC
How the department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> </ul>
Cost/benefit ratio of the project/program	The benefit cost ratio of the North East Link is estimated to be 1.3. The analysis behind this ratio can be found on the Big Build website.

**Scope – response**

<b>Project name</b>	<b>North East Link Connections (Bulleen/Watsonia)</b>
---------------------	---

Scope of works (brief description of completed and future works to be delivered through this project, including any components of other projects or asset initiatives)	Interface works between the North East Link tunnels and the Eastern Freeway Upgrades, including entry ramps, exit ramps, other structures and enabling works that sit outside the State Tolling Corporation boundary.
Changes to scope in 2026–27	No material scope changes have occurred.
Explanation for changes to scope	N/A

### Outcomes – response

<b>Project name</b>	<b>North East Link Connections (Bulleen/Watsonia)</b>
The outcomes achieved by the project/program to date	<p>The key project achievements to date include:</p> <ul style="list-style-type: none"> <li>• Approval of the UDLP for the Burke Road to Tram Road project, following community consultation.</li> <li>• Contract award and commencement of construction phase for the Burke Road to Tram Road project.</li> <li>• Temporarily diverted Bulleen Road to keep traffic moving while the new permanent Bulleen Road is built.</li> <li>• Temporarily diverted Doncaster Road bridge traffic to keep traffic moving while the new permanent Doncaster Road bridge is built.</li> <li>• Traffic switched to the new permanent Bulleen Road in mid-2025, allowing traffic to flow while works take place to build the Yarra Link Green Bridge and southern tunnel portal.</li> <li>• Moved the intersection of Watsonia Road and Greensborough Highway to make space for construction of the Watsonia Road landscaped bridge.</li> </ul>
The anticipated outcomes of the project/program in 2026–27 and across the forward estimates	<p>Anticipated outcomes in 2026-27 and across the forward estimates:</p> <ul style="list-style-type: none"> <li>• Work continuing on ramp connections from Eastern Freeway to North East Link tunnels.</li> <li>• Completion of construction in 2028.</li> </ul>
How the department will measure the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> </ul>

	<ul style="list-style-type: none"> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> <li>• Gateway 6 Review</li> </ul>
How the department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> </ul>

#### Melbourne Airport Rail (metropolitan various) Expenditure – response

Project name	Melbourne Airport Rail (metropolitan various)
Total estimated investment at announcement	<p>The State and Commonwealth Governments originally committed \$5 billion each to the Melbourne Airport Rail project.</p> <p>The Commonwealth Government's 2025-26 budget committed an additional \$2 billion for the Sunshine Station Superhub, increasing its total contribution for the Melbourne Airport Rail project to \$7 billion. The 2025-26 Budget committed \$4.1 billion to deliver the Sunshine Station Superhub as a joint funding initiative with the Commonwealth Government.</p>
Total estimated investment in the 2026–27 Budget	TBC
Explanation for change in TEI	N/A
Actual cost of the program to date (i.e. cost since announcement)	Estimated spend to 30 June 2026: \$940.747 million.
Amount allocated to the project/program in the 2026–27 Budget	Estimated spend for 2026-27: \$58.264 million.

Amount forecast for the project/program in 2027–28	TBC
Amount forecast for the project/program in 2028–29	TBC
Amount forecast for the project/program in 2029–30	TBC
How the department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> </ul>
Cost/benefit ratio of the project/program	The benefit cost ratio of the Melbourne Airport Rail project is estimated to be between 1.8 to 2.1. The analysis behind this ratio can be found on the Big Build website.

### Scope – response

<b>Project name</b>	Melbourne Airport Rail (metropolitan various)
Scope of works (brief description of completed and future works to be delivered through this project, including any components of other projects or asset initiatives)	<p>Melbourne Airport Rail will connect Melbourne Airport to Victoria’s regional and metropolitan train network for the first time. Completed works to date include:</p> <ul style="list-style-type: none"> <li>• Early works including works to relocate and protect more than 250 critical utilities along the Albion-Jacana route completed.</li> <li>• The Mobil Jet Fuel Pipeline protection works and relocation of the Greater Western Water pressure reducing station completed.</li> <li>• Work completed to demobilise the project and return construction sites to the community, including reopening walking and cycling paths, returning car parks and removing site compounds, fencing and signage.</li> </ul> <p>Sunshine Station Superhub is a part of Melbourne Airport Rail and works are underway. The Sunshine Station Superhub is expected to be completed by 2030. Scope and timing for the remainder of the project is to be determined.</p>
Changes to scope in 2026–27	N/A
Explanation for changes to scope	N/A

**Outcomes – response**

Project name	Melbourne Airport Rail (metropolitan various)
The outcomes achieved by the project/program to date	<p>The key project achievements to date include:</p> <ul style="list-style-type: none"> <li>• A Memorandum of Understanding (MoU) has been signed by the Victorian and Commonwealth governments and Melbourne Airport, establishing a formal steering committee between the three parties. The MoU commits the parties to develop a way forward for an above-ground station to be built at the airport, acknowledging a number of matters such as scope of works and technical requirements still need to be resolved.</li> <li>• Merren McArthur has been appointed as the independent Chair of the Melbourne Airport Rail Link Steering Committee, with representatives from the Victorian and Commonwealth governments and Melbourne Airport sitting on the committee.</li> </ul>
The anticipated outcomes of the project/program in 2026–27 and across the forward estimates	Sunshine Station Superhub is a part of Melbourne Airport Rail and works are underway. The Sunshine Station Superhub is expected to be completed by 2030. Scope and timing for the remainder of the project are to be determined.
How the department will measure the outcomes achieved by the project/program as it progresses	TBC
How the department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee (IDC) of Cabinet</li> </ul>

**Sunshine Station Superhub** (metropolitan various)**Expenditure – response**

<b>Project name</b>	Sunshine Station Superhub (metropolitan various)
Total estimated investment at announcement	The 2025-26 Budget committed \$4.1 billion to deliver the Sunshine Station Superhub as a joint funding initiative with the Commonwealth Government.  The State and Commonwealth Governments originally committed \$5 billion each to the Melbourne Airport Rail project. The Commonwealth Government's 2025-26 budget committed an additional \$2 billion for the Sunshine Station Superhub, increasing its total contribution for the Melbourne Airport Rail project to \$7 billion.
Total estimated investment in the 2026–27 Budget	\$4.140 billion
Explanation for change in TEI	N/A
Actual cost of the program to date (i.e. cost since announcement)	Estimated spend to 30 June 2026 is \$170.118 million.
Amount allocated to the project/program in the 2026–27 Budget	Estimated spend is \$730 million.
Amount forecast for the project/program in 2027–28	TBC
Amount forecast for the project/program in 2028–29	TBC
Amount forecast for the project/program in 2029–30	TBC
How the department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget papers</li> <li>• Department of Transport and Planning Annual Report</li> </ul>
Cost/benefit ratio of the project/program	Sunshine Station Superhub is part of Melbourne Airport Rail. The benefit cost ratio of the Melbourne Airport Rail project is estimated to be between 1.8 to 2.1. The analysis behind this ratio can be found on the Big Build website.

**Scope – response**

<b>Project name</b>	<b>Sunshine Station Superhub</b>
---------------------	----------------------------------

Scope of works (brief description of completed and future works to be delivered through this project, including any components of other projects or asset initiatives)	Sunshine Station Superhub will untangle six kilometres of track between West Footscray and Albion stations to allow regional and metropolitan lines to connect with airport rail at Sunshine Station, as well as enable the future electrification of the Melton Line. The program of works will include: <ul style="list-style-type: none"> <li>• two new dedicated regional platforms and an extended concourse at Sunshine Station</li> <li>• new rail flyovers</li> <li>• new and upgraded tracks</li> <li>• new signalling technology</li> <li>• realigned regional, metro and freight lines</li> <li>• new Tottenham station.</li> </ul>
Changes to scope in 2026–27	Delivery of a new Tottenham Station on the realigned Sunbury Line. The new Tottenham station will feature a dedicated pedestrian underpass (separated from Ashley Street) to provide safer connections to the station from both sides of the rail line, linking to the northern car park.
Explanation for changes to scope	The Sunshine Station Superhub will realign the Sunbury Line between Sunshine and West Footscray to allow train lines to connect to the airport and a future electrified rail line to Melton, as well as deliver extensive signalling upgrades to enable more services. Delivery of a new Tottenham Station on the realigned Sunbury Line will significantly reduce disruptions during construction, by ensuring services return to the new Tottenham Station sooner than if the existing station was kept in place.

### Outcomes – response

<b>Project name</b>	<b>Sunshine Station Superhub</b>
The outcomes achieved by the project/program to date	The key project achievements to date include: <ul style="list-style-type: none"> <li>• Concept designs for the Sunshine Station upgrades and new rail flyovers were released in February 2026. Major work now underway.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Enabling works package was awarded with works commencing in February 2026. Scope of works includes the diversion, relocation and protection of utilities and underground services needed for major construction to progress on the rest of the project.</li> <li>• The Regional line works package was opened to the market via an Expression of Interest process during 2025. A new alliance will be formed to deliver these works.</li> </ul>
The anticipated outcomes of the project/program in 2026–27 and across the forward estimates	<p>Anticipated outcomes in 2026-27 and across the forward estimates:</p> <ul style="list-style-type: none"> <li>• Concept designs for the new Tottenham station to be released in 2026 and construction to start in 2027.</li> <li>• Remaining packages of work to be awarded, including the Regional line works which will be awarded to the newly formed alliance.</li> </ul> <p>Sunshine Station Superhub is a part of Melbourne Airport Rail and works are underway. The Sunshine Station Superhub is expected to be completed by 2030. Scope and timing for the remainder of the project are to be determined.</p>
How the department will measure the outcomes achieved by the project/program as it progresses	TBC
How the department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget Papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee (IDC) of Cabinet</li> </ul>

## Level Crossing Removal Program

### Expenditure – response

Project name	Level Crossing Removal Program
Total estimated investment at announcement	<ul style="list-style-type: none"> <li>• The Level Crossing Removal Program has been funded in stages.</li> <li>• Level Crossing Removal Program ('LX 50') and Metropolitan Network Modernisation Program (MNMP) were reported as completed projects in the 2023-24 State Budget.</li> <li>• The Program currently has two stages reported in Budget Paper No.4. <ul style="list-style-type: none"> <li>○ '85 by 2025', with \$6.550 billion allocated in the 2019-20 State Budget for 25 additional level crossing removals ('75 by 2025') and a further \$2.536 billion allocated in the 2021-22 Budget Update for 10 additional level crossing removals. These two initiatives were combined for reporting purposes in the 2022-23 State Budget and have now been completed.</li> <li>○ 'Twenty-five more level crossing removals', with a further \$6.522 billion provided for 25 additional level crossing removals to reach a total of 110 level crossing removals. This was first reported in the 2022 Victorian Economic and Fiscal Update.</li> </ul> </li> </ul>
Total estimated investment in the 2026–27 Budget	<p>The relevant Total estimated investment (TEI) amounts as reported in 2026-27 State Budget Paper 4 are as follows:</p> <ul style="list-style-type: none"> <li>• '85 by 2025' – \$8.592 billion TEI</li> <li>• 'Twenty-five more level crossing removals' – \$6.411 billion TEI</li> </ul>
Explanation for change in TEI	<p>The TEIs for '85 by 2025' and "Twenty-five more level crossing removals' have changed since first announced due to movements including budgeted amounts being reclassified as operating instead of capital expenditure and program savings.</p> <p>In relation to the 2025-26 State Budget specifically:</p> <ul style="list-style-type: none"> <li>• '85 by 2025' – The TEI has decreased from \$8.647 billion (per 2025-26 State Budget) to \$8.592 billion by \$55.735 million due to budgeted amounts</li> </ul>

	<p>being reclassified as operating instead of capital expenditure, in line with accounting standards.</p> <ul style="list-style-type: none"> <li>• ‘Twenty-five more level crossing removals’ – The TEI has decreased from \$6.449 billion (per 2025-26 State Budget) to \$6.411 billion by \$38.238 million due to budgeted amounts being reclassified as operating instead of capital expenditure, in line with accounting standards.</li> </ul>
Actual cost of the program to date (i.e. cost since announcement)	<p>The relevant estimated expenditures to 30 June 2026 as reported in 2026-27 State Budget Paper 4 are as follows:</p> <ul style="list-style-type: none"> <li>• ‘85 by 2025’ – \$8.314 billion</li> <li>• ‘Twenty-five more level crossing removals’ – \$1.702 billion</li> </ul> <p>Note the following completed projects not reported in the 2026-27 Budget Papers have also funded the Level Crossing Removal Program:</p> <ul style="list-style-type: none"> <li>• Level Crossing Removal Program (metropolitan various) (LX50)</li> <li>• Metropolitan Network Modernisation Program (metropolitan various) (MNMP).</li> </ul>
Amount allocated to the project/program in the 2026–27 Budget	<p>Forecast cost for the 2026-27 financial year as per 2026-27 Budget Paper No 4:</p> <ul style="list-style-type: none"> <li>• \$981.595 million for ‘Twenty-five more level crossing removals’.</li> </ul> <p>The ‘85 by 2025’, LX50 and MNMP are completed.</p>
Total forecast remaining expenditure	<p>Total forecast remaining expenditure beyond 2026-27 as per 2026-27 Budget Paper No.4:</p> <ul style="list-style-type: none"> <li>• \$3.727 billion for ‘Twenty-five more level crossing removals’.</li> </ul> <p>The ‘85 by 2025’, LX50 and MNMP are completed.</p>
How the department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> </ul>

	<ul style="list-style-type: none"> <li>The Minister for Transport Infrastructure provides an update to the Infrastructure Delivery Committee of Cabinet twice annually regarding the status of the Level Crossing Removal Project, including forecast delivery schedule and expenditure forecast.</li> </ul>
Cost/benefit ratio of the project/program	The business case for the Level Crossing Removal Program is available via the Big Build website. This discloses a benefit cost ratio range of 0.78 to 1.34. The business case has not been updated with additional stages of the program.

### Scope – response

Project name	Level Crossing Removal Program
Scope of works (brief description of completed and future works to be delivered through this project, including any components of other projects or asset initiatives)	The Government has removed 88 dangerous and congested level crossings in Melbourne. The Level Crossing Removal Project is removing an additional 25 level crossings and is delivering 110 level crossings.
Changes to scope in 2026–27	N/A
Explanation for changes to scope	N/A

### Outcomes – response

Project name	Level Crossing Removal Program
The outcomes achieved by the project/program to date	<ul style="list-style-type: none"> <li>The Level Crossing Removal Program has removed 88 level crossings to date.</li> <li>40 new stations have been built and five upgraded as part of these level crossing removal projects.</li> </ul>
The anticipated outcomes of the project/program in 2026–27 and across the forward estimates	<ul style="list-style-type: none"> <li>88 level crossings have been removed to date (as of April 2026), with 10 scheduled to be removed in 2026 and 2027 (not including closures).</li> </ul>

	<ul style="list-style-type: none"> <li>• The Level Crossing Removal Project is removing an additional 25 level crossings, and is delivering 110 level crossings.</li> </ul>
How the department will measure the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• The Level Crossing Removal Program measures its outcomes by comparing its progress against the approved project budget and approved project milestones, and reports on progress outcomes to Government.</li> <li>• Gateway review process</li> </ul>
How the department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> <li>• Budget papers</li> <li>• Department of Transport and Planning Annual Report</li> <li>• Victorian Infrastructure Delivery Authority and Department of Transport and Planning provide information to the Department of Treasury and Finance for inclusion in its quarterly major projects' performance reports, provided to the Infrastructure Delivery Committee of Cabinet</li> <li>• The Minister for Transport Infrastructure provides an update to the Infrastructure Delivery Committee of Cabinet twice annually regarding the status of the Level Crossing Removal Project, including forecast delivery schedule and expenditure forecast</li> <li>• Gateway review process</li> </ul>

## Economic forecast – DTF only

### Question 48

*Budget Paper No. 2: Strategy and Outlook*, Table 2.1, provides forecasts for the following indicators:

- real gross state product
- employment
- unemployment rate
- consumer price index
- wage price index
- population.

### Variance analysis

- a) For each of the above indicators, please provide a detailed explanation for the variance when comparing the same year in the 2025–26 Budget, the 2025–26 Budget Update and the 2026–27 Budget, including the assumptions used to forecast the specific indicator.

### Response

Economic indicator	Real Gross State Product					
	2024-25 Actual	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Projection	2029-30 Projection
Year for which variance relates						
Forecast/projection in 2025–26 Budget	2.00	2.50	2.75	2.75	2.75	-
Forecast/projection in 2025–26 Budget Update	1.1 (actual)	2.25	2.50	2.50	2.50	-
Forecast/projection in 2026-27 Budget	1.1 (actual)	1.75	1.50	2.00	2.50	2.50
Assumptions used to forecast indicator	The key assumptions underlying the GSP forecasts are outlined below: <ul style="list-style-type: none"> <li>• Interest rates broadly follow market economists' expectations.</li> </ul>					

	<ul style="list-style-type: none"> <li>Oil prices (West Texas Intermediate) are assumed to average US\$100/barrel in the June quarter 2026, then gradually decline to around US\$70 per barrel by December 2026 and to around US\$65/barrel by June 2027, broadly in line with the path suggested by oil futures.</li> <li>An Australian dollar trade weighted index of 64.8.</li> </ul>					
Variance from 2025-26 Budget	-0.9	-0.75	-1.25	-0.75	-0.25	-
Reason for variance	<p>Real gross state product (GSP) grew by 1.1 per cent in 2024-25, lower than the forecast 2.00 per cent. This was mainly due to typically small but volatile components of GSP measured by the Australian Bureau of Statistics (including interstate trade, changes in inventories and a statistical discrepancy) which had a more significant impact on GSP than expected in 2024-25. State Final Demand, which is a significant component of GSP and measures domestic demand, grew by 1.8 per cent in 2024-25, closer to the 2024-25 real GSP forecast of 2.00 per cent in the 2025-26 Budget.</p> <p>Real GSP in 2025-26 is forecast to be 1.75 per cent in the 2026-27 Budget, which is lower than the 2.25 per cent forecast in the 2025-26 Budget Update. This largely reflects more persistent national inflation and the Reserve Bank of Australia raising interest rates twice in February and March 2026, which will weigh in particular on household spending and dwelling investment. The conflict in the Middle East and resulting surge in energy prices from late February 2026 onwards are also expected to weigh on activity.</p> <p>Real GSP in 2026-27 is forecast to be 1.50 per cent in the 2026-27 Budget, which is lower than forecast in the 2025-26 Budget Update. This largely reflects the impact of interest rate rises, with at least one more rate hike is expected by mid-year, which would bring interest rates to the same peak of 4.35 per cent that Victoria faced in 2024-25. This amounts to interest rates being 1 to 1.25 percentage points higher in 2026 compared with what was expected in the 2025-26 Budget Update. The conflict in the Middle East and higher energy prices flowing are expected to continue to weigh on activity.</p> <p>While interest rates are expected to begin falling alongside moderating inflation in 2027-28, the levels of interest rates are expected to be materially higher in 2027-28 than expected in the 2025-26 Budget Update. This will weigh on growth in 2027-28, albeit to a lesser extent than in 2026-27.</p> <p>The variances for 2028-29 compared with the 2025-26 Budget reflects changes in productivity and participation growth assumptions, as outlined in the 2025-26 Budget Update.</p>					

Economic indicator	Employment					
	2024-25 Actual	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Projection	2029-30 Projection
Year for which variance relates						
Forecast/projection in 2025–26 Budget	2.50	0.50	1.50	1.75	1.75	-
Forecast/projection in 2025-26 Budget Update	2.5 (actual)	1.25	1.50	1.75	1.75	-
Forecast/projection in 2026-27 Budget	2.5 (actual)	1.50	1.25	1.50	1.75	1.75
Assumptions used to forecast indicator	Employment growth is assumed to be broadly correlated with GSP growth.					
Variance from 2025-26 Budget	-	1.00	-0.25	-0.25	-	-
Reason for variance	<p>Revised employment growth in 2025-26 mainly reflects a higher level of employment in 2025-26 to date, as reported by the Australian Bureau of Statistics. With the level of employment higher in 2025-26, forecast growth for 2026-27 and 2027-28 has been downgraded due to the effects of lower GSP growth forecasts, resulting in an easing in demand for new workers relative to recent years.</p> <p>Employment growth is expected to improve alongside the economy in 2028, and grow in line with its trend rate from 2028-29 onwards.</p>					

Economic indicator	Unemployment rate					
	2024-25 Actual	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Projection	2029-30 Projection
Year for which variance relates						
Forecast/projection in 2025–26 Budget	4.50	4.75	4.75	4.75	4.75	-

Forecast/projection in 2025-26 Budget Update	4.4 (actual)	4.75	4.75	4.75	4.75	-
Forecast/projection in 2026-27 Budget	4.4 (actual)	4.75	4.75	4.75	4.75	4.75
Assumptions used to forecast indicator	The unemployment rate is projected to reach a rate consistent with stable inflation within the RBA's inflation target band.					
Variance from 2025-26 Budget	-0.1	-	-	-	-	-
Reason for variance	Unemployment in 2024-25 was broadly as expected in the 2025-26 Budget and 2025-26 Budget Update. Unemployment rate forecasts from 2025-26 onwards are in line with the 2025-26 <i>Budget</i> and 2025-26 <i>Budget Update</i> .					

<b>Economic indicator</b>	<b>Consumer Price Index</b>					
Year for which variance relates	2024-25 Actual	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Projection	2029-30 Projection
Forecast/projection in 2025-26 Budget	2.50	2.75	2.75	2.50	2.50	-
Forecast/projection in 2025-26 Budget Update	2.4 (actual)	3.00	2.75	2.50	2.50	-
Forecast/projection in 2026-27 Budget	2.4 (actual)	3.50	3.50	2.75	2.50	2.50
Assumptions used to forecast indicator	The key assumptions underlying the inflation forecasts are outlined below: <ul style="list-style-type: none"> <li>Oil prices (West Texas Intermediate) are assumed to average US\$100 per barrel in the June quarter 2026, then gradually decline to around US\$70 per barrel by December 2026 and to around US\$65/barrel by June 2027. [DN: Highlighted figure subject to revision]</li> </ul>					
Variance from 2025-26 Budget	-0.1	0.75	0.75	0.25	-	-

Reason for variance	<p>Inflation in 2024-25 was broadly in line with the 2025-26 Budget forecasts.</p> <p>Inflation forecasts in 2025-26 to 2026-27 have increased compared to the 2025-26 Budget Update due to stronger-than-expected inflationary pressures that emerged in late 2025, in Victoria and nationally, alongside increases in household spending at the time. In addition, the impacts of higher oil prices following the commencement of the Middle East conflict from late February 2026 have driven a sharp rise in retail fuel prices. Higher petrol and diesel prices will raise business transport and other input costs for food and a range of other goods, and are expected to be passed on to consumers. Inflation is forecast to reach a peak in year-ended terms of 4.5 per cent by June 2026. Global energy prices are assumed to return to near pre-conflict levels by the end of 2026. Inflation is forecast to decline and return to within the RBA's 2 to 3 per cent target band by 2027-28, averaging 2.75 per cent.</p>
---------------------	--

<b>Economic indicator</b>	<b>Wage Price Index</b>					
Year for which variance relates	2024-25 Actual	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Projection	2029-30 Projection
Forecast/projection in 2025-26 Budget	3.25	3.25	3.25	3.25	3.25	-
Forecast/projection in 2025-26 Budget Update	3.3 (actual)	3.25	3.25	3.25	3.00	-
Forecast/projection in 2026-27 Budget	3.3 (actual)	3.25	3.25	3.25	3.00	3.00
Assumptions used to forecast indicator	Wages growth is assumed to be influenced by the degree of spare capacity in the labour market as well as inflation and inflation expectations. Trend growth is assumed to be 3.00 per cent, consistent with productivity assumptions underpinning the GSP projections.					
Variance from 2025-26 Budget	0.05	-	-	-	-0.25	-
Reason for variance	<p>Wages growth in 2024-25 was broadly in line with the forecast in the 2025-26 Budget.</p> <p>Trend wages growth was revised to 3.00 per cent in 2028-29 since the 2025-26 Budget to align with revised productivity assumptions underpinning the GSP projections (as discussed earlier).</p>					

Economic indicator	Population					
	2024-25 Actual	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Projection	2029-30 Projection
Year for which variance relates						
Forecast/projection in 2025-26 Budget	1.70	1.70	1.70	1.70	1.70	-
Forecast/projection in 2025-26 Budget Update	1.80	1.70	1.70	1.70	1.70	-
Forecast/projection in 2026-27 Budget	1.8 (actual)	1.70	1.70	1.70	1.70	1.70
Assumptions used to forecast indicator	Population growth is assumed to return to its long-term average growth rate of 1.7 per cent.					
Variance from 2025-26 Budget	0.10	-	-	-	-	-
Reason for variance	Population growth in 2024-25 was broadly in line with previous forecasts.  Forecasts for 2025-26 and later years are unchanged.					

### Trend analysis

- b) For each of the above indicators, when comparing one year to the next in the 2026–27 Budget, please explain the reason for the variance and provide details for any improvement or deterioration of the indicator.

	2024–25 Actual	2025–26 Forecast	2026–27 Forecast	2027–28 Forecast	2028–29 Projection	2029–30 Projection
Real gross state product	1.1 (actual)	1.75	1.50	2.00	2.50	2.50
Variance	N/A	0.65	-0.25	0.50	0.50	-
Explanation for any variance year over year		Economic activity picked up over 2025, supported by lower inflation and a period of interest rate cuts which led to an increase in household spending and investment. While growth is expected to be supported somewhat through to late 2026 due to monetary policy lags, the re-emergence of inflationary pressures, interest rate increases in February and	Higher inflation, in part due to the impact of the Middle East conflict and higher interest rates are expected to weigh on overall economic growth. As interest rates are expected to rise further to a peak at 4.35% around the start of 2026-27, this has a stronger effect on economic growth than the previous year.	Economy gradually returns towards trend rate of growth, aided by expected interest rate cuts.	Economy returns to trend rate of growth.	Unchanged from previous year.

		March 2026, and the impact of conflict in the Middle East are all expected to weigh on overall growth in the latter part of 2025-26.				
Employment	2.5 (actual)	1.50	1.25	1.50	1.75	1.75
Variance	N/A	-1.00	-0.25	0.25	0.25	-
Explanation for any variance year over year		Following very strong employment growth in 2023-24 and 2024-25, with the share of working-age Victorians in work reaching historical highs and hence further growth in the supply of labour likely to slow, growth in employment is expected to further ease in 2025-26. Job vacancies remain elevated but have also eased,	Employment is expected to increase in 2026-27, but at a slower pace than in 2025-26 due to higher interest rates which are expected to peak at 4.35% in 2026-27, resulting in an easing in demand for new workers relative to recent years.	Employment growth is expected to improve gradually alongside the broader economic recovery in 2027-28.	Employment growth returns to trend.	Unchanged from previous year.

		pointing to lower demand for new workers than in recent years.				
Unemployment rate	4.4 (actual)	4.75	4.75	4.75	4.75	4.75
Variance	N/A	0.35	-	-	-	-
Explanation for any variance year over year		The higher unemployment rate reflects current actuals data from the Australian Bureau of Statistics, partly due to the participation rate remaining elevated (noting that the share of Victorians in employment remains historically high).	Unchanged from previous year (remains at trend).	Unchanged from previous year (remains at trend).	Unchanged from previous year (remains at trend).	Unchanged from previous year (remains at trend).
Consumer price index	2.4 (actual)	3.50	3.50	2.75	2.50	2.50
Variance	N/A	1.10	-	-0.50	-0.25	-
Explanation for any variance year over year		Inflation was stronger than expected in late 2025 (as it was	Unchanged from previous year.	Global energy prices are assumed to have fully normalised to	Inflation returns to the mid-point of the RBA's 2 – 3 per cent target band.	Unchanged from previous year.

		nationally) as household spending recovered. Inflation is also higher due to the oil price shock caused by conflict in the Middle East since end-February 2026.		pre-conflict levels throughout the financial year and the effects of interest rate rises in 2025-26 and 2026-27 result in less inflationary pressure.		
Wage price index	3.3 (actual)	3.25	3.25	3.25	3.00	3.00
Variance	N/A	-0.05	-	-	-0.25	-
Explanation for any variance year over year		Non-material change from previous year.	Unchanged from previous year.	Unchanged from previous year.	Victoria's productivity growth assumptions were revised down in the 2025-26 Budget Update, leading to lower assumed trend wages growth.	Unchanged from previous year.
Population	1.8 (actual)	1.70	1.70	1.70	1.70	1.70
Variance	N/A	-0.10	-	-	-	-
Explanation for any variance year over year		Departures of international students continue to pick up from low levels	Unchanged from previous year.	Unchanged from previous year.	Unchanged from previous year.	Unchanged from previous year.

		following disruptions to national borders during the pandemic; while student arrivals are returning to around pre-COVID levels. This results in a modestly smaller contribution to population growth from net overseas migration than in the previous year.				
--	--	---	--	--	--	--

## Grants – DTF only

### Question 49

*Budget Paper No. 5: Statement of Finances*, Table 4.3, details the expected total grant revenue to be received by Victoria in 2025–26 by grant type.

For the ‘General purpose grants – goods and services tax’ line item if there is a variance:

- a) between the 2025–26 budget figure in the 2025–26 Budget and the 2025–26 revised figure in the 2026–27 Budget, please explain the:
  - i. reason for the variance
  - ii. impact of the variance on Victoria
  - iii. action taken in response to expected changes in the value of general purpose grants.

#### Response

Line item	2025–26 budget	2025–26 revised	Variance	Impact on Victoria	Action taken
General purpose grants - goods and services tax	27 561m	28 157m	596m	Higher than expected GST revenue has a positive impact on Victoria’s revenue and net operating balance.	The increased GST revenue has been incorporated into forecasts for the 2026-27 budget.

- b) from year to year in the 2026–27 Budget please explain the:
  - i. reason for any variance
  - ii. impact of the variance on Victoria
  - iii. action taken in response to expected changes in the value of general purpose grants.

#### Response

	2025–26 revised	2026–27 budget	2027–28 estimate	2028–29 estimate	2029–30 estimate
General purpose grants – goods and services tax	28 157m	29 175m	28 854m	28 549m	29 592m
Variance	N/A	1 018m	-320m	-305m	1 043m

Reason for any variance year over year	N/A	This variance reflects an increase in the national GST pool which is partially offset by a decrease in Victoria's no-worse-off relativity in 2026-27, driven by outcomes of the 2026 CGC update.	The variance from prior year is caused by an expected decrease in relativities, reflecting declining commodity prices. This is partially offset by growth in the national GST pool.	The variance from prior year is caused by an expected decrease in relativities, reflecting declining commodity prices and Victoria receiving a smaller share of assessed Commonwealth revenue. This is partially offset by growth in the national GST pool.	The variance from prior year is caused by an expected increase in the national GST pool. This is partially offset by a decrease in relativities.
Impact of the variance on Victoria	N/A	The additional revenue positively impacts Victoria's total state revenue and net operating balance.	The reduced revenue negatively impacts Victoria's total state revenue and net operating balance.	The reduced revenue negatively impacts Victoria's total state revenue and net operating balance.	The additional revenue positively impacts Victoria's total state revenue and net operating balance.
Action taken in response to expected changes in the value of general purpose grants	N/A	The changes to GST revenue have been incorporated	The changes to GST revenue have been incorporated into forecasts for	The changes to GST revenue have been incorporated into forecasts for	The changes to GST revenue have been incorporated into

		into forecasts for the 2026-27 budget.	the 2026-27 budget.	the 2026-27 budget.	forecasts for the 2026-27 budget.
--	--	--	---------------------	---------------------	-----------------------------------

## Question 50

*Budget Paper No. 5: Statement of Finances*, Table 4.5, lists Commonwealth grants for specific purposes, with detailed tables by expenditure category in Tables 4.6 to 4.12.

For each line item of the detailed tables by expenditure labelled 'Other' in the 2026–27 Budget, for both years listed (2025–26 revised Budget and 2026–27 Budget) that has a value exceeding \$10 million, please provide details of the grants to which they relate.

## Response

Table number	Grant details	2025–26 revised Budget (\$ million)	2026–27 Budget (\$ million)
4.14 – Payments for contingent and other services	<p><u>Commonwealth General Purpose (Other Current) - Hospitals, Nursing Homes, Ambulance Services &amp; Other Health Agencies.</u></p> <ul style="list-style-type: none"> <li>Supporting older Australian patients</li> </ul>	\$2 500 million	\$1 909 million
4.14 – Payments for contingent and other services	<p><u>Commonwealth General Purpose (Other Current) Initiatives</u></p> <ul style="list-style-type: none"> <li>Foundational Supports</li> <li>Cost recovery from the Commonwealth for services provided to Federal prisoners (central)</li> <li>Catchment Management Authorities</li> <li>Family, Domestic and Sexual Violence</li> </ul>	\$233 million	\$409 million

	<p>Responses (DFFH Component)</p> <ul style="list-style-type: none"> <li>• Energy Efficiency in Social Housing</li> <li>• Restoring Flows to the Mallee Floodplain</li> </ul>		
4.14 – Payments for contingent and other services	<u>Commonwealth Childcare Subsidy.</u>	\$12 million	\$12 million
4.14 – Payments for contingent and other services	<u>General Commonwealth (Capital) - Hospitals, Nursing Homes, Ambulance Services &amp; Other Health Agencies</u>	\$44 million	\$37 million
4.14 – Payments for contingent and other services	<u>General Commonwealth Capital (Capital)</u> <ul style="list-style-type: none"> <li>• Melbourne Arts Precinct Transformation</li> </ul>	\$54 million	\$25 million

## Equity funding – DTF only

### Question 51

Does the Government expect to receive equity funding as an alternative to traditional grant payments made by the Commonwealth over 2026–27 and the forward estimates? If so, please detail which projects will receive this funding and the amount.

### Response

The Commonwealth Government has indicated that it will provide equity funding into a third party non-financial corporation owned by the Commonwealth Government for the Western Intermodal Freight Terminal (WIFT) and Beveridge Intermodal Freight Terminal (BIFT) projects in Victoria, collectively known as the Melbourne Intermodal Terminal Package. The 2022-23 Commonwealth Budget committed \$1.9 billion in equity to be delivered through its third party non-financial corporation, the National Intermodal Corporation. Funding of \$1.2 billion was committed in equity for the BIFT project, while \$740 million was committed in equity for the WIFT project. The timing of these equity investments is not known to the Victorian Government.

The Commonwealth Government has also confirmed equity investment into the Australian Rail Track Corporation (ARTC) for its Inland Rail project, which is a project that benefits Victoria through freight rail construction activities between Beveridge and the VIC/NSW border (Albury). The timing of total estimated equity investments into the ARTC is not known to the Victorian Government.

## Land transfer duty – DTF only

### Question 52

*Budget Paper No. 5: Statement of Finances*, Table 4.2, provides taxation revenue forecasts across the forward estimates broken down by source.

For the 'Land transfer duty' line item if there is a variance greater than 5 per cent (positive or negative) or greater than \$50 million (positive or negative) when comparing:

#### Variance analysis

- a) the same year in the 2025–26 Budget and the 2026–27 Budget, please explain the reason for the variance for each year.

#### Trend analysis

- b) one year to the next in the 2026–27 Budget please explain the reason for the variance.

#### Response

a)

Year for which variance relates	2025-26
Budget/estimate in 2025–26 Budget	\$9 562m
Budget/estimate in 2026–27 Budget	\$10 601m
Variance	\$1 039m
Reason for variance	A stronger than expected reaction of property prices and transaction volumes to interest rate cuts by the RBA between February and August 2025.

Year for which variance relates	2026-27
Budget/estimate in 2025–26 Budget	\$9 993m
Budget/estimate in 2026–27 Budget	\$10 009m

Variance	\$16m
Reason for variance	The forecast remains broadly unchanged.

Year for which variance relates	2027-28
Budget/estimate in 2025–26 Budget	\$10 518m
Budget/estimate in 2026–27 Budget	\$11 002m
Variance	\$484m
Reason for variance	The variance reflects an improvement in the longer-term revenue outlook, driven by greater-than-expected resilience in the property market to elevated interest rates. Revenue in 2027-28 is expected to be further supported by a rebound in high-value activity across both residential and non-residential sectors.

Year for which variance relates	2028-29
Budget/estimate in 2025–26 Budget	\$11 079m
Budget/estimate in 2026–27 Budget	\$11 743m
Variance	\$664m
Reason for variance	The variance reflects an improvement in the longer-term revenue outlook, driven by greater-than-expected resilience in the property market to elevated interest rates. Revenue in 2028-29 is expected to be further supported by a rebound in high-value activity across both residential and non-residential sectors.

b)

	2025–26 revised	2026–27 budget	2027–28 estimate	2028–29 estimate	2029–30 estimate
Land transfer duty	\$10 601m	\$10 009m	\$11 002m	\$11 743m	\$12 404m
Variance	NA	-\$592m	\$993m	\$741m	\$661m
Explanation for the variance year over year	NA	Transaction volumes and property price growth are expected to decline in response to interest rate rises over the 2026 calendar year.	Property market activity is expected to recover, particularly in the high-value segment, in response to improved credit conditions and stronger housing sentiment.	Land transfer duty revenue is expected to grow at around its average rate, supported by population and income growth.	Land transfer duty revenue is expected to grow at around its average rate, supported by population and income growth.

## Public Private Partnerships – modifications and accountability – DTF only

### Question 53

Please detail all Public Private Partnerships (PPP) currently under construction in the 2026–27 year as per the 2026–27 Budget, which in comparison to the 2025–26 Budget have changed their:

- name
- scope
- Total Estimated Investment (by greater than 5 per cent (positive or negative))
- timelines (including estimated completion date and key stages/milestones of the project)
- government entity and portfolio responsible for delivery of the project or components of the project.

Please provide an explanation for these changes.

### Response

	2025–26 Budget	2026–27 Budget	Explanation for change
Name	Nil		
Scope			
Total Estimated Investment			
Timelines			
Government entity and portfolio responsible for delivery			

## Net Debt – DTF only

### Question 54

*Budget Paper No. 2: Strategy and Outlook*, Table 1.1, provides general government fiscal aggregates for net debt and net debt to gross state product (GSP).

#### Variance analysis

- a) For the ‘Net debt’ and ‘Net debt to GSP’ line items, please explain the reason for the variance when comparing the same year in the 2025–26 Budget, the 2025–26 Budget Update and the 2026–27 Budget.

#### Trend analysis

- b) For the ‘Net debt’ and ‘Net debt to GSP’ line items, when comparing one year to the next in the 2026–27 Budget, please explain the reason for the variance, including the major projects or interest payment increases that may have contributed to any variance in net debt.

#### Risks underpinning assumptions in the 2026–27 Budget

- c) Noting the revisions to the forecasts/estimates for debt, inflation, wages and unemployment made in the 2026–27 Budget, please explain:
- i. how the Victorian Future Fund (VFF) is controlling State debt
  - ii. what impacts these revisions could have on Victoria’s credit rating
  - iii. what impact inflation could have on the State’s debt repayment forecasts.

#### Refinancing debt

- d) What proportion of net debt is existing loans that will be subject to refinancing?

#### Impact of debt on service delivery

- e) What impact do State debt and interest payments have on Government service and infrastructure delivery? Please list the five most significant impacts.

#### Response

a)

Year for which variance relates	At the <i>2025-26 Budget Update</i> , the general government sector’s net debt at June 2026 was forecast to be \$165.8 billion (24.9 per cent of GSP), increasing to \$192.6 billion (24.9 per cent of GSP) by June 2029.
Forecast/estimate in 2025–26	
Budget	

Forecast/estimates in the 2025–26 Budget Update	<p>Net debt by June 2026 is now forecast in the <i>2026-27 Budget</i> to be \$165.3 billion (24.7 per cent of GSP), increasing to \$191.1 billion (24.6 per cent of GSP) by June 2029.</p> <p>The \$1.5 billion decrease in net debt to June 2029 is primarily due to three key factors:</p> <ul style="list-style-type: none"> <li>• Policy decisions: new decisions relating to expenditure on output, revenue, savings and asset decisions which are set out in <i>Budget Paper No. 3 Chapter 1</i> and movements in existing asset projects which are set out in <i>Budget Paper No. 4 Chapter 1</i>.</li> <li>• Commonwealth grant variations: an upgrade to general purpose grants (GST) and additional funding from the Commonwealth for health services and capital projects.</li> <li>• Administrative variations: including updates in the timing of activity across department and contingencies.</li> </ul> <p>Note the ratios to GSP may vary from publications year to year due to revisions to the Australian Bureau of Statistics GSP data.</p> <p>Please refer to <i>Budget Paper No. 2, Chapter 4</i> for more information.</p>
Forecast/estimate in 2026–27 Budget	
Reason for variance	

b)

	2025–26 budget	2026–27 estimate	2027–28 estimate	2028–29 estimate	2029–30 estimate
Net debt	In the <i>2026-27 Budget</i> , net debt by June 2027 is forecast to be \$176 billion (24.9 per cent of GSP), increasing to				
Variance	\$191 billion (24.6 per cent of GSP) by June 2029.				
Explanation for any variance year over year	This is an improvement in all years across the budget and forward estimates, including an improvement of				
List of major projects that contributed	\$1.5 billion by June 2029 when compared with the <i>2025-26 Budget Update</i> . Net debt is then forecast to increase to				
Interest expense repayments that contributed	\$199 billion (24.4 per cent of GSP) by June 2030.				
Net debt to GSP	The increase in net debt from year to year cannot be attributed to any individual project.				
Variance	As a proportion of GSP, net debt is projected to peak at 24.9 per cent at June 2027 before declining to 24.6 per cent				
Explanation for any variance year over year	by June 2029 and then declining further to 24.4 per cent by June 2030. These estimates are consistent with Steps 4 and 5 of the fiscal strategy which is to stabilise and then reduce net debt as a percentage of GSP by the end of the forward estimates.				

Please refer to *Budget Paper No. 2, Chapter 4* for more information on movements on net debt and *Budget Paper No. 4* for more information on the capital program.

c)

<b>Noting the revisions to forecasts/estimates for debt, inflation, wages and unemployment made in the 2025–26 Budget</b>	
Explain how the VFF is controlling State debt	<p>The Victorian Future Fund (the Fund, or ‘VFF’) was established by the Government to support the State’s debt stabilisation strategy. It was established using proceeds from the VicRoads Modernisation Joint Venture to manage the impact of the COVID debt.</p> <p>The Fund is managed by the Victorian Funds Management Corporation (VFMC), the State’s specialist investment agency, using a diversified investment strategy designed to deliver returns that exceed the savings that would otherwise have been achieved. These excess returns are expected to, over time, improve the State’s fiscal position.</p> <p>The investment returns from the Fund are quarantined and returned to the Fund so that its balance will grow over time. Further investments will continue to be allocated to the Fund through proceeds from designated government land sales.</p> <p>The VFF has performed well since it was established and is delivering the intended results. As at June 2025, its balance grew to \$9.9 billion and modelling indicates that it has reduced net debt by around \$1 billion.</p>
Explain what impacts these revisions could have on Victoria’s credit rating	<p>The impact of these revisions on the State’s credit rating is an assessment made by credit rating agencies.</p> <p>Credit rating agencies consider a range of factors in assessing the State’s credit rating. These factors include the strength of the Victorian economy and its outlook, the financial management of the State including institutional framework, budgetary performance, debt burden and access to funding, including levels of liquidity held.</p>
Explain what impact inflation could have on the State’s debt repayment forecasts	<p>Budget Paper 2, Chapter 6 Table 6.5 presents the sensitivity of financial aggregates where the levels of key economic parameters, including inflation (‘consumer prices’), are 1 per cent above the forecast for each year of the budget and forward estimates, holding all else constant. The table shows that a one per cent increase in consumer prices, relative to the base case forecasts as presented in Budget Paper 2, Chapter 2 Economic context, and holding all other economic</p>

	variables constant, would improve the State's net debt balance across the entire forecast period, resulting in a \$483 million reduction in estimated net debt in 2029-30
--	---

d)

<b>Net debt</b>	<b>Proportion that is subject to refinancing</b>
June 2027	Net debt is the difference between gross debt and financial assets. Gross debt includes Treasury Corporation of Victoria (TCV) borrowings which make up approximately 83 per cent of gross borrowings at 30 June 2025. The remaining balance of gross borrowings mainly comprises of leases, service concession agreements and Centralised Banking System borrowings.  The projections in the <i>2026-27 Budget</i> assume that all General Government sector TCV debt maturities will be refinanced and approximately 6 - 10 per cent of debt matures each year which spreads out the refinancing task. The interest expense on the refinancing of maturing debt, along with new borrowings and a small proportion of floating-rate notes in the portfolio, are subject to changes in interest rates. Following the release of the <i>2026-27 Budget</i> , TCV will provide a funding announcement outlining the projected borrowing programs for the budget planning periods to June 2030. This will include a breakdown of new money and refinancing.
June 2028	
June 2029	
June 2030	
June 2031	

e)

	<b>Impact</b>
	In response to the COVID-19 pandemic, the Government developed in the <i>2020-21 Budget</i> a comprehensive fiscal strategy to protect Victorian households and businesses and provide a strong foundation for recovery. This initially involved a four-step plan to support Victorians, grow the economy and return to surpluses over the medium term.
	The Government has reported on its progress over the last five years and updated the plan in the <i>2024-25 Budget</i> to introduce a fifth step.
	The Victorian economy continues to grow, and unemployment has declined to below pre-pandemic levels.
	The <i>2026-27 Budget</i> funds various new output initiatives and new capital initiatives, focusing on critical investments in transport, education and health.

Please refer to *Budget Paper No. 3, Chapter 1* for more information.

## Long term financial management objectives – DTF only

The *2024–25 Budget Paper No. 2: Strategy and Outlook* outlined five longer term financial management objectives:

1. Sound financial management – Victoria’s finances will be managed in a responsible manner to provide capacity to fund services and infrastructure and support households and businesses at levels consistent with sound financial management.
2. Improved services – Public services will improve over time.
3. Building infrastructure – Public infrastructure will grow steadily over time to meet the needs of a growing population.
4. Efficient use of public resources – Public sector resources will be invested in services and infrastructure to maximise the economic, social and environmental benefits.
5. A resilient economy – Increase economic resilience by supporting an innovative and diversified economy that will unlock employment growth, long-term economic growth and productivity in Victoria.

To support the long-term financial management objectives, four financial measures and targets have been set:

1. Net debt to GSP – General government net debt as a percentage of GSP to stabilise and reduce in the medium term.
2. Interest expense to revenue – General government interest expense as a percentage of revenue to stabilise in the medium term.
3. Superannuation liabilities – Fully fund the unfunded superannuation liability by 2035.
4. Operating cash surplus – A net operating cash surplus consistent with maintaining general government net debt at a sustainable level.

### Question 55

How will the following risks to the Government’s long term financial management objectives be managed:

- a) The growing indebtedness of the State
- b) The rising interest costs of any new and refinanced debt
- c) Rising general government sector employee expenses
- d) Increasing operating expenses driven by rising demand for services and inflationary pressures

Risks to the long-term financial management objectives are managed through the ongoing implementation of the Government’s five-step fiscal strategy of restoring the budget over the medium term. The *2026-27 Budget* continues progress towards this goal, including carefully targeted savings decisions focusing on reducing unnecessary, inefficient and non-priority spending.

The first step in the strategy has been achieved, with Victoria's economy continuing to grow and unemployment having declined to below pre-pandemic levels.

The second step – returning to an operating cash surplus – means the State is generating sufficient cash inflows to exceed its cash outflows on operating activities, a key pillar of fiscal sustainability. The Government achieved an operating cash surplus for the past three years and continues to forecast operating cash surpluses across the budget and forward estimates, reaching \$6.5 billion in 2029-30.

The third step – returning to an operating surplus – is where the Government generates sufficient revenues to cover its cash expenditure and support the ongoing replacement of existing assets. The Government is forecasting operating surpluses across the budget and forward estimates, with a surplus of \$1.0 billion in 2026-27 and rising to \$2.0 billion by 2029-30.

From a debt issuance perspective, the general government sector debt management strategy has the objectives of minimising interest costs and controlling interest rate risk by spreading borrowings over a 14+ year horizon. This strategy stabilises interest expense over the medium term by managing the amount of debt that is either maturing or subject to resetting of interest rates. This reduces the risk of large amounts of debt being subject to movements in interest rates in any particular period.

The Treasury Corporation of Victoria (TCV) interest expense forecasts in the *2026-27 Budget* are based on the forward interest rates derived from the yield curve for the TCV bonds traded in financial markets. Currently, the TCV yield curve is upward sloping, implying that future interest rates will be higher than current interest rates. Consequently, the interest expense estimates assume that the average interest rate on new and refinanced borrowings will increase over time.

As outlined in *Budget Paper No. 2, Chapter 4*, the estimated average annual growth in expenditure is comparatively low relative to the forecast growth in the size of the Victorian economy, as measured by nominal GSP, and is lower than average revenue growth for the general government sector.

The fourth and fifth steps of the fiscal strategy are to stabilise and then reduce net debt as a percentage of GSP by the end of the forward estimates. These steps involve progressively improving the operating cash surpluses while growing the economy. These surpluses will fund a higher proportion of capital expenditure, reducing the reliance on borrowings.

In the *2026-27 Budget*, as a proportion of GSP, net debt is projected to be 24.9 per cent at June 2027 before reducing to 24.6 per cent by June 2029 and then declining further to 24.4 per cent by June 2030.

## Question 56

For the 'interest expense to revenue' target:

- a) What is the percentage of interest expense to revenue target DTF is aiming for, and what timeframe (calculated in months or years) is meant by 'medium term'?

### Response

Steps 4 and 5 of the fiscal strategy are to stabilise and then reduce net debt as a percentage of GSP by the end of the forward estimates. These steps involve progressively improving the operating cash surpluses while growing the economy. These surpluses will fund a higher proportion of capital expenditure, reducing the reliance on borrowings.

The General government sector debt management strategy has the objectives of minimising interest cost and controlling interest rate risk by spreading borrowings relatively evenly over a 14+ year horizon.

This strategy assists in stabilising interest expenses by managing the amount of debt that is either maturing or subject to resetting of interest rates. This reduces the risk of large amounts of debt being subject to movements in interest rates in any particular period.

In the *2026-27 Budget*, interest expense as a share of total revenue is expected to average 8.6 per cent a year over the budget and forward estimates.

- b) Are general government interest expenses expected to increase or decrease over the 2026–27 Budget and forward estimates and what are the reasons for this?

### Response

In the *2026-27 Budget*, total interest expense for the general government sector is forecast to grow from \$8.9 billion in 2026-27 to \$11.8 billion in 2029-30. General Government sector interest expense estimates are expected to increase over the budget and forward estimates largely due to:

- The incremental TCV new borrowing requirements are expected to increase over the forward estimates.
- The Treasury Corporation of Victoria interest expenses are based on the forward interest rates derived from the yield curve for the Treasury Corporation of Victoria bonds traded in financial markets. Currently, the Treasury Corporation of Victoria yield curve is upward sloping, implying that future interest rates will be higher than current interest rates. Consequently, the interest expense estimates assume that the

average interest rates on new and maturing borrowings will increase over time. Interest rate estimates in the *2026-27 Budget* are based on the Treasury Corporation of Victoria (TCV) yield curve at 31 March 2026.

## Question 10 - Capital asset expenditure

### 2026-27 State Budget Paper No. 5/Relevant state financial reports

Line item	2023-24 actual (\$ million)	2024-25 budget (\$ million)	2024-25 revised (\$ million)	2024-25 actual (\$ million)	2025-26 budget (\$ million)	2026-27 budget (\$ million)
Payment for non financial assets	15.34	14.61	8.58	7.54	16.20	9.93
<b>Total</b>	<b>15.34</b>	<b>14.61</b>	<b>8.58</b>	<b>7.54</b>	<b>16.20</b>	<b>9.93</b>

### 2026-27 State Budget Paper No. 4

Capital projects	2023-24 actual (\$ million)	2024-25 budget (\$ million)	2024-25 revised (\$ million)	2024-25 actual (\$ million)	2025-26 budget (\$ million)	2026-27 budget (\$ million)
<b>Existing</b>						
State Revenue Office (SRO) Expanded Compliance Program 2024 (Statewide)	0.00	0.88	0.00	0.00	3.97	2.87
State Revenue Office Advanced Revenue Management Program (Melbourne)	2.10	6.85	4.22	2.91	8.08	2.50
State Revenue Office Compliance Program (statewide)	5.06	3.70	3.54	3.49	3.35	3.85
Other capital expenditure	8.19	3.18	0.82	1.14	0.79	0.71
<b>Sub total</b>	<b>15.34</b>	<b>14.61</b>	<b>8.58</b>	<b>7.54</b>	<b>16.20</b>	<b>9.93</b>

Line item	2023-24 actual (\$ million)	2024-25 budget (\$ million)	2024-25 revised (\$ million)	2024-25 actual (\$ million)	2025-26 budget (\$ million)	2026-27 budget (\$ million)
Nil return						
<b>Sub total</b>						

PPPs	2023-24 actual (\$ million)	2024-25 budget (\$ million)	2024-25 revised (\$ million)	2024-25 actual (\$ million)	2025-26 budget (\$ million)	2026-27 budget (\$ million)
Nil return						
<b>Sub total</b>						

<b>Total Payment for non financial assets</b>	<b>15.34</b>	<b>14.61</b>	<b>8.58</b>	<b>7.54</b>	<b>16.20</b>	<b>9.93</b>
---	--------------	--------------	-------------	-------------	--------------	-------------

Correct

Correct

Correct

Correct

Correct

Correct

Please note the total of capital projects for each year is expected to reconcile to the total payments for non financial assets  
Please insert rows as required

