

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2026–27 Budget Estimates**

Melbourne – Friday 22 May 2026

### **MEMBERS**

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak



**WITNESSES**

Paul Hamer MP, Minister for Corrections; and

Dr Emma Cassar, Secretary,

Larissa Strong, Commissioner, Corrections Victoria,

Nicola Quin, Chief Operating Officer, and

Emma Catford, Deputy Secretary, Justice Services and Regulation, Department of Justice and Community Safety.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards our witnesses, the Victorian community joining the hearing via the live stream and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Corrections the Honourable Paul Hamer as well as officials from DJCS. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, and this will be followed by questions from the committee. Your time starts now.

**Paul HAMER:** Thank you, Chair. I would like to begin by acknowledging that we are gathered here on Wurundjeri country, and I pay my respects to elders past, present and emerging and any Indigenous people who may be in the room today. I am pleased to attend here today in my first PAEC as minister in the Allan Labor government. It is great to see some familiar faces from the other side of the table, which I was on a few years ago. I do appreciate the very long hours and the hard work that you have put in all week. I am joined today by Dr Emma Cassar, the Secretary of the department; Emma Catford, the Deputy Secretary of justice health; and Larissa Strong, the corrections Commissioner.

**Visual presentation.**

**Paul HAMER:** Next slide. Just to start with some key statistics, we have about 6650 people employed in the corrections system, which includes custodial staff in prisons, clinicians and staff delivering community-based correctional services across Victoria. These hardworking staff are currently supervising more than 7400 prisoners and more than 8100 people in the community. Across Victoria there are 13 publicly operated prisons, two private prisons, two transition centres and one subacute health unit, and there are 35 community corrections locations across the state. The staff in these locations supervise offenders subject to parole, supervised court orders and court reparation orders.

Since our changes to strengthen bail laws commenced in March 2025 the prison population has grown by about 19 per cent. To meet that demand, since June 2025 we have opened 1808 beds, and we are not done yet, with more beds scheduled to open in the coming months. Our most important resource is our people, and we are in the middle of a recruitment campaign to increase our staffing numbers to staff those beds. As a result 726 additional prison officers have been recruited across the public prison system since 1 July 2025.

Total output funding for the corrections portfolio in 2026–27 is \$2 billion. This includes \$1.7 billion for prison supervision and support to ensure safe, secure and humane containment of prisoners and \$274 million for

community-based offender supervision to ensure effective supervision of offenders in the community. The total capital expenditure is about \$122 million for facility upgrades across the network during 2026–27, and we are investing \$42.8 million over two years in the 2026–27 budget to continue to fund critical programs that provide rehabilitative and transitional supports.

One of the programs I am pleased to confirm is funded in this budget is the Maribyrnong Community Residential Facility. Maribyrnong provides short-term transitional accommodation and wraparound reintegration support for men exiting prison, including those on parole or those serving community-based orders. It has supported 334 men since opening in 2020. An evaluation found that those supported at Maribyrnong are 30 per cent less likely to reoffend. It was awarded the 2025 Community Corrections Award by the International Corrections and Prisons Association. I would like to congratulate all of the staff at Maribyrnong, particularly our partners at Jesuit Social Services and G4S, for this very well deserved recognition.

Victoria consistently performs better than the national average on a range of quality indicators. Prisoners in Victoria spend an average of 10.1 hours a day outside of their cell, more than the national average of 8.9 hours. This is important as it allows for more engagement in education, employment and rehabilitation opportunities. 91.5 per cent of prisoners in Victoria participate in employment compared to the national average of 80.4 per cent, and 28.7 per cent of prisoners in Victoria participate in education and training compared to the national average of 24 per cent.

Recidivism rates in Victoria are also better than the national average. The rate of return to prison within two years was 36.8 per cent in Victoria in 2024–25 against the national average of 44.5 per cent. The rate of return to corrective services within two years of discharge from a community corrections order was 10.8 per cent in Victoria in 2024–25, much lower than the national average of 24.7 per cent. This shows that Victoria's approach to providing meaningful rehabilitation to people in prison and under community supervision is paying off. Thank you.

**The CHAIR:** Thank you, Minister. We are going straight to Mr Riordan.

**Richard RIORDAN:** Thank you, Chair. Welcome, Minister, to your maiden voyage at PAEC. As part of the portfolio that you look after, not only do you have the correctional side, the prisoner side of it, but you also have a large staff, I am sure, that you have to keep and retain and manage in order to provide the service to Victorians. Corrections staff tell me today that the state uniform committee has directed operational staff to remove the Australian national flag from their uniform as it is not an approved adornment. This is despite the fact that other social representative adornments are allowed, such as the Aboriginal flag and the LGBTIQI flag, which have been approved. Why have you banned the Australian national flag from being worn on uniforms?

**Paul HAMER:** Thank you, Mr Riordan, for your question. That was not, as far as I understand, a decision by the government. I think you are saying that this was an operational decision taken by Corrections Victoria.

**Richard RIORDAN:** I am saying that it is a very bad look that your government is saying no to the Australian flag but yes to other causes being worn by your staff. Why has the Australian flag been banned, and why as minister are you allowing it?

**Paul HAMER:** This seems to be an operational decision. I might ask the Commissioner to respond to this.

**Richard RIORDAN:** Hang on. First, Minister, we saw recently the Premier step in when an operational decision did not make sense down at Fed Square. The Victorian people wanted to see the soccer, and the Premier saw sense in allowing Victorians to watch the soccer. Here we have a situation where you are the representative of this Parliament. You are our representative to the people who work in the very important role of corrections. Will you stand up and say, 'No, under my watch we are not banning the Australian flag'?

**Paul HAMER:** I would like to understand from the corrections Commissioner first up about what this policy actually is, the operational policy, and allow her to give a response.

**Richard RIORDAN:** It is called 'Go and get a quick unpick and take the flag off your uniform, because we don't support the flag.' That is what it is.

*Members interjecting.*

**The CHAIR:** Excuse me, members. Mr Riordan, you are bordering on being disrespectful. Could you please rephrase your question? Ask the minister again. I think he was referring to the Commissioner.

**Richard RIORDAN:** Minister, will you rule out and reverse that ban as a minister of the Crown of this Parliament for the people of Victoria, support the Australian flag and not ban that, while keeping other representative flags and logos on the uniform of your staff?

**Paul HAMER:** Well, as I said, the first thing that I would like to do in this committee hearing is understand from the Commissioner from an operations point of view. I know that you have made a statement that staff have raised it. I am not sure who they have raised it to, and that is why I am asking the Commissioner to provide an update to the committee on the matters that you raised so that she can respond and then I might be able to add a further response to what the commissioner provides.

**Richard RIORDAN:** So you are not outraged by that decision?

**Paul HAMER:** Mr Riordan, I am asking you to give the opportunity to the Commissioner to provide a response to the matters that you have raised.

**Larissa STRONG:** I am not aware that the uniform committee has done that. I am happy to take that on notice and advise you. I am not on the uniform committee. I have not been briefed on that issue. I can assure you that at prisons we have the Australian flag proudly displayed. But I will take that on notice; I am not aware of that.

**Richard RIORDAN:** Minister, if it is in fact true –

**Lauren Kathage** interjected.

**Richard RIORDAN:** We have heard that the minister and the head of it is not aware of the issue. It is all over the press today. So minister, if it is true, will you give an undertaking to this committee that you will reverse that decision?

**The CHAIR:** Mr Riordan, it is a hypothetical.

**Richard RIORDAN:** It is not a hypothetical.

**The CHAIR:** The Commissioner said that she will take it on notice and come back to the committee.

**Richard RIORDAN:** It is actually banned. That is not hypothetical; that is what has happened. Your uniforms people have said no to the Australian flag and yes to every other flag. Are you going to reverse it? This is an important issue for your staff. It is a matter of morale.

**Paul HAMER:** The staff at all of our corrections facilities work very hard, and I am always looking out for what we can do to ensure that not only staff safety but staff culture is maintained. Now, when I went to visit a number of facilities in recent weeks, as the Commissioner mentioned, the Australian flag is very proudly flown in the corrections facilities.

**Richard RIORDAN:** Many of your staff now, particularly people who have come from the police force or come from the military services, proudly wear the flag with the line symbol on it, either grey or blue, representing their commitment and their support of Australia and their commitment to public service. They have been allowed to wear that. Your department is now directing them to take it off while leaving other symbols on their uniforms.

**Paul HAMER:** Mr Riordan, I reject the premise of your statement.

**Richard RIORDAN:** You are saying it is not true?

**Paul HAMER:** The Commissioner has just said that that was not something that she was aware of and she would take it on notice. When she takes that on notice, then we will have a discussion. I am sure I will have a discussion with the department, including with the Commissioner, to determine what –

*Members interjecting.*

**The CHAIR:** Excuse me. Members will cease the interjections.

**Richard Riordan** interjected.

**The CHAIR:** Excuse me, Mr Riordan. In the time that you have got left, have you got another question?

**Richard RIORDAN:** Minister, as you clearly are not prepared to stand up for staff over their patriotism and loyalty, can you tell us –

**Paul HAMER:** Mr Riordan, I reject that accusation. The Commissioner has clearly said that she will take this on notice and be further informed by the uniform committee –

**Richard RIORDAN:** All right. Well, we will take it on notice and you will get back to us with an official position.

**Paul HAMER:** and then I will take my guidance and the advice from the department after they have done that investigation.

**Richard RIORDAN:** Okay. Prisoners are dumping boiling water onto prison staff, punching them in the face and hurling faeces at them. What is the cost of these ongoing attacks on prison staff in the correctional system? How many correctional staff are off on WorkCover?

**Paul HAMER:** As I mentioned in my initial answer, our staff safety is of critical importance.

**The CHAIR:** Apologies, Minister. You know I am a ruthless timekeeper. We are going to Mr Galea.

**Michael GALEA:** Thank you, Chair. Good afternoon again, Minister, Secretary and officials. Minister, welcome back to PAEC, as it were. It is great to have you on the other side of the table. Minister, I would like to talk about rehabilitation and reintegration programs outlined in the budget paper, specifically budget paper 3, page 72. There is a line item with \$42.1 million in new funding for the corrections system. I am keen to know, Minister: how will this improve the rehabilitation of prisoners and their reintegration into the community?

**Paul HAMER:** Thank you, Mr Galea, for that question. It is an opportunity to talk about some of the most important work that the Allan Labor government is doing in corrections. It is not just about protecting Victorians by keeping people safely in custody but giving prisoners the tools that they need to turn their lives around. You may be aware of the \$42 million that was allocated in this budget through the ‘Supporting a safe and effective corrections system’ initiative, and that is on, as you referred to, budget paper 3, page 72. That reflects our sustained commitment to ensuring that by the time that people have completed their sentence they have the best chance of not coming back. That is really what should be driving our corrections system, because it makes not only the individuals who have gone through the corrections system safer for themselves, but it is safer for the community overall.

This funding, this \$42 million, continues a range of critical programs that are operating across prisons and across the corrections system. It includes Maribyrnong Community Residential Facility, which I spoke about in my presentation, providing accommodation and support to men leaving prison who would otherwise be homeless. It also funds rehabilitation and reintegration services for remandees, people on short sentences and prisoners with disability, three cohorts that have historically received less structured support but who can cycle through the system repeatedly if we do not intervene. It also funds specialist practitioners who provide advice to courts about whether a person is suitable for a community corrections order. That helps ensure that the courts have the best advice to inform their decision about who should be managed in the community and the conditions that should apply to their orders. It also funds programs for families of prisoners to stay engaged with loved ones that are in custody, and I want to stress how important that is, because we know that stable family relationships and community connections are one of the strongest protective factors against reoffending. When someone leaves prison and has a positive social network to return to, their chances of staying out of the system improve significantly. Finally, it also funds mentoring programs for women at risk of coming into contact with the justice system.

One other point I think it is worth making is that when you look at the total \$1.7 billion that we are investing in prisoner supervision and support in the 2026–27 budget, rehabilitation programs are baked into every part of how we run the broader corrections system. It is reflected in our employment hubs, our education programs, our health services and our cultural programs. The \$42 million provided in this budget targets the specific moments – transition, diversion and family connection – where the evidence tells us we can make a significant difference to whether someone reoffends.

**Michael GALEA:** Thank you, Minister. You touched on there in your answer, as well as in your presentation, the Maribyrnong Community Residential Facility. How is this facility helping people to reintegrate on their release from the prison system?

**Paul HAMER:** Thank you, Mr Galea. One of the reasons that I did touch on it in my presentation was because it is genuinely one of the stand-out initiatives in our corrections system and one that I am proud that the government has continued to support. The facility provides transitional accommodation and support for men leaving prison who would otherwise be homeless, and as indicated in the presentation, this year's budget backs this facility in further with an investment of \$16 million to continue its operation.

Homelessness in the immediate period after release is one of the biggest risk factors for reoffending. We know that the period right after leaving prison is when people are most vulnerable and are most likely to come back into contact with the justice system. Without stable accommodation after prison, people can quickly find themselves in exactly the circumstances that led to their offending in the first place.

The facility has 44 beds and is operated in partnership between Corrections Victoria, Jesuit Social Services and G4S. The men that are placed here have all been released from prison, usually on parole. And it is not just a roof over someone's head; it is an active, supportive environment. Residents work with an onsite case manager to secure long-term housing and employment, and they are expected to engage meaningfully with the support services available to them. Residents must agree to a code of conduct and participate in the programs on offer. It is not passive accommodation; it is structured, purposeful transition support. But it is also not a prison. People can come and go from the facility and engage in positive activities in the community.

Since it opened in 2020 we have supported more than 252 men through this facility, and this is backed by the evidence. We know that when people who have a very high risk of reoffending leave prison with a stable place to live, a case manager alongside them and a clear plan for employment and housing, their likelihood of reoffending drops significantly. That is why this budget continues that investment, and I am confident it is making a real difference to our recidivism rates.

**Michael GALEA:** Thank you, Minister. The 'Department Performance Statement', page 106, shows that the annual daily average number of prisoners has increased over the past 12 months, with notes and discussions citing that being due to an increase in people being held on remand. Did the programs which you have just outlined help towards people reintegrating out of remand as well?

**Paul HAMER:** Thank you, Mr Galea. This is an important question because it really highlights a challenge for any of the corrections system. People on remand have not been convicted of any offence, but they are spending time in custody and that time should be used effectively and to support rehabilitation. In budget paper 3, page 72, that line item specifically funds rehabilitation and reintegration support services for remandees. It includes \$2.5 million to continue the ATLAS psychoeducational and wellbeing program for remandees.

**The CHAIR:** Thank you, Mr Galea. The Deputy Chair.

**John PESUTTO:** Good afternoon, Minister and officials. Minister, you would agree that sentences should reflect community expectations? Simple proposition.

**Paul HAMER:** Yes.

**John PESUTTO:** Yes, you would. Minister, section 58E of the *Corrections Act* covers emergency management days, and you would have seen media reports today that show that an incredible 2200 years worth of prison sentences have been afforded to prisoners only in recent years related to COVID-19 lockdowns, as it

were. Minister, why were prisoners still receiving COVID-19 sentence reductions well after the state of emergency was lifted?

**Paul HAMER:** Before we get into this topic – and it is a it is an important topic of discussion, and I did read the media reports this morning – I do want to recognise how incredibly difficult this has been for victims and their families, and there may well be victims and their families who are watching this hearing at the moment. I just want to take the opportunity to say that there are supports available for victims of crime, and for anybody who needs support, I encourage them to reach out to the victims of crime –

**John PESUTTO:** Minister, I am grateful for that, but the Minister for Victims has been before this committee.

**Paul HAMER:** I understand that, but I think in the context of the discussion that we are about to have it is really important to put that on the on the table again.

**John PESUTTO:** Certainly.

**Paul HAMER:** Now, in relation to the particular application of the emergency management days that were applied in COVID, as you would be well aware, those decisions were taken many years before my time as minister. That particular element of operation of those days ceased I believe in February 2023. The automatic consideration of emergency management days related to the COVID restrictions ended in February 2023.

**John PESUTTO:** Sorry to interrupt there, Minister, but can I just clarify a couple of things before you go on. Does all this mean that there were prisoners who were on remand for up to four years or more? It does, doesn't it? Because COVID was a long time ago.

**Paul HAMER:** Pardon?

**John PESUTTO:** COVID was a while ago. So if prisoners were –

**Paul HAMER:** COVID was a while ago. I might, if I can, actually ask the Commissioner to talk more about the particular application of those days and how some of those days were applied post 2023. It is my understanding that some of the days applied after February 2023 because of prisoners who had been on remand when they received those days.

**John PESUTTO:** Just on that, Minister, before you turn to your official, I do not need to ask about the ones before, but in providing that information, can you or your officials advise whether prisoners are still receiving COVID-19 related reductions in their sentence?

**Paul HAMER:** Well, as I would reiterate, the automatic consideration of the emergency management days related to COVID restrictions ended in February 2023. Now, I understand that prisoners are not still receiving that, but I will ask the Commissioner to perhaps take us through some of the detail and clarify that.

**Larissa STRONG:** That is correct. They are certainly not accruing emergency management days; that ended in February 2023. But for people that were on remand between March 2020 and February 2023, when we had COVID- related restrictions, if they have subsequently been sentenced for the same offending that they were on remand for during that time period, then those EMDs are applied to their sentence at the point of sentencing.

**John PESUTTO:** Right. Going forward?

**Larissa STRONG:** Correct. So the ones that would have been applied, say, in the July to December data all relate to having been accrued between March 2020 and February 2023. They were sentenced sometime between July and December 2025, and at that point they were applied to their sentences.

**John PESUTTO:** Just in light of that, Minister, it is true then, isn't it, that there are still some people who potentially can get, on a discretionary basis, EMDs.

**Paul HAMER:** The EMD process has been a longstanding process within the justice system. The process that applied during COVID does not apply. As I have already said, that automatic consideration of the

emergency management days relating to the COVID restrictions ended in February 2023. But for specific circumstances as set out in the legislation and as has been the case for over 30 years – so under governments of all persuasions – there has been the opportunity to have emergency management days, and it is important to remember why these emergency days are in place.

**John PESUTTO:** Sorry, I am just running out of time. But Minister, can I ask: will you as minister, noting the public reaction to these types of issues, commit to this committee and the Victorian people to reviewing the use and application of emergency management days to reduce sentences? You did acknowledge at the start of this questioning that it is important that sentences reflect community expectations.

**Paul HAMER:** In answer to that I would say that emergency management days are only granted in exceptional circumstances. Obviously, COVID was a particularly exceptional circumstance.

**John PESUTTO:** Do they currently reflect community expectations, Minister?

**Paul HAMER:** The emergency management days and the application and the allocation of those emergency management days are as set out in the current legislation.

**John PESUTTO:** I understand that, but are you happy with that as minister? Do you think they reflect community expectations?

**Paul HAMER:** One of the changes that has been made, including by our government, was to tighten legislation relating to the exclusion of prisoners who caused or contributed to a significant security incident, which had not been the case before. Now, in the short time available I do want to emphasise that the reason for emergency management days is to deal with staff safety. Now, I know Mr Riordan previously talked about how important it was to have the staff safety on –

**John PESUTTO:** Minister, I do need to just ask one further question. It is possible under the current system for EMDs for a prisoner to end up with a sentence below their original non-parole sentence because of the application of EMDs. Is that right?

**Paul HAMER:** I think in relation to the EMDs –

**The CHAIR:** Apologies, Minister. Ms Kathage.

**Lauren KATHAGE:** Thank you, Chair, Minister and officials. Minister, I am referring to page 107 of the ‘Department Performance Statement’ around recidivism, and I can see that the measure there for that shows that over the last two years we have had a lower rate of return to prison within two years than the target set in the performance measure. Can you tell the committee about how investments in the budget are helping to achieve this reduction in recidivism?

**Paul HAMER:** Thank you, Ms Kathage. It is a really important point to raise, because the rate of return to prison within two years is one of the most important measures to determine whether a corrections system is achieving positive outcomes over the long term. The numbers here in Victoria are genuinely encouraging. The rate of return to prison within two years was 36.8 per cent in 2024–25, which was lower than our target of 39 per cent. This is the lowest rate of return to prison that we have achieved in over 10 years, and it is well below the national average of 44.5 per cent, as reported in the Productivity Commission’s report on government services. This result does not happen by accident. It is not a product of a single program or a single budget decision. It is a cumulative result of sustained, deliberate investment in rehabilitation across many years.

Now, let me step through some of the key initiatives that are driving down our reoffending rates. The first is employment. Victoria’s prisoner employment participation rate is 93.4 per cent in 2025–26, the highest in the nation. We know from the research and from practical experience that employment after release is one of the strongest predictors of whether someone reoffends. A person who leaves prison with a job to go to, an employer who is expecting them, a routine, an income – the person has a reason to stay on the right track. We have built a system that has made that possible: employment hubs inside prisons, vocational training centres of excellence in partnership with TAFE providers like Kangan Institute, prerelease employer engagement programs where employers come into custody to meet potential employees before they are released. On that, I did have the opportunity a few weeks ago to visit Loddon Prison and particularly have a look at some of the

industry programs that they run. At the time the Bendigo Kangan Institute were down there teaching some of the prisoners welding on their AI welding machines. These are giving the prisoners the opportunity to learn real skills that they can translate into the real work environment and the real-world environment when they have finished their sentence.

The second driver is housing and transition support. We already mentioned the importance that the Maribyrnong Community Residential Facility is having, and we know that the period after release from custody is the highest risk period for reoffending: if someone leaves prison and finds themselves homeless or without support, the risk of them reoffending in order to survive or as a result of falling back into old networks is very, very real. That is why programs such as the Maribyrnong Community Residential Facility are so important, and I am really pleased that the budget has continued funding Maribyrnong, along with the family engagement programs and mentoring services that help people rebuild relationships and support networks in the community.

The third driver – and this is something that I think deserves more attention – is family and social connections. It is why the budget invests in continuing family engagement services to support loved ones to stay in contact and have positive family relationships with people in custody. The budget invests an additional \$42 million in these critical programs. I want to take this opportunity to give a shout-out to the former Minister for Corrections, who was instrumental in actually reducing the cost of phone calls in our corrections system, specifically to allow those increased family connections. We invest in running the prison system, a significant proportion of which is not just about the bed numbers; it is through employment, health, education, case management, all towards those rehabilitative supports. It is woven through every dollar that we spend.

**Lauren KATHAGE:** Thank you. I had noticed in the report on government services that there seemed to be a bit about a difference between Victoria and other states. Are you able to talk a bit at all to how you see Victoria comparing?

**Paul HAMER:** Thank you, Ms Kathage. Victoria's performance compared to other jurisdictions on recidivism is something that I am really happy to talk about. As I alluded to, the report on government services shows that Victoria's rate of return to prison within two years is 36.8 per cent. The national average sits at around 44.5 per cent, so 8 percentage points higher. What that means in practical terms is that compared to the average Australian jurisdiction, a meaningfully smaller proportion of people who leave Victorian prisons return within two years. That means fewer victims of crime, it means less cost to the community and it means that we have more people living productive crime-free lives outside the justice system.

The picture is even stronger on community corrections recidivism. The rate of return to corrective services within two years of completing a community corrections order was 9.1 per cent in 2024–25. This is against the national average of 15.4 per cent. Victoria has been consistently below the national average on this measure. It is a really a remarkable result, and it reflects the quality of our community corrections supervision and the rehabilitation programs that underpin it.

Recidivism is not the only measure where Victoria leads. We talked about employment, and our prisoner employment participation rate of 93.4 per cent compares to a national average of 80.4 per cent. Our education participation rate of around 28.7 per cent compares to a national average of approximately 24 per cent. And our out-of-cell hours in secure prisons of 10.1 hours per day is above the national average of 8.9 hours. This is important because those extra hours are what prisoners are spending and using for education and employment pathways.

**Lauren KATHAGE:** Thank you, Minister.

**The CHAIR:** Thank you. We are going to Ms Benham.

**Jade BENHAM:** Thank you, Chair. Minister, how much does it cost Victorians each day to house prisoners? There are two budget paper references I can give you here. In budget paper 3, the line item I was going off was 'Prisoner Supervision and Support' – that is on page 72 – and in budget paper 4, which we might get to later, on page 67. I think it should be the \$21.4 million this year and \$20.7 million next year – 'Supporting a safe and effective corrections system.' Is that the figure – yes? So by my calculations, it is around about \$58,000 a day across the system.

**Paul HAMER:** Sorry, which budget paper are you referring to?

**Jade BENHAM:** Budget paper 3, page 72, ‘Prisoner Supervision and Support’. ‘Supporting a safe and effective corrections system’: there is \$21.4 million in 2026–27. I just want to get an idea of how much it costs on average per day to house prisoners.

**Paul HAMER:** My apologies. I do know I have this figure. What I would talk about in terms of the prisoner cost per day –

**Jade BENHAM:** I would just love a figure. I have got 5½ minutes left.

**Paul HAMER:** I appreciate that. Victoria’s per capita expenditure on corrective services was the lowest in Australia.

**Jade BENHAM:** Yes, but what is it per day to house prisoners? Across the system, by my calculations, using those figures, it is around \$58,000 a day. Does that figure include wages and the entire corrections system?

**Paul HAMER:** The figure that is calculated for Victoria includes the staff costs, and it includes also the health costs and all of the program costs.

**Jade BENHAM:** Yes, in that service delivery line.

**Paul HAMER:** We talked about employment and all of the service delivery that is provided, all the supports that are provided to the prisons and the corrections system –

**Jade BENHAM:** Great. Yes. So that \$58,000 a day is about right – \$21 million over the course of the year.

**Paul HAMER:** No. If you let me get to the point, that \$42 million program covers –

**Jade BENHAM:** \$42 million? Where is the \$42 million?

**Paul HAMER:** If you are referring to –

**Jade BENHAM:** If those items are wrong, I am happy to take another figure. I am just after an average figure of what it costs –

**Paul HAMER:** You are talking about budget paper 3, page 72, ‘Supporting a safe and effective corrections system’. And it is over the two-year funding, correct?

**Jade BENHAM:** Yes.

**Paul HAMER:** So it is \$21 million and \$20.7 million. That was the \$42 million.

**Jade BENHAM:** Are they the right figures? If they are not, please correct me if I am wrong. I am just after the average figure per day to house a prisoner in Victoria; that is all.

**Paul HAMER:** In 2024–25 the average daily cost per prisoner was \$484 per day.

**Jade BENHAM:** \$484. And what is it in 2025–26?

**Paul HAMER:** I do not believe that we have that figure as yet, because if you are working on a per prisoner population, that would depend on the amount of prisoners per day, and that is going to change.

**Jade BENHAM:** Okay. So, that \$484 takes into account how many prisoners?

**Paul HAMER:** Again, that would be more of a detailed assessment. I cannot do that calculation.

**Jade BENHAM:** I would have thought these were actually pretty – as the Chair says at the beginning of every session, it is to scrutinise the budget, and I am just trying to scrutinise the budget.

**Paul HAMER:** Yes, I understand that, Ms Benham.

**Jade BENHAM:** And this is not a gotcha thing; I actually just want to know the figures.

**Paul HAMER:** The reason why it is a better assessment to do it on an average daily cost per prisoner is because, obviously, every day the prison number change. Every day throughout the entire year the prison numbers change.

**Jade BENHAM:** Yes.

**Paul HAMER:** So the approximate –

**Jade BENHAM:** But you would have an average.

**Paul HAMER:** I am giving you an average.

**Jade BENHAM:** The time changes every minute, we know that –

**Paul HAMER:** Yes, exactly, and that is why I am giving –

**Jade BENHAM:** but there is still a right answer at any certain point in time.

**Paul HAMER:** And that is why I am giving you an average. I am giving you an average, which is the average daily cost per prisoner, that was –

**Jade BENHAM:** That was two years ago.

**Paul HAMER:** It was in 2024–25.

**Jade BENHAM:** Yes.

**Paul HAMER:** Well, the 2025–26 figure would be reported next year, but we have not come to the end of 2025–26.

**Jade BENHAM:** Okay. All right. Prisoner crowding is increasing, which has resulted in prisoners being held in police station cells for up to a month. Given this, why is the completion date for the prison system capacity expansion and security upgrades being delayed by a year? Now, that is in budget paper 4, page 67. But the essential question is: why are the expansion and security upgrades delayed a year? That might be a question for the Commissioner.

**Paul HAMER:** Okay. There are a few questions that you have raised within that question, particularly first in relation to the police cells. You mentioned that prisoners were being held in police cells. Now, the advice that I have received is that the numbers of people who are held in police cells have gone down significantly.

**Jade BENHAM:** Some police cells are actually closed, Minister.

**A member** interjected.

**Jade BENHAM:** Yes, they are.

**Paul HAMER:** The numbers who have been held in police cells are actually less now than they were on an average daily basis prior to COVID.

**Jade BENHAM:** Okay. Can we just get to why the delay in that expansion program?

**Paul HAMER:** Okay. I am assuming you are talking about the prison infill expansion program – is that the program that you are talking about?

**Jade BENHAM:** The prison system capacity expansion and security upgrades, which have been delayed. The footnote there in the paper itself says the date has been revised.

**Michael GALEA:** You are answering your own question.

**Jade BENHAM:** But I want to know why. Our job here is to scrutinise the budget. I would just like to know why. We are just doing our job to scrutinise the budget papers. That is all.

**Paul HAMER:** Thank you, Ms Benham. In relation to that program, that program has been delivering additional prisoner accommodation. It has also been delivering other upgrades to the prison, including a visitor centre, an refurbished medical centre and additional fencing at Barwon. It has also been providing a staff amenities building –

*Members interjecting.*

**The CHAIR:** Thank you. Cease the interjection. I will go to Mr Tak.

**Meng Heang TAK:** Thank you, Chair and officials. I refer to the performance measure on page 107 of the ‘Department Performance Statement’. Minister, the 2025–26 expected outcome for the proportions of eligible prisoners in employment is 93.4 per cent, which the minister already said before. Minister, can you outline what programs are supporting this fantastic result?

**Paul HAMER:** Thank you, Mr Tak, for that question. As I have already alluded to, prisoner employment, both within custody and once they are released, is one of the areas where the corrections system can be proudest. As I already mentioned, it was wonderful for me going out to Loddon Prison – and it is not just at Loddon Prison; it occurs at many of the other correctional facilities where we are training the prisoners to make sure that they have gainful employment once they leave the corrections system. That is why the high participation rate among eligible prisoners is such an important outcome, because without having these employment pathways and these training opportunities the prisoners will not have the opportunities to utilise those skills and gain employment once they leave the corrections system. It is a result of deliberate design, sustained investment and strong partnerships. I want to pay credit to both the Commissioner and the department and all of their partners who work very closely with training providers as well as employers in their various regions to make sure that this employment participation exists and is as strong as it is.

I mentioned some of the trades that I went and saw onsite at Loddon, but there are many other jobs and many other employment opportunities within the prison. It could be working in the laundry or working in the kitchen or in one of the dedicated prison industries, as I said, manufacturing items and delivering services for organisations in the community. Employment is not a reward for good behaviour; it is a core therapeutic and rehabilitative tool from the outset of somebody’s time in custody. The evidence is clear: employment after release is one of the single strongest protective factors against someone reoffending. When someone leaves prison with a job to go to, a routine, an income, an employer who is expecting them and the dignity of meaningful work, they have concrete reasons to stay out of the justice system. Building that pathway begins before someone is released.

The centrepiece of our employment model is the network of employment hubs that we have established within our prison, as I have already indicated and alluded to. They provide a dedicated space and dedicated staff to help people develop the practical skills they need to enter the workforce. What makes our hubs distinctive is that they do not just prepare people for a future job, they actively engage with real employers from the community, as I mentioned. They support the training and the skills development they need to hire someone upon their release. This prerelease employer engagement is absolutely critical. It breaks down the stigma that historically made employers reluctant to hire people with criminal records, and it means people can leave custody and go straight into a job, not into a job search.

Alongside the hubs, we have established vocational training centres of excellence at six prisons in partnership with TAFE providers. People in custody can complete nationally recognised qualifications in areas like welding, warehousing, construction, food processing and a range of other trades – qualifications that are directly portable to employment on release. All of these programs working together mean that prisoners are both using their time in custody productively and preparing to live crime-free, productive lives on the outside.

**Meng Heang TAK:** Thank you, Minister. I am interested in how Victoria compares to other states on this measure. Minister, can you talk a bit more about that result?

**Paul HAMER:** Thank you, Mr Tak. This is a really good news story for Victoria because we lead the nation on prisoner employment participation and have done consistently across multiple years, which tells us it is not just a statistical anomaly, it is a genuine structural feature of our corrections system that we have deliberately built up. Again, I want to pay credit to the department and Corrections Victoria for the work that they have done in this area to make this a deliberate strategy and policy.

I have talked about the 93.4 per cent employment participation rate in Victoria. That compares to a national average that sits at 80.4 per cent. That is a huge differential. While most corrections systems around the country are engaging roughly four in five eligible prisoners in employment activity, Victoria is above nine in 10. That engagement represents thousands of extra prisoners a year who are developing skills, building work habits, connecting with employers and preparing for a meaningful life outside custody rather than sitting idle in a cell.

It is worth being clear about what this national comparison reflects. The report on government services collects this data and has collected this data over a number of years, and Victoria has consistently sat on the top of this table. We are recognised for this not only domestically but internationally. I think that this really can be explained by a few reasons. Primarily it is because of the infrastructure investment that we have made in our corrections system, particularly the employment hubs, the TAFE partnerships, the employer networks and our hardworking corrections staff, that we can manage this process and make sure that we have prisoners who are willing and ready to participate in the employment programs. The scale and integration of the system in Victoria is really what sets us apart. We have embedded employment as an expectation rather than an optional extra. It is a performance outcome, and it is tracked and it is taken seriously by the Commissioner and the managers of each prison. We have really worked hard to change the narrative around employing people with criminal records.

**Meng Heang TAK:** Thank you, Minister.

**The CHAIR:** Thank you, Mr Tak. Mr Puglielli.

**Aiv PUGLIELLI:** Thank you, Chair. Good afternoon, Minister and officials. I will start by following up a departmental question from earlier today. Does the department know how many people are currently on remand solely for alleged breaches of bail conditions?

**Paul HAMER:** Sorry, can you repeat the question?

**Aiv PUGLIELLI:** The question was: does the department know how many people are currently on remand solely for alleged breaches of bail conditions?

**Paul HAMER:** That might be a question that is for the Commissioner.

**Larissa STRONG:** I am happy to take that question. One person is on bail, the most serious reason being for breach of the conditions.

**Aiv PUGLIELLI:** Okay. Thank you. I will move on. I understand the *Victorian Government Gazette* has authorised specified Corrections Victoria staff as well as private prison personnel to use tear gas in prisons, subject to training and compliance with the relevant commissioner's requirements, including reporting within 12 hours. My question is: how many times over the past year was tear gas used in our prisons?

**Paul HAMER:** Is that a question to me or to the Commissioner?

**Aiv PUGLIELLI:** That would be for the relevant official, I would say.

**Larissa STRONG:** We do not use tear gas. We do use OC spray – it is a different agent – and I would have to take on notice how often it has been used.

**Aiv PUGLIELLI:** To understand what you are saying – thank you for taking that on notice – tear gas has never been used in Victorian prisons?

**Larissa STRONG:** No, it is OC spray that we use.

**Aiv PUGLIELLI:** OC spray. Okay, thank you. I am informed that there was an incident at Dame Phyllis Frost Centre just a month ago where it has been put to me that safety protocols were not followed. I am informed that in order to move just one woman who was not given adequate time to comply, an entire unit of women were then subjected to what they have told me is tear gas – it may have been OC spray – and suffered nausea, vomiting, headaches, difficulty breathing and other medical concerns. Can I ask: has the department investigated this incident, and will the report from that incident be made public?

**Paul HAMER:** Again, I think this might be a question that is better taken by the Commissioner, as it involves an operational decision. The Commissioner might want to just talk about the general practice when incidents like this occur.

**Larissa STRONG:** One thing I would say is often what is heard about incidents is not always the case, but all use of force – all use of things like OC spray or use of accoutrements – is required to be reported. Any complaints are required to be reported, and we will do reviews into them.

**Aiv PUGLIELLI:** The particular incident that I described, though – is that something you are aware of?

**Larissa STRONG:** Yes.

**Aiv PUGLIELLI:** At the Dame Phyllis Frost Centre?

**Larissa STRONG:** Yes.

**Aiv PUGLIELLI:** In relation to that incident, that is being investigated?

**Larissa STRONG:** We will do an internal review. I am aware of course, but I am not going to talk specifically about this particular instance, other than to say that we do require staff to report their use of OC spray, their use of accoutrements. Any use of force is required to be reported. We do regular audits every month of use of force – just random audits to check. We will check CCTV. We will also do an audit of all actual complaints about excessive use of force.

**Aiv PUGLIELLI:** To make sure I heard you correctly, though, it has not yet been investigated but it will be – is that correct?

**Larissa STRONG:** I would not know which particular incident is at which point in a process.

**Aiv PUGLIELLI:** Is that something you are able to come back to us on?

**Larissa STRONG:** I will come back on the general process in more detail but not that particular incident.

**Aiv PUGLIELLI:** Okay. And a report into that matter would be made public at the end of that process?

**Larissa STRONG:** No, they are internal for the department, for our own assurance.

**Aiv PUGLIELLI:** That is not something, through this process, you would be able to provide to us?

**Larissa STRONG:** No.

**Aiv PUGLIELLI:** Thank you. I will move on. I understand corrections currently holds one contract with Palantir worth \$9 million over the forward estimates, according to the Buying for Victoria website, for support of the Centurion platform. Given there are multiple integrity concerns that are well reported around Palantir both here and overseas, does the department put any restrictions on how Palantir handles that data for that contract?

**Larissa STRONG:** The department has a lot of standards in terms of how data is stored and how data is managed. It must be used within the Victorian government's architecture in terms of how data must be managed and stored. So yes. They cannot be offshore, for example.

**Aiv PUGLIELLI:** They cannot be offshore?

**Larissa STRONG:** That is my understanding. Probably I need to double-check that with technology services, but that is my understanding.

**Aiv PUGLIELLI:** That would be appreciated if you could. Is the department satisfied, given the context of this company, that this contract is maintaining proper integrity with respect to the data that it is handling?

**Larissa STRONG:** I am not aware of any concerns about that contract and the use of Centurion.

**Aiv PUGLIELLI:** Okay. This is the company that, in a manifesto arguing for Western technological dominance, calls out the benefits of American power and implies cultures are inferior to others. Are you aware of these concerns around Palantir?

**Larissa STRONG:** No, I am not.

**Aiv PUGLIELLI:** I understand that contract is currently due to expire 31 March 2028. Is that arrangement going to be renewed?

**Larissa STRONG:** For all contracts that we would have, we would look at whether we go and test the market and obviously do a value-for-money assessment of that market, of whether it is still fit for purpose et cetera. So in terms of what the plan is around when that contract ends, there will be active thinking right now with procurement about the best approach too. We certainly need the functionality of an intelligence system to support where we store data and intel, but we will be considering what is the best approach to continuing that functionality.

**Aiv PUGLIELLI:** Can I ask: in practice, how is the reputation of a particular company that is being contracted with through the department factored into when the government enters into or continues engaging in contracts like this?

**Larissa STRONG:** I suspect that contract is quite old now. I am not across when it was initially entered into and how long ago it was entered into.

**Aiv PUGLIELLI:** I believe 13 December 2024 the current contract started.

**Larissa STRONG:** That may well be an extension. I think we have had the application for some time for Centurion.

**Aiv PUGLIELLI:** Okay.

**Larissa STRONG:** Certainly the things that the department will look at are: do they have the capacity to meet the requirements? The fitness of the company, probity concerns, financial concerns as well are the sorts of things that will get looked at as part of any procurement.

**Aiv PUGLIELLI:** Thank you. I might move on. Just looking at the 'Department Performance Statement', page 97, over the last year how many people were eligible for parole?

**Paul HAMER:** Sorry, which performance statement are you referring to?

**Aiv PUGLIELLI:** Apologies.

**The CHAIR:** Thank you, Mr Puglielli. We will go to Mr Hilakari.

**Mathew HILAKARI:** Thank you, Minister, and thank you, officials, for your attendance this afternoon, going into evening. Minister, I would like to take us to the rate of return to corrective services within two years of completing a community corrections order. Expected in the budget here in front of me on page 105 is that it is 9.2 per cent, which is lower than the expected outcome. I am hoping you can just talk to some of the rehabilitation and other programs that led to this target being achieved – exceeded in fact.

**Paul HAMER:** Thank you, Mr Hilakari. This afternoon we have had a lot of discussion about what is going on inside our corrections facilities, and I also welcome the opportunity to discuss the important work that our corrections staff do with offenders who are supervised in the community outside of the custodial facilities. A 9.2 per cent return rate within two years of completing a community corrections order is a really strong outcome. Our target, as is identified in the performance statement, is 14 per cent, and we are performing well above that. As I think I alluded to previously, the national average on this metric is 15.4 per cent, so again, we are performing well above the national average.

You asked what is working, and there are several things that I would point to. First, the \$274 million that we are investing in community-based offender supervision funds approximately 900 staff across 35 community corrections locations throughout Victoria, both metropolitan and regional. These are skilled, dedicated

professionals who provide thorough supervision of people on their case loads and who understand their situations and how to connect them to the services they need to stay on track. That funding also supports a range of rehabilitation programs specifically tailored for people in the community. The KickStart alcohol and other drugs program has been a key part of our investment in recent years, recognising that substance abuse is one of the primary drivers of reoffending. The employment pathway broker service links people on community corrections orders to local employers and training opportunities, giving them a pathway forward, not just a supervision requirement to comply with. People on supervised court orders are also often required to undertake community work. This unpaid community work is an opportunity to give back to the community, as well as develop skills in teamwork and other areas that can assist with future employment.

Offenders managed in the community have the chance to maintain their employment, their housing and their family relationships. We have talked about all of those already today and how important maintaining those three elements are. Those are the very protective factors that keep people out of further reoffending. When someone can keep their job and stay in their home while completing a community corrections order, their chances of reoffending fall significantly.

**Mathew HILAKARI:** Minister, I want to take us a few lines up to ‘Average daily offenders with supervised court orders’. The expected outcome for the 2025–26 year is 6507. The target for this year was 9000. Can you speak to some of what is driving that change as well? The budget reference is ‘Department Performance Statement’, page 105.

**Paul HAMER:** Thank you, Mr Hilakari. It is an interesting trend, because on the face of it a reduction in the number of people under community supervision might sound counterintuitive, given that we are simultaneously seeing more people in custody. That is why the 2026–27 target has been set as a range of about 5800 to 7400. So there are a few things driving it. You asked about what the drivers are. For supervised court orders, the data reflects that courts are imposing fewer community corrections orders than previously. This is partly a reflection of the changes to the law that we have made to ensure that there are serious consequences for violent offending, including our changes to bail laws, which mean that some people who might previously have been given a community order are instead being remanded and receiving a prison sentence.

For parole, the reduction in the average daily parole population reflects a decline in prisoners receiving parole-eligible sentences and the fact that we have one of the toughest parole systems in the country. Parole is a privilege, it is not a right, and prisoners have to work hard to be given parole. That said, parole does remain an effective tool for managing the transition from custody back into the community, and the successful completion of parole orders at 74.7 per cent, which is also in budget paper 6, reflects the strong supervision that the corrections staff provide. I want to take this opportunity to thank the independent Adult Parole Board, who ensure that decisions are made on the basis of a genuine risk assessment with community safety at the forefront.

**Mathew HILAKARI:** Thank you for that, Minister. I am just hoping you can talk to some of the community work programs. Can you just describe what some of those work programs are and some of the effective change they are making to change the trajectory of people’s lives?

**Paul HAMER:** Thank you, Mr Hilakari. It is a really important part of what community corrections does, both for the individual on the order but also for local communities that benefit from the work. I would say there is a growing demand in many local communities, particularly in regional communities that are asking for that support and looking for those opportunities. These hours are carried out across Victoria through the network of justice service centres and often in partnership with local government bodies and not-for-profit agencies. It is probably one of the few areas in which my different, diverse portfolios actually cross over.

You asked about the type of work, and it does vary significantly. Environment and conservation work, such as park maintenance, track clearing, revegetation, is a very common use of the community corrections order and community work that is done under the corrections order. I know that is really valued by a lot of the communities where it takes place. Also, there is charitable and community service work, including work with food relief organisations, op shops and community facilities. It can be construction and maintenance work as well.

**The CHAIR:** Thank you, Mr Hilakari. Minister and officials, thank you very much for appearing before the committee this evening. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a short break before beginning its consideration of the portfolio of youth justice at 5:40 pm. I declare this hearing adjourned.

**Witnesses withdrew.**