

# Annual Report 2025–26

Department of Energy,  
Environment and  
Climate Action



Top image credit: Wind turbines in canola field – Tracey Marsden

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community



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## Secretary's message

This annual report represents the dedicated work and achievements of the Department of Energy, Environment and Climate Action (DEECA) in 2025-26. It reflects the breadth of our responsibilities and the commitment of our people to delivering practical outcomes for Victoria's communities, economy and environment, in a year marked by significant operational demands and continued change.

During 2025-26, we supported a productive and sustainable primary industries sector, with Victoria maintaining its position as Australia's largest food and fibre exporter. The department also helped deliver the Victorian Government's drought support package, approving more than 6,600 Farm Drought Support Grants and supporting thousands of farmers through advisory and financial counselling, and technical and wellbeing services. We continued delivering programs aimed at increasing the preparedness, capability and capacity of the Victorian Government to respond to biosecurity threats, including the H5 high pathogenicity avian influenza and various plant pests and diseases.

DEECA delivered policy, programs and regulations to enable investment and generate jobs through the sustainable development of the state's earth resources. We progressed the Victorian Critical Minerals Roadmap and approved key work plans for critical minerals projects. The department also approved 132 million tonnes of new quarry resources, exceeding the annual target of 80 million tonnes.

We continued to support Victoria's transition to a net zero emissions and climate-ready economy and community. The release of Victoria's Climate Change Strategy 2026-30, supported by \$8.5 billion in investment, established the direction for reducing emissions and strengthening climate resilience over the next 5 years. Seven emissions reduction pledges were also released, setting out more than 100 actions across 6 sectors and Victorian Government operations.

Victoria experienced another demanding year of fire activity, with elevated fire danger, dry fuel conditions and periods of extreme weather across much of the state. Our staff led the response to 382 bushfires and supported other lead fire agencies in response to a further 190 bushfires. Despite the challenging conditions, targeted planned burning and other fuel treatments helped maintain the provisional statewide bushfire risk at 66%, below the target of 70%. We also responded with our partner agencies to the January 2026 bushfires by delivering recovery works to safely reopen public land and assisting communities and primary producers through emergency financial support, biodiversity and wildlife protection, waterway

remediation, erosion control, and safety works on roads and recreational assets.

DEECA continued work to maximise the benefits of Victoria's energy transition, including progressing elements of the offshore wind auction, supporting the making of new building electrification regulations and supporting energy affordability initiatives. More than 288,000 applications for the \$100 Power Saving Bonus were processed, resulting in more than \$28 million in payments to Victorian households as well as helping them to find cheaper energy offers. The department also advanced the 100 Neighbourhood Batteries Program, with approved initiatives expected to deliver 139 neighbourhood batteries, exceeding the original target of 100.

Our work to protect Victoria's environment and biodiversity included securing 16 new private land sites through the BushBank program, collectively supporting the restoration of approximately 2,600 hectares of native vegetation. Victoria's transition to a circular economy also continued, with more than 3.33 billion eligible containers returned through the Container Deposit Scheme as at 30 June 2026. In managing Victoria's public land, the Future Forests program collected more than 3,000 kilograms of seed and delivered 400 targeted threatened-species surveys across more than 40,000 hectares. Through the Conservation Regulator, we continued to deliver a range of compliance and enforcement activities, which resulted in successful prosecutions for significant forest and wildlife crime.

To support safe, sustainable and productive water resources, the inaugural Water Security Plan for Greater Melbourne, Geelong and connected towns was released in September 2025, providing a framework for maintaining affordable and climate-resilient water supplies as Victoria's population grows. On-ground works and watering programs were also undertaken at 423 waterway sites, including 9,565 hectares of vegetation works along waterways.

DEECA continued to work in partnership with First Peoples and Traditional Owners across Victoria to advance self-determination. In 2025-26, the department supported the delivery of 26 cultural burn operations, increased the volume of water entitlements returned to Traditional Owners, and co-designed and published the First Peoples Renewable Energy Strategic Plan. We also partnered with Traditional Owners on programs across the agriculture, minerals, biodiversity and land management sectors. We continued to support the implementation of agreements with Traditional Owners, including 4 Recognition and Settlement Agreements and 7 Native Title Determinations. This



work recognises Traditional Owner rights, knowledge and connection to Country and supports their greater involvement in decisions about the management of Victoria's lands, waters and natural resources.

Emergency management remained a central responsibility for the department, requiring coordinated planning, rapid response capabilities, and continuous risk assessment to handle responses effectively. DEECA maintained year-round preparedness for bushfire, energy, water, wildlife and biosecurity emergencies, working closely with partner agencies, communities and industry. During the year, our staff responded to major energy supply disruptions, significant biosecurity detections, wildlife emergencies and an exceptionally demanding bushfire season. These efforts demonstrated the professionalism, adaptability and commitment of our emergency workforce in protecting Victorian communities, critical services, primary producers and the environment.

These achievements were made possible by the expertise, dedication and collaboration of our people. We remain committed to providing employees with opportunities to develop, supporting flexible and safe ways of working, and fostering a culture in which everyone is valued and included. During 2025-26, DEECA continued to deliver a broad range of learning and development opportunities, supporting staff to build new skills, strengthen capabilities and further their professional development. We also provided confidential wellbeing and early-intervention services, strengthened our approach to psychological health and safety, and launched the Diversity and Inclusion Framework 2026-29 and supporting action plans to improve accessibility, cultural safety, inclusion and workforce participation.

I thank our team and stakeholders for their contribution throughout 2025-26. Together, we will continue working to deliver reliable and affordable energy, protect Victoria's environment and natural resources, strengthen resilience to emergencies and climate change, and create lasting value for all Victorians.

#### Accountable Officer's declaration

In accordance with Victoria's *Financial Management Act 1994*, I am pleased to present the Department of Energy, Environment and Climate Action annual report for the year ending 30 June 2026.



**Kate Houghton PSM**

Secretary

Department of Energy, Environment and Climate Action

20 October 2026

## About DEECA

DEECA brings together Victoria's climate action, energy and resources, environment, water and agriculture portfolios to maximise connections between the environment, community, industry and economy.

DEECA contributes to the Victorian Government's commitment to a stronger, fairer, better Victoria by supporting our natural environment, enabling economic growth, and fostering sustainable communities and industries that are resilient to the impacts of climate change.

The department employs almost 5,700 staff in over 80 locations across the state. To best serve Victorians, DEECA strives to build a positive organisational culture built on strong leadership, diversity, collaboration, innovation and developing its staff. DEECA's vision for diversity and inclusion is a workplace culture that embraces individual differences in all forms and fosters innovation.

### DEECA's mission

The department's mission is to support thriving, productive and sustainable communities, environments and industries across Victoria by:

- listening to, working alongside and partnering with the community
- leveraging the connectivity between its portfolios to respond to the impacts of climate change and protecting the natural environment in a productive, collaborative and coordinated way
- maximising opportunities for attracting investment, creating and maintaining jobs, and developing regional economies by supporting sustainable industries.

## Strategic framework

### Our vision:

A thriving, productive and sustainable Victorian community, environment and industry.

### Our values:

DEECA's values align with the core public sector values — responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

### Our outcomes:

DEECA's business in 2025-26 focused on achieving DEECA's outcomes:

- **Agriculture and Forestry** – Productive and sustainably used natural resources
- **Climate Action** – Net zero emissions, climate ready economy and community
- **Earth Resources** – Sustainable development of Victoria's earth resources
- **Emergency Management** – Reduced impact of major bushfires and other emergencies
- **Energy** – Reliable, sustainable and affordable energy services
- **Environment and Circular Economy** – Healthy, resilient and biodiverse environment
- **Land Management** – Productive and effective land management
- **Water** – Safe, sustainable and productive water resources.

## Direct costs attributable to machinery of government changes

In December 2022, the Victorian Government issued an administrative order restructuring some of its activities via Machinery of Government (MoG) changes, taking effect from 1 January 2023.

The department did not incur any direct costs in 2025-26 as a result of these MoG changes.

| Department of Energy, Environment and Climate Action                           | Costs incurred<br>(2025-26) | Anticipated future<br>costs |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Agency labour hire                                                             | –                           | –                           |
| Consultants and contractors                                                    | –                           | –                           |
| Information Communication Technology – hosting fees                            | –                           | –                           |
| Information Communication Technology – purchase of services                    | –                           | –                           |
| Information Technology Services software licences/rental/<br>subscription fees | –                           | –                           |
| Repairs and maintenance                                                        | –                           | –                           |
| <b>Total</b>                                                                   | <b>–</b>                    | <b>–</b>                    |

There were no direct costs attributable to the 1 January 2023 MoG change that have been incurred by the entities that are consolidated into the department's annual report under section 53(1)(b) of the *Financial Management Act 1994*.

## First Peoples Self-Determination

The United Nations Declaration on the Rights of Indigenous Peoples describes self-determination as the ability of Indigenous Peoples to freely determine their political status and pursue their economic, social and cultural equity based on their own values and way of life. That means First Peoples have the right to make choices that best reflect their needs and aspirations on their journey to self-determination and self-governance.

Through *Pupangarli Marnmarnepu* ('*Owning our Future*'): *Aboriginal Self-Determination Reform Strategy 2020-25*, DEECA has formalised its commitment to support self-determination and embed self-determination in its work.

*Pupangarli Marnmarnepu* (extended to June 2026) sets the direction, outcomes and priorities for DEECA to meet and respond to maintaining genuine partnerships with Traditional Owners and Victorian Aboriginal and Torres Strait Islander communities. A refreshed version of *Pupangarli Marnmarnepu* has been developed in partnership with Traditional Owners and will be launched in 2026-27.

## Key initiatives and actions

During 2025-26, DEECA worked with Traditional Owners across Victoria including the Traditional Owner Corporation Caucus, which represents the 12 formally recognised Victorian Traditional Owner Corporations and communities, to deliver outcomes and initiatives that make meaningful progress towards enabling self-determination for Aboriginal Victorians. Our commitment is reflected in the Secretary's and the Board of Management's leadership and dedication to a collective effort, shared responsibility and being jointly accountable for removing barriers to self-determination for Aboriginal Victorians. DEECA works in partnership with Traditional Owners to continue building on the strong foundation of work towards realising the outcomes outlined in *Pupangarli Marnmarnepu*.

Key initiatives and actions delivered in 2025-26 to support *Pupangarli Marnmarnepu* included:

- continuing our partnership with Traditional Owners through the Statewide Caring for Country Partnership Forum to support accountability for DEECA's commitments under *Pupangarli Marnmarnepu*, including an annual survey to monitor Traditional Owner satisfaction with DEECA's progress towards self-determination (see the Departmental objectives, indicators and outputs section of this Annual Report)

- implementing agreements with Traditional Owners, including supporting 4 Recognition and Settlement Agreements, one Traditional Owner Land Management Agreement, 2 Co-operative Management Agreements and 7 Native Title Determinations
- recognising and implementing the decisions that Traditional Owners make over cultural fire practices through supporting the delivery of 26 cultural burn operations. Significant progress was also made on updating the standard operating procedure to reduce the time and administrative burden to plan and approve cultural burns that meet low risk criteria
- increasing the volume of water entitlements held by Traditional Owners and Aboriginal organisations to 15.31 gigalitres, an increase of 5.54 gigalitres since 30 June 2025. Most of this increase represents water entitlements returned to Traditional Owners as a result of government commitments
- co-designing and publishing the First Peoples Renewable Energy Strategic Plan and First Peoples Energy Guide
- supporting Traditional Owners to advance their self-determined climate action priorities through delivery of the Traditional Owner Climate Action Grants Program
- progressing guidance materials to support the implementation of the critical minerals benefit sharing model with Traditional Owners
- engaging with and embedding First Peoples' principles, interests and opportunities into the Wine and Distilled Spirits industry strategies, for example supporting Traditional Owner and First Peoples businesses across supply chains
- agreeing to prioritise the development of a new Biocultural Diversity Strategy with Traditional Owners
- progressing long term reform initiatives with Traditional Owners in relation to Indigenous Data Sovereignty, reporting and accountability, and funding and procurement
- continuing to coordinate DEECA's engagement with Statewide Treaty in accordance with the Whole of Victorian Government Treaty Model and progressing implementation in line with the interim Statewide Treaty Implementation Approach.

## Emergency management

DEECA is one of several Victorian Government departments and agencies with responsibilities in emergency management. Under the *Emergency Management Act 2013*, the Victorian State Emergency Management Plan and relevant portfolio legislation, DEECA has significant emergency management accountabilities across all phases of emergency management: mitigation, response including relief, and recovery. This key accountability is reflected in our Corporate Plan 2025-29, which presents emergency management as a cross-cutting theme throughout DEECA's outcomes.

DEECA has responsibilities for emergencies related to biosecurity, energy supply disruption, fire in state forests, national parks and protected public land, dam safety, non-hazardous pollution in inland waters, reticulated water and wastewater disruptions (sewerage), blue-green algae, cetacean stranding, entanglement or vessel strike, wildlife impacted by emergency events and wildlife affected by marine and freshwater pollution.

Actions delivered during 2025-26, grouped by emergency responsibility, include:

### Preparing for and responding to energy supply disruptions

- ensuring 24/7, 365-day preparedness including through an energy emergency workforce of 70 personnel
- activating the State Energy Emergency Management Team (SEET) on 2 occasions in response to major energy supply disruptions during the 27 to 29 January 2026 heatwave event (103,000 peak outages) and 7 January to 6 February 2026 bushfire event (97,960 peak outages)
- activating the SEET on 6 occasions in response to potential energy supply disruptions
- activating the SEET on 28 February 2026 in readiness to monitor the impacts of global liquid fuel supply issues on fuel supply and prices in Victoria
- supporting the ongoing implementation of the government response (released in December 2024) to the independently led Network Outage Review, into the system response to the February 2024 storms.



### **Preparing for and responding to water sector events, including dam safety and water service disruptions**

- ensuring 24/7, 365-day planning, preparedness, response, relief and recovery for water-related incidents and emergencies, including through a water emergency workforce of 40 personnel
- activating DEECA's Water Intelligence Unit to provide time-critical intelligence to the water sector in connection with liquid fuel, fires and flash flooding events, including residual water consequences
- progressing critical actions and recommendations identified from previous reviews and after-action reviews of past events.

### **Bushfire preparedness and response**

- maintaining 24/7, 365-day incident command arrangements to ensure readiness and rapid response to bushfires on public land including approximately 2,700 personnel accredited in fire and emergency management roles
- through **Forest Fire Management Victoria** (FFMVic), responding to 8 significant bushfires during the 2025-26 higher risk weather season, as well as supporting Country Fire Authority controlled bushfires and wildfire response in Canada
- suppressing 382 bushfires across Victoria, limiting the impact to 257,080 hectares on public land where DEECA was the control agency, and containing 87% of bushfires to less than 5 hectares through rapid response. FFMVic crews also responded to 242 unattended campfires and 161 escaped barbeque campfires, while also supporting other agencies in responding to a further 190 fires.

### **Managing wildlife welfare during emergencies by delivering preparedness, response, relief and recovery obligations**

- maintaining preparedness arrangements and responding to wildlife emergencies resulting from events including bushfires, floods, extreme heat, marine and freshwater pollution, and cetacean strandings and entanglements
- responding to 10 heat stress events at 6 grey-headed flying-fox camps, 7 cetacean strandings and 8 significant bushfires including assessing approximately 1,130 animals
- wildlife preparedness arrangements for H5N1 high pathogenicity avian influenza.

### **Preparing and responding to biosecurity and natural disaster emergencies impacting agriculture**

- maintaining 24/7, 365-day preparedness arrangements to support biosecurity and natural disaster emergency response, including rostered State Duty Officers to respond to public reports of emergency animal diseases and emergency plant pests
- responding to the detection of tomato potato psyllid, supported by 77 DEECA staff across 94 response days; marine detection of carpet sea squirt, supported by 5 DEECA staff across 76 days; and a detection of red imported fire ants at a trucking depot during summer 2025-26
- undertaking activities related to several other plant pest incursions including potato mop top virus, brown marmorated stink bug, varroa mite and the national khapra beetle response
- coordinating animal welfare relief (excluding wildlife) and assessing agricultural losses and damage in response to 14 bushfires in the 2025-26 summer season with more than 350 personnel committed to the response
- delivering a Biosecurity Preparedness program to build a workforce and whole of Victorian Government capacity to respond to a large biosecurity outbreak in Victoria, including H5N1 high pathogenicity avian influenza.

## Our ministers

As at 30 June 2026, DEECA supported 4 ministers and 2 parliamentary secretaries across 6 portfolios.



### **Hon. Lily D'Ambrosio MP**

**Minister for Climate Action**

**Minister for Energy and Resources**

**Minister for the State Electricity Commission**

For the 2025-26 period, Minister D'Ambrosio was also Coordinating Minister for the department. Minister D'Ambrosio was a Member of the Legislative Assembly for Mill Park since 2002.



### **The Hon. Enver Erdogan MLC**

**Minister for Environment**

As at 30 June 2026, Minister Erdogan was also Minister for Casino, Gaming and Liquor Regulation and Minister for Outdoor Recreation. Minister Erdogan has been a Member of the Legislative Council for Southern Metropolitan from 2019 to 2022 and for Northern Metropolitan since 2022.



### **Hon. Michaela Settle MP**

**Minister for Agriculture**

As at 30 June 2026, Minister Settle was also Minister for Regional Development. Minister Settle has been Member of the Legislative Assembly for Eureka (formerly Buninyong) since 2018.



### **Hon. Harriet Shing MP**

**Minister for Water**

As at 30 June 2026, Minister Shing was also Minister for Health and Minister for Ambulance Services. Minister Shing has been Member of the Legislative Council for Eastern Victoria since 2014.



### **Mr Nathan Lambert MP**

**Parliamentary Secretary for Climate Action**

Mr Lambert is also Parliamentary Secretary for Children. Mr Lambert has been a Member of the Legislative Assembly for Preston since 2022.



### **Ms Bronwyn Halfpenny MP**

**Parliamentary Secretary for the State Electricity Commission**

Ms Halfpenny has been a Member of the Legislative Assembly for Preston since 2010.

## Our executive

As at 30 June, DEECA was led by the Secretary Kate Houghton, supported by 6 deputy secretaries and 2 chief executive officers.

### Kate Houghton PSM – Secretary

Kate Houghton was appointed Secretary of DEECA in October 2025.<sup>1</sup>

Kate has more than 30 years' experience in both the Victorian and New South Wales Public Service. She has held senior executive roles in various portfolios from police and crime prevention, health, water and catchments, and environmental policy.

Prior to becoming Secretary of DEECA, Kate was the Secretary of the Department of Justice and Community Safety.

Kate has an Honours Degree in Economics and a Master of Environment and is an IPAA fellow.

### Kelly Crosthwaite – Deputy Secretary, Bushfire and Forest Services

Kelly Crosthwaite was appointed Deputy Secretary, Bushfire and Forest Services in July 2023.

Kelly has held previous leadership positions within the department since 2014, including Executive Director of People and Culture and Regional Director of Port Phillip region.

Previously, Kelly worked for various state and federal natural resource management agencies.

Kelly holds a Bachelor of Law and a Bachelor of Environmental Science and is accredited as a general fire fighter for bushfire response.

### Sally Fensling – Deputy Secretary, Corporate Services

Sally Fensling was appointed Deputy Secretary, Corporate Services in December 2023.

Sally has been part of the Victorian Public Service for more than 25 years, holding senior executive roles across policy, legislative reform, program delivery, operations, and regulatory functions. Prior to joining DEECA, Sally was Chief – Legacy, Policy and Partnerships at the Department of Jobs, Skills, Industry and Regions.

Sally has an Honours degree in Economics and a Master of Public Policy and is a graduate of the Australian Institute of Company Directors.

### Carolyn Jackson – Deputy Secretary, Regions, Environment, Climate Action and First Peoples

Carolyn Jackson was appointed as the Deputy Secretary, Regions, Environment, Climate Action and First Peoples (RECAFP) in August 2021.

Previously, Carolyn was the Executive Director, Energy Demand, Programs and Safety and the Executive Director, Finance and Planning (Chief Finance Officer) within the former DELWP.

Carolyn holds a Bachelor of Commerce (Economics) and a Bachelor of Laws, as well as a Master of Professional Accounting.

### Beth Jones – Deputy Secretary Agriculture and Chief Executive, Agriculture Victoria

Beth Jones was appointed Deputy Secretary and Chief Executive, Agriculture Victoria in July 2024. Previously the Deputy Secretary, Regional Development and Outdoor Recreation in the Department of Jobs, Skills, Industry and Regions and Chief Executive Officer of Regional Development Victoria, Beth has held executive roles across various portfolios including agriculture, regional development, forestry, outdoor recreation, emergency management and resources.

Beth holds a Bachelor of Applied Sciences (Hons) and a Master of Business Administration. She is a graduate of the Australian Rural Leadership Program and the Australian Institute of Company Directors. Beth was awarded the Sir James Wolfensohn Public Service Scholarship, supporting her to complete the Senior Executives in State and Local Government program at Harvard Kennedy School in 2023.

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<sup>1</sup> John Bradley was the Secretary of DEECA (and its predecessor, the former DELWP) from September 2017 to September 2025.

### **Stan Krpan PSM FAICD – Chief Executive Officer, Solar Victoria**

Stan Krpan was appointed as the Chief Executive Officer of Solar Victoria in July 2019. During the second half of 2025-26, Stan was Acting Deputy Secretary of Regions, Environment, Climate Action and First Peoples group. Prior to July 2019, Stan was the Chief Executive Officer of Sustainability Victoria for 8 years.

Stan has served as the Co-Chair of Building Victoria's Recovery Taskforce, Chief Executive Officer of the Victorian Cladding Taskforce and as an independent reviewer of EPA Victoria's compliance and enforcement activity.

He is a fellow of the Australian Institute of Company Directors and the Institute of Public Administration, and an alumnus of the Williamson Community Leadership Program.

Stan holds a Bachelor of Laws, Bachelor of Economics and a Master of Laws.

### **Elizabeth Molyneux – Deputy Secretary, Energy**

Elizabeth Molyneux was appointed Deputy Secretary, Energy in October 2022.

Prior to this, Elizabeth held senior roles at AGL Energy, including General Manager Policy and Markets, and General Manager Energy Markets Regulation, and was also a director at Ovo Energy Australia.

With more than 25 years of experience in energy markets and policy reform, Elizabeth has expertise in energy wholesale and retail markets, network regulation, new energy technologies and consumer protection frameworks.

Elizabeth holds a Bachelor of Science and postgraduate qualifications in economics, and applied finance and investment.

### **Dr Kirsten Shelly – Deputy Secretary, Water and Catchments**

Dr Kirsten Shelly was appointed Deputy Secretary, Water and Catchments in January 2024. She previously held leadership positions across the water sector in Queensland and Victoria, including Director of Water Strategy at Queensland Water Commission, Director of Strategies at Queensland Department of Energy and Water Supply, and a range of roles at Melbourne Water, leading to her appointment as Executive General Manager of the Services Futures group.

Kirsten's leadership is complemented by her experience on the Victorian Catchment Management Council, Peter Cullen Trust Board and completion of the Australian Institute of Company Directors program.

Kirsten is a Peter Cullen Fellow and holds a Bachelor of Science (Hons) and a post doctorate in marine and freshwater algae.

### **Matt Vincent – Chief Executive Officer, Resources Victoria**

Matt Vincent was appointed Chief Executive Officer, Resources Victoria in December 2023.

He previously held leadership positions in the former DELWP, the Victorian Building Authority, Environment Protection Authority, Department of Premier and Cabinet and Zoos Victoria, in roles spanning governance, reform, regulation, corporate services, environmental management and major project delivery.

Matt holds an Associate Diploma in Applied Science. He is also a graduate of the Australian Institute of Company Directors, Leadership Victoria and the Harvard Kennedy School.

## Our functions and services

As at 30 June 2026, the following DEECA business groups worked to support our ministers, the Secretary and portfolio partners in delivering the government's priorities:

### Agriculture Victoria

Agriculture Victoria supports an agriculture, food and fibre sector that is strong, innovative, and sustainable. The group partners with community, industry, and other government agencies to support growth, accelerate emissions reductions, adapt to a changing climate, manage industry transition and recover from drought, bushfires, and other natural disaster emergencies. It also ensures readiness to respond to challenges such as pests, weeds and diseases. Agriculture Victoria provides technical advice and services to enhance resilience and economic performance, including support for exports, investment and diversification, and new product development. Through partnerships with industry and research institutions, it aims to modernise Victorian agriculture with research, innovation and technologies to ensure the sector remains competitive, profitable and responsive to both current and future needs. The group also delivers education and compliance services focused on agriculture and animal welfare, ensuring practices meet regulatory standards.

### Bushfire and Forest Services

The Bushfire and Forest Services group manages 3.2 million hectares of state forests, including delivery and maintenance of recreation assets, tourism services and forest health activities. The group also leads DEECA's works across the state in preparing for and responding to bushfire and other emergencies, working alongside emergency services under the Victorian Government's 'all communities, all emergencies' operating framework. Underpinned by DEECA's commitment to work in partnership with Traditional Owners, the group collaborates across government and DEECA to deliver policies and outcomes in support of communities and businesses that use state forests. The group also undertakes regulatory functions for wildlife, biodiversity, public land use and fire prevention. It leads development and advice on forest, fire and emergency management policy, science, strategy and legislation, and delivers safe and fit-for-purpose capability solutions including statewide assets, equipment, technology and learning.

### Energy

The Energy group supports the significant transition of the energy sector in Victoria. The group's primary responsibility is to facilitate current and future energy projects, programs and reforms aimed at supporting Victoria to reach its renewable energy, offshore wind and energy storage targets. Together with Solar Victoria, the State Electricity Commission and VicGrid, the group is responsible for delivering Victoria's energy policies and programs aimed at improving reliability and security of the energy system, reducing emissions, increasing energy affordability, enhancing safety, increasing jobs and economic development and enabling Aboriginal self-determination.

### Regions, Environment, Climate Action and First Peoples

The Regions, Environment, Climate Action and First Peoples group (RECAFP) is responsible for leading DEECA's self-determination reform agenda with a particular focus on ensuring coordinated and genuine engagement with Victoria's First Peoples, developing cultural capability, creating a culturally safe working environment, and improving employment opportunities for Aboriginal Victorians across the department. RECAFP is also the home of DEECA's expertise on climate action, the circular economy, environment protection and the management of natural and built assets on public land across Victoria. RECAFP provides advice to the Victorian Government on the policy settings, programs and initiatives, which will further the implementation of DEECA's statewide objectives in the environment and climate action portfolios. Through its six regions, RECAFP provides integrated, place-based design and delivery of programs, projects, services, environmental assessments and approvals to meet environmental goals, enable economic growth and activate public land and major projects across the state.

### Resources Victoria

Resources Victoria seeks to unlock the full potential of Victoria's earth resources, including supporting the transition to net zero emissions through effective policy, programs and regulation. This is achieved by: securing the supply of quarry-based construction material to support residential and infrastructure development across the state; the delivery of high-quality geoscience data and knowledge to inform government decision making and attract new investment; and the responsible regulation of quarries and mines from exploration through to rehabilitation.



## Solar Victoria

Solar Victoria enables Victorians to access affordable, reliable, cleaner and efficient energy, now and into the future. Solar Victoria achieves this through overseeing 2 of the largest transformative renewable energy and emissions reduction programs in the country – Solar Homes and Victorian Energy Upgrades (VEU). Solar Victoria administers the Solar Homes program, which in 2025-26 delivered rebates and interest-free loans to make solar panels and energy efficient hot water systems more affordable for households. This included grants for solar on apartment buildings and community housing. The VEU provided incentives for households and businesses to upgrade to energy efficient products and electric appliances and grants for large energy users to move to more energy efficient alternatives.

## Water and Catchments

The Water and Catchments group works to ensure that Victoria has safe, sustainable and productive water resources to meet urban, rural, environmental, and cultural needs, now and in the future. The group works in partnership with water corporations, catchment management authorities, government agencies, industry, community and Traditional Owners to balance the economic, environmental and social values of water. This work helps to deliver healthy waterways and aquifers, secure water supplies across Victoria and ensure sustainable irrigation and agriculture, along with greener and more liveable cities and towns. The group is responsible for the implementation of the government's strategic directions for management of the state's water and catchment resources.

## Corporate Services

The Corporate Services group enables DEECA to deliver positive outcomes for the community by acting with integrity, fostering trusted partnerships and striving for exemplary business services. The group aims to be acknowledged as a trusted adviser, facilitator and system steward through collaboration and partnership, that solves problems by leveraging contemporary technology and best practice and develops an inclusive, high performing workforce. It comprises teams delivering services across finance and infrastructure, information services, legal and legislation, people and culture, strategic communications, and strategy and performance including procurement.

## Rural Assistance Commissioner

*The Rural Assistance Commissioner is a portfolio entity separate from DEECA, however its annual report of operations and financial statements are incorporated into DEECA's annual report of operations and financial statements in accordance with section 53(1)(b) of the Financial Management Act 1994.*

*The Rural Assistance Commissioner provides advice and expertise to the Victorian Government, engages with farmers and rural communities and administers the design and delivery of financial and recovery support programs for farmers and rural communities impacted by drought, fire, flood and biosecurity events. These programs strengthen Victoria's ability to safeguard agricultural productivity and sector stability to support the state's economy and long-term food security.*

## Mine Land Rehabilitation Authority

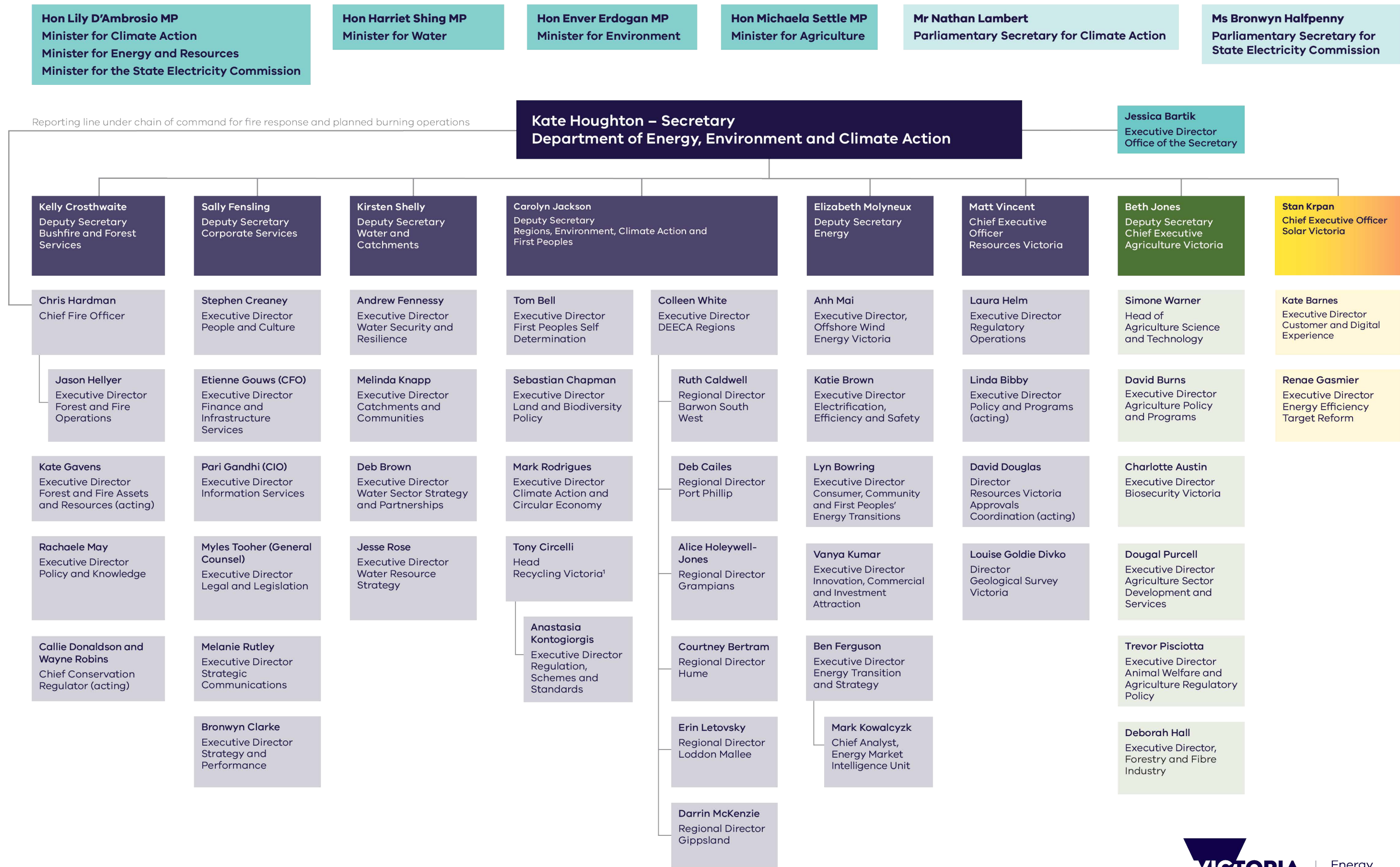
*The Mine Land Rehabilitation Authority (MLRA) ceased operations on 20 March 2026 and the entity was abolished on 15 April 2026. Under section 53(1)(b) of the Financial Management Act 1994, the department's annual report includes the results of the MLRA up to the date of abolishment.*

## VicGrid

*Note: **VicGrid** ceased being an Administrative Office in relation to DEECA on 28 October 2025 under section 11 of the Public Administration Act 2004. An Order in Council, published in the **Government Gazette on 28 October 2025**, established VicGrid as a State business corporation under section 17 of the State Owned Enterprises Act 1992.*

# Department of Energy, Environment and Climate Action (DEECA)

Organisational Chart as at 30 June 2026



<sup>1</sup> Recycling Victoria (RV) was a division of DEECA until 29 June 2026. Part 2 of the *Entities Legislation Amendment (Consolidation and Other Matters) Act 2026* abolished the position of Head, RV and transferred its powers, functions and schemes to the Environment Protection Authority on 30 June 2026.

DEECA Annual Report 2025-26

## Governance

Under the *Public Administration Act 2004*, the Secretary is accountable to the Minister for Energy and Resources, Minister for Climate Action, Minister for the State Electricity Commission, Minister for Water, Minister for Environment and the Minister for Agriculture.

## Board of Management

The DEECA Board of Management sets the strategic direction of the department, monitors performance against the strategic direction and ensures sound governance to support decision making. The Board of Management comprises the Secretary, all Deputy Secretaries, the Chief Executive Officer of Resources Victoria and the Executive Director, Office of the Secretary. As at 30 June 2026, the DEECA Board of Management membership comprised:

| Name               | Role                                                                     |
|--------------------|--------------------------------------------------------------------------|
| Kate Houghton      | Secretary, DEECA                                                         |
| Jessica Bartik     | Executive Director, Office of the Secretary                              |
| Kelly Crosthwaite  | Deputy Secretary, Bushfire and Forest Services                           |
| Sally Fensling     | Deputy Secretary, Corporate Services                                     |
| Carolyn Jackson    | Deputy Secretary, Regions, Environment, Climate Action and First Peoples |
| Beth Jones         | Deputy Secretary and Chief Executive, Agriculture Victoria               |
| Elizabeth Molyneux | Deputy Secretary, Energy                                                 |
| Kirsten Shelly     | Deputy Secretary, Water and Catchments                                   |
| Matt Vincent       | Chief Executive Officer, Resources Victoria                              |

## Board of Management Committees

The Board of Management has 4 committees that focus on department-wide priorities and risks, and supporting delivery of the department's strategic direction.

### Finance, Procurement and Budget Strategy Committee

The Finance, Procurement and Budget Strategy Committee provides senior executive oversight and strategic direction on financial management, financial sustainability and procurement matters.

### People Committee

The People Committee leads and oversees organisational culture, capability, health, safety, and wellbeing in line with DEECA's legislative obligations and departmental priorities.

## Performance and Operations Committee

The Performance and Operations Committee provides oversight of the department's operational performance, efficiency and risks. The Committee monitors performance, offers strategic advice and assurance to the Secretary, and provides an opportunity for operational leadership to address shared challenges.

## Strategic Technology Committee

The Strategic Technology Committee sets the strategic direction for DEECA's digital, data, Information and Communication Technology (ICT) capability and monitors ICT performance. The Committee enables the department to leverage data and technology to achieve best practice outcomes and monitors DEECA's strategic ICT risks.

## Assurance committees

Two assurance committees support the Board of Management by providing advice on risk and audit and executive staffing and remuneration.

## Executive Staff and Remuneration Committee

The Executive Staff and Remuneration Committee ensures a fair and equitable approach to the employment of and setting remuneration at the Senior Executive Service, Principal Scientist and Senior Technical Specialist classifications.

## Risk and Audit Committee

The Risk and Audit Committee is an independent body established in accordance with the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*. As an advisory committee, it provides independent assurance to the Secretary that the department's risk and control environment is operating effectively and efficiently. The Committee reviews and assesses the department's systems and controls for financial management, performance and sustainability, including risk management. As at 30 June 2026, the Risk and Audit Committee members are:

| Name           | Role                                                       |
|----------------|------------------------------------------------------------|
| Rachel Thomson | Independent member (Chair)                                 |
| Jan Fitzgerald | Independent member                                         |
| John Nguyen    | Independent member                                         |
| Anita Chow     | Independent member                                         |
| Sally Fensling | Deputy Secretary, Corporate Services                       |
| Beth Jones     | Deputy Secretary and Chief Executive, Agriculture Victoria |
| Matt Vincent   | Chief Executive Officer, Resources Victoria                |



## Departmental objectives, indicators and outputs

This section provides an overview of progress on the department's key initiatives in the Corporate Plan 2025-2029 and reports on the delivery of the department's outputs, including performance results for output measures published in the 2025-26 Department Performance Statement. The table below provides a summary of DEECA's objectives, indicators and outputs for 2025-26:

| Objectives                                              | Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Outputs <sup>(1)</sup>                                                                                                                                                          |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Productive and sustainably used natural resources       | <ul style="list-style-type: none"> <li>Value of Victorian agriculture production</li> <li>Value of Victorian food and fibre exports</li> </ul>                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Agriculture</li> </ul>                                                                                                                   |
| Net zero emissions, climate ready economy and community | <ul style="list-style-type: none"> <li>Reduction in Victoria's greenhouse gas emissions relative to 2005</li> <li>Reduction in greenhouse gas emissions for Victorian schools participating in the ResourceSmart Schools program</li> <li>Strengthen community and government resilience to climate change hazards</li> <li>Reduction in greenhouse gas emissions from Victorian Government operations</li> </ul>                                           | <ul style="list-style-type: none"> <li>Climate Action</li> </ul>                                                                                                                |
| Sustainable development of Victoria's earth resources   | <ul style="list-style-type: none"> <li>Metres drilled for minerals exploration in Victoria</li> <li>Level of production of minerals and extractives</li> </ul>                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Resources</li> </ul>                                                                                                                     |
| Reduced impact of major bushfires and other emergencies | <ul style="list-style-type: none"> <li>Percentage of bushfires contained at first attack and/or under 5 hectares to suppress bushfires promptly, keep bushfires small and minimise loss</li> <li>Area treated through planned burning and other treatments to maintain the statewide bushfire risk at or below 70%</li> <li>Percentage of agreed departmental fire emergency management obligations met on time and to standard</li> </ul>                  | <ul style="list-style-type: none"> <li>Fire and Emergency Management</li> </ul>                                                                                                 |
| Reliable, sustainable and affordable energy services    | <ul style="list-style-type: none"> <li>Relative share of Victoria's energy sourced from renewables</li> <li>Percentage of surveyed users of the Victorian Energy Compare website who report that they plan to switch offers after using the website</li> <li>Electricity generating capacity installed under the Solar Homes program</li> <li>Solar panel systems and energy efficient hot water systems installed under the Solar Homes program</li> </ul> | <ul style="list-style-type: none"> <li>Energy</li> <li>Solar Victoria</li> </ul>                                                                                                |
| Healthy, resilient and biodiverse environment           | <ul style="list-style-type: none"> <li>Improve Victoria's native species populations and their habitat through targeted management</li> <li>Reduction in pollutants from priority hotspots</li> <li>Environment Protection Authority prosecutions result in a finding of guilt or a clarification of the law</li> <li>Reduction in waste generation per person</li> <li>Increase in diversion of waste from landfill</li> </ul>                             | <ul style="list-style-type: none"> <li>Environment and Biodiversity</li> <li>Statutory Activities and Environment Protection</li> <li>Circular Economy<sup>(2)</sup></li> </ul> |
| Productive and effective land management                | <ul style="list-style-type: none"> <li>Level of park visitor satisfaction across the Parks Victoria estate</li> <li>Bay and park assets rated in average to excellent condition</li> <li>Traditional Owner satisfaction with DEECA's progress in enabling self-determination</li> </ul>                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Management of Public Land and Forests</li> <li>Parks Victoria</li> </ul>                                                                 |
| Safe, sustainable and productive water resources        | <ul style="list-style-type: none"> <li>Number of waterway sites with maintained or improved environmental condition as a result of active management</li> <li>Cumulative water savings (permanent reduction in irrigation distribution system delivery losses) realised through water recovery projects</li> </ul>                                                                                                                                          | <ul style="list-style-type: none"> <li>Effective Water Management and Supply</li> </ul>                                                                                         |

### Notes:

- Output costs reported under departmental objectives, indicators and outputs vary to the output costs reported in Note 4 of the financial statements. This is due to different methodologies being used in allocating department wide costs and is detailed in Note 4 of the Financial Statements.
- This output was renamed from Waste and Recycling in 2024-25 to Circular Economy in 2025-26 to better reflect the deliverables of the portfolio.

## Productive and sustainably used natural resources

### Context

DEECA collaborates with partners, local communities and industry to support a more productive, globally competitive, sustainable and jobs-rich agriculture and food and fibre sector. Key priorities include protecting and enhancing market access and management of biosecurity risks, building productivity by increasing the use of new technologies, improving farm practices and supply chain efficiency, building the resilience of the sector to manage risks and emergencies, and assisting the transition of the native timber sector while expanding investment in plantations.

| Initiative                                                                                                          | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deliver against Agribusiness priority in the Economic Growth Statement to grow the economic potential of the sector | <p>Agribusiness remains a priority sector for investment and development, recognising its role in delivering productivity gains, regional growth and broader economic benefits. DEECA coordinated initiatives that demonstrate progress in supporting the sector, facilitated opportunities for co-investment and advanced complementary government objectives.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>releasing the <b><u>2024-25 Food and Fibre Export Performance Report</u></b>, in collaboration with the Department of Jobs, Skills and Industry on 20 May 2026. Victoria maintained its position as Australia's largest food and fibre exporter, with exports reaching a record \$22.1 billion in 2024-25, an increase of almost \$2 billion, or 10% compared with 2023-24. Victoria exceeded the Government's \$20 billion by 2030 export target for the second consecutive year</li> <li>delivering the evokeAG AgTech conference in February 2026 in collaboration with AgriFutures. The event included the announcement of the first approval for the use of virtual fencing technology in Victoria</li> <li>providing land use planning advice to 153 agribusinesses across new and existing properties, supporting investment of up to \$342.3 million in 2025-26</li> <li>engaging with 61 Australian and international start-ups to support their commercial interests in Victoria. The estimated value of these domestic and international AgTech engagements was approximately \$53 million</li> <li>partnering with the Department of Health to support the Victorian Government's reform and consolidation of existing food safety regulators into a new single regulator, Safe Food Victoria, which commenced operations on 1 July 2026.</li> </ul> |
| Accelerate action by the agriculture sector to reduce emissions and adapt to climate change                         | <p>DEECA delivered a range of actions to support Victoria's agriculture sector to reduce emissions and adapt to climate change. Through targeted investment in research, innovation and practical tools, these initiatives strengthened the sector's capacity to accelerate climate action and contribute to a climate-resilient, net-zero emissions economy.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>continuing the delivery of grants under the <b><u>On-farm Emissions Action Plan Pilot</u></b>, including \$1.73 million in funding for 59 Action Plan grants and 13 Innovation Fund grants, bringing the total value of grants funded under the Pilot to \$2.96 million</li> <li>releasing the <b><u>Agriculture Sector Emissions Reduction Pledge 2026-2030</u></b> (2026-2030 Pledge) in November 2025, establishing the next phase of partnership with industry to reduce emissions while maintaining productivity, profitability and climate resilience</li> <li>progressing delivery of emissions reduction research under the 2026-2030 Pledge, including feed additive research and breeding and genomics research to support lower-emitting livestock and future emissions reduction opportunities for Victoria's dairy sector</li> <li>releasing the draft <b><u>Primary Production Adaptation Action Plan 2027-2031</u></b> for public consultation from 18 June to 15 July 2026</li> <li>supporting independent advice to government through the <b><u>Victorian Agriculture and Climate Change Council</u></b>, including delivering 3 business meetings in 2025-26 and supporting the appointment of 7 members to the Council's third term</li> </ul>                                                                                                 |

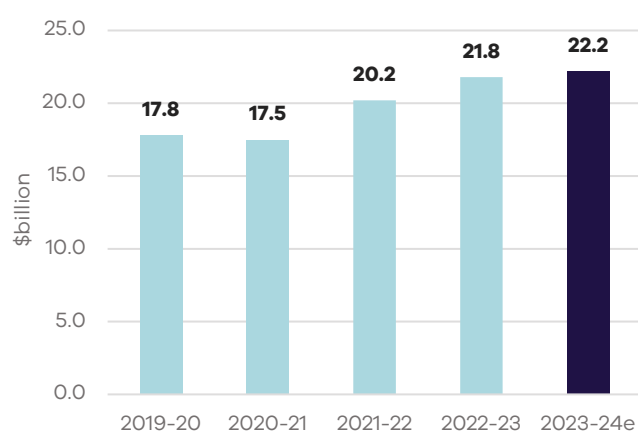


| Initiative                                                                   | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                              | <ul style="list-style-type: none"> <li>delivering 2,393 climate-related engagement services to farmers, supply chains, services providers and industry organisations.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Develop and deliver the Victorian Government drought support package 2025-26 | <p>The Victorian Government provided support to farmers and communities in Victoria impacted by drought. More than \$146.5 million in funding was provided during 2024-25 and 2025-26 for grants and financial support, advisory services and mental health and wellbeing support.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>approving more than 6,600 <b>Farm Drought Support Grants</b> and paying 1,118 <b>Household Financial Relief Payment</b> applications through the Country Women's Association</li> <li>delivering the <b>Look Over the Farm Gate</b> mental health and wellbeing program through the National Centre for Farmer Health, with 314 events held in Victoria</li> <li>supporting technical decision-making through one-on-one farm advisory services for 1,454 farmers and 227 group activities engaging 4,726 farmers</li> <li>engaging 9,444 farmers through 757 activities, such as field days, farm walks, discussion groups and industry meetings and providing technical information on feed budgeting, farm management, animal health, crop and pasture management and horticultural crop management</li> <li>supporting more than 2,652 clients through the <b>Rural Financial Counselling Service</b> and more than 175 clients through Wellbeing Counselling services.</li> </ul>                                                                                                                                                                                                                                                                                                                                 |
| Protecting Victoria from Biosecurity Threats                                 | <p>This Whole of Victorian Government initiative delivers priority programs aimed at increasing the preparedness, capability and capacity of the government to establish robust responses against biosecurity threats including H5 high pathogenicity avian influenza and various plant pests and diseases.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>strengthening <b>H5 bird flu preparedness</b> through a 'Day 1 stand up plan', communication materials, stakeholder engagement with land managers and wildlife carers to build their preparedness, identification of priority at-risk wildlife populations and species, and development of a new waste management risk framework with the Department of Health and the Environment Protection Authority Victoria to support the safe disposal of affected wildlife</li> <li>continuing to deliver and implement DEECA's emergency animal disease waste management strategy to increase Victoria's capacity to manage large volumes of biosecurity waste during a major event, including completing a research trial to test the feasibility of on-farm composting</li> <li>strengthening laboratory diagnostics and surveillance capability through major system upgrades</li> <li>increasing the surveillance of <b>red imported fire ants</b> and enhancing early detection of emerging threats to manage and mitigate the risk of introduction into Victoria</li> <li>delivering 8 workshops in November and December 2025 to inform the development of a general biosecurity duty proposal, with approximately 150 stakeholders from more than 80 organisations participating.</li> </ul> |
| Deliver the Gippsland Plantations Investment Program                         | <p>To support expansion of Victoria's plantation timber estate as part of the managed transition from native timber harvesting, DEECA partnered with Hancock Victorian Plantations (HVP) to deliver the <b>Gippsland Plantations Investment Program</b> (GPIP). The \$120 million investment over 10 years will support the planting of 16 million trees across a new plantation estate of approximately 14,000 hectares. Trees planted under the program are expected to remove approximately 7.8 million tonnes of carbon dioxide from the atmosphere over the next 25 years, contributing to Victoria's emissions reduction targets.</p> <p>In 2025-26, HVP purchased 1,223 hectares of plantable land for the program with further land parcels in the acquisition pipeline. This brought the total area of plantable land acquired under the program to 4,858 hectares.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Initiative | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | <p>HVP planted 2.3 million seedlings across approximately 2,000 hectares of GPIIP land during the 2025 winter planting season, bringing the total number of seedlings planted under the program to 3.5 million. HVP expects to plant more than 2 million seedlings across approximately 1,900 hectares during the 2026 winter planting season.</p> <p>DEECA is supporting HVP to generate revenue through participation in the Australian Carbon Credit Unit scheme. Maximising HVP's ability to monetise carbon is expected to significantly increase the scale of GPIIP plantings that may be incentivised through the program.</p> |

## Departmental Objective Indicator performance

### Indicator: Value of Victorian agriculture production



#### Notes on the data:

- 'e' indicates estimate, especially for some minor commodities representing less than 5% of total gross value.
- The data for this indicator is reported 2 years in arrears due to the Australian Bureau of Statistics' multi-year data modernisation program. The 2024-25 result will be available in late 2026.

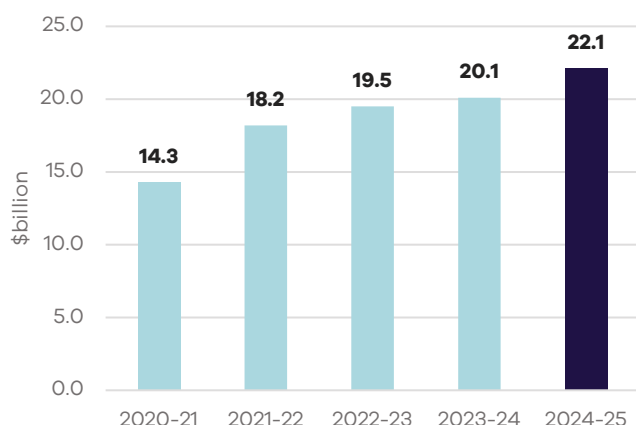
Based on the most recently available data, Victoria's gross value of agricultural production was estimated to be \$22.2 billion in 2023-24, a 1.8% increase from the previous year. Over the 5 years to 2023-24, the gross value of agricultural production increased by approximately 24.7%, from \$17.8 billion in 2019-20 to an estimated \$22.2 billion in 2023-24. Ranked by value, the most significant commodities were broadacre crops (\$4.6 billion), horticulture (\$4.6 billion), dairy (\$3.8 billion), beef (\$2.9 billion) and sheep (\$2.7 billion).

This high value of production has been sustained since 2019-20 despite several challenges, including high input prices, repeated extreme weather events such as the [flood and storm impacts in late 2022](#), and disruptions to overseas markets and supply chains. Positive performance in recent years reflected favourable seasonal conditions until 2022-23, the normalisation of trade relations with China, generally strong commodity prices and the diversification of Victoria's international markets. Industries continued to adapt to changing market conditions, while farmers adopted new processes and technologies, including sensor technologies, to support ongoing productivity growth.

More recently, parts of Victoria experienced repeated extreme weather, including during 2023-24. Farmers also faced challenging conditions in 2024-25, due to extended periods of below average rainfall. Although conditions improved in 2025-26, seasonal volatility remains.

Data from the [Agriculture Commodities Report \(June quarter, 2025\)](#) indicates reduced profitability for farming since 2023-24 for western Victoria and some other southern Australian regions. This reflects a range of factors, including elevated input prices and interest rates, the spread of dry seasonal conditions and, in some cases lower commodity prices. Geopolitical and international market uncertainty has created a complex business environment for Victorian agriculture, presenting both risks and opportunities.

#### Indicator: Value of Victorian food and fibre exports



#### Notes on the data:

- Historical data may differ slightly from data published in prior annual reports. This reflects revisions in the source data from the Department of Foreign Affairs and Trade.
- Data for this indicator is reported one year in arrears.

Victorian food and fibre exports performed strongly in 2024-25, reaching a record high of \$22.1 billion, a 10% increase from the previous year. Victoria's exports represented 28% of the national total, continuing Victoria's position as the nation's largest food and fibre exporter by value.

Victoria's export performance exceeded the state's export target of \$20 billion by 2030, for the second consecutive year.

By value, Victoria's top 5 food and fibre exports in 2024-25 were meat (\$8.2 billion), grain (\$4.6 billion),

dairy (\$2.8 billion), horticulture (\$1.9 billion) and prepared foods (\$1.4 billion). Meat was Victoria's most valuable commodity, increasing by 26% (valued at \$1.7 billion) from the previous year to reach \$8.2 billion in 2024-25. Grain remained Victoria's second most valuable commodity, valued at \$4.6 billion, despite an 8% decrease (or \$387 million) from the previous year.

Victoria's food and fibre export commodities were traded in 174 markets, with China remaining the most valuable market. Ranked by value, Victoria's top 5 food and fibre export market destinations in 2024-25 were China (\$4.8 billion), the United States (\$3.0 billion), Japan (\$1.6 billion), Indonesia (\$1.1 billion) and New Zealand (\$1.0 billion).

Between 2019-20 and 2024-25, the share of Victorian food and fibre exports to markets outside of the top 5 increased from 39% to 48%.

The share of food and fibre exports to markets outside the top 10 increased from 28% to 31% share in 2024-25, representing a 22% increase in export value. This demonstrates strong global demand for Victorian food and fibre and continued diversification across international markets.

Uncertainty in the global trading environment may continue to affect Victoria's exports to key trade partners. DEECA will continue to support Victorian Government's initiatives that engage food and fibre exporters, identify new growth opportunities and help industry adapt to changes in market access and consumer demand.

### Output – Agriculture

This output delivers services to the agriculture, food and fibre sectors to enhance productivity, connect the sector with international markets, create jobs, support growth and maintain effective biosecurity.

This output delivers effective and efficient regulation, compliance, emergency management, biosecurity research and development, and diagnostic services to protect and enhance market access by addressing trade barriers and managing the risks of pests, diseases and chemical use. The Department undertakes research and development to develop new technologies and practices and provides services to enhance their adoption to increase farm productivity and supply chain efficiencies. It provides policy advice and support to industries and businesses to innovate, manage economic and climatic volatility, natural disasters and biosecurity emergencies, and meet consumer and community expectations for food quality, food safety and animal welfare and environmental standards.

The output also creates the conditions to grow the natural resources economy by ensuring resources are sustainably allocated and used for both recreational and commercial purposes.

## Agriculture Industry Development and Regulation

This sub-output supports a more productive, competitive, sustainable and jobs-rich food and fibre sector by delivering policy advice, regulation and support to meet consumer and community expectations for agriculture industry development, pets and animal welfare, regulatory policies and frameworks.

| Performance measure                                                                                                                                                                                                                                                                                                                                                  | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                                                                                                                                                      |                 |                |                |               |        |
| Classroom presentations of the Responsible Pet Ownership program delivered to Victorian kindergartens and primary schools<br><i>Performance is below target due to essential information technology system implementation works that reduced school bookings for a portion of the year, coupled with a slightly depleted pool of trained pet educator/dog teams.</i> | number          | 2 773          | 3 100          | (11)          | ■      |
| Farmers and related small business operators supported by the Rural Financial Counselling Service to manage financial hardship<br><i>Performance is above target due to the financial impact of drought, bushfires and storms across the state, which increased demand.</i>                                                                                          | number          | 2 762          | 1 700          | 62            | ✓      |
| Inspections or audits of scientific establishments undertaken to provide assurance of compliance with relevant industry standards for animal welfare                                                                                                                                                                                                                 | number          | 24             | 25             | (4)           | ○      |
| Young farmer Scholarships Awarded<br><i>Performance is above target as 13 scholarships were able to be awarded within the allocated annual budget. Where applications are received for less than the maximum scholarship allowable, additional scholarships are able to be awarded.</i>                                                                              | number          | 13             | 12             | 8             | ✓      |
| <b>Quality</b>                                                                                                                                                                                                                                                                                                                                                       |                 |                |                |               |        |
| Grant recipients who met agreed milestones<br><i>Performance is above target reflecting the department's tailored and proactive support to grant recipients, which enabled a higher number of recipients to meet their agreed milestone completion dates.</i>                                                                                                        | per cent        | 90             | 70             | 29            | ✓      |
| <b>Timeliness</b>                                                                                                                                                                                                                                                                                                                                                    |                 |                |                |               |        |
| Performance and grant agreements acquitted within timeframes specified in the funding agreement<br><i>Performance is below target as some projects under the Distillery Door Program required extended timeframes to complete non-financial milestones.</i>                                                                                                          | per cent        | 75             | 85             | (12)          | ■      |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                                                          |                 |                |                |               |        |
| Total output cost<br><i>The higher than budgeted output cost is due to additional funding provided for the Government's Drought Support Package to provide support and assistance to farmers and their families affected by drought conditions.</i>                                                                                                                  | \$ million      | 228.9          | 149.5          | (53.2)        | ■      |

## Agriculture Research

This sub-output supports more productive, competitive, sustainable and jobs-rich food and fibre sectors by delivering research and innovation to develop innovative new technologies and farming systems that increase food and fibre productivity and product quality.

| Performance measures                                                               | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                    |                 |                |                |               |        |
| Agreements finalised with industry partners to commercialise intellectual property | number          | 12             | 12             | 0             | ✓      |



| Performance measures                                                                                                                                                                                                                                                                   | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| Intellectual property protection disclosures accepted<br><i>Performance is above target due to an additional disclosure with relevant commercial potential being accepted.</i>                                                                                                         | number          | 13             | 12             | 8             | ✓      |
| Postgraduate-level/PhD students in training                                                                                                                                                                                                                                            | number          | 64             | 65             | (2)           | ○      |
| Ratio of external funds co-invested in agriculture research and development projects<br><i>Performance is above target reflecting the department's proactive and successful efforts in increasing co-investment levels in research and innovation programs.</i>                        | per cent        | 60             | 50             | 20            | ✓      |
| <b>Quality</b>                                                                                                                                                                                                                                                                         |                 |                |                |               |        |
| Satisfaction rating of external co-investors in agriculture research and development<br><i>Performance is above target reflecting the department's proactive and successful efforts in delivering research and innovation projects that meet the needs of industry and government.</i> | scale (1-10)    | 8              | 7              | 14            | ✓      |
| Scientific and technical publications accepted for publication following independent peer review                                                                                                                                                                                       | number          | 204            | 210            | (3)           | ○      |
| <b>Timeliness</b>                                                                                                                                                                                                                                                                      |                 |                |                |               |        |
| Pest and disease diagnostic test results provided to industry and government within agreed timeframes                                                                                                                                                                                  | per cent        | 84             | 85             | (1)           | ○      |
| Research project milestones and reports completed on time                                                                                                                                                                                                                              | per cent        | 92             | 90             | 2             | ✓      |
| <b>Cost</b>                                                                                                                                                                                                                                                                            |                 |                |                |               |        |
| Total output cost<br><i>The higher than budgeted output cost is due to higher Research and Development contributions, as a result of the realignment with milestone payments under contracted research programs.</i>                                                                   | \$ million      | 112.2          | 98.0           | (14.5)        | ○      |

## Biosecurity and Agriculture Services

Animal pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets

| Performance measures                                                                                                                                                                                              | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                   |                 |                |                |               |        |
| Animal disease, welfare and product integrity control programs maintained to ensure Victorian agricultural produce complies with food safety, animal welfare and biosecurity standards required to access markets | number          | 5              | 5              | 0             | ✓      |
| Client interactions with land health services<br><i>Performance is above target due to an increased uptake of demand-driven services associated with drought conditions.</i>                                      | number          | 1 859          | 1 700          | 9             | ✓      |
| Clients engaged with agriculture productivity services<br><i>Performance is above target due to an increased uptake of demand-driven services associated with drought conditions.</i>                             | number          | 4 901          | 3 910          | 25            | ✓      |
| Known state prohibited weed sites monitored and treated in line with the relevant weed action plan                                                                                                                | per cent        | 98             | 95             | 3             | ✓      |

| Performance measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| Plant pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets                                                                                                                                                                                                                                                                                                                                                                                                                                                       | number          | 6              | 6              | 0             | ✓      |
| Properties inspected for invasive plant and animal priority species<br><i>Performance is below target due to bushfire impacts on properties planned for inspection, and the redirection of staff to high-priority biosecurity response activities, including the tomato potato psyllid response and bushfire emergency responses.</i>                                                                                                                                                                                                                                                                                                     | number          | 1 438          | 1 800          | (20)          | ■      |
| <b>Quality</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |                |                |               |        |
| Client satisfaction rating of agricultural services<br><i>Performance is above target due to the department prioritising the design of client focused services.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | scale (1-10)    | 8.7            | 8              | 9             | ✓      |
| National biosecurity, agriculture/veterinary chemical use and animal welfare programs implemented in accordance with agreed plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | per cent        | 100            | 96             | 4             | ✓      |
| Preparedness activities implemented, in line with agreed plans, to ensure response readiness for emergency animal and plant pest, disease and natural disaster incidents<br><i>Performance is above target due to the department prioritising the planning and delivery of activities to ensure readiness for future emergency incidents.</i>                                                                                                                                                                                                                                                                                             | per cent        | 97             | 90             | 8             | ✓      |
| <b>Timeliness</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |                |                |               |        |
| Actions commenced within specified timeframes to respond to new or amended assurance or accreditation programs to meet interstate requirements and enable export of Victorian plant and plant products                                                                                                                                                                                                                                                                                                                                                                                                                                    | per cent        | 100            | 96             | 4             | ✓      |
| Actions commenced within specified timeframes to respond to reported emergency animal and plant pest, disease and natural disaster incidents complies with national and state agreements and obligations                                                                                                                                                                                                                                                                                                                                                                                                                                  | per cent        | 100            | 100            | 0             | ✓      |
| Animal health certificates issued within specified timeframes to support international market access                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | per cent        | 99             | 95             | 4             | ✓      |
| Plant health certificates issued within specified timeframes at the Melbourne Wholesale Fruit and Vegetable Market to support domestic market access                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | per cent        | 96             | 95             | 1             | ✓      |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |                |                |               |        |
| Total output cost<br><i>The higher than budgeted output cost is predominantly due to the additional support provided for technical matters and decision making to manage the impacts of the drought and/or prepare for dry seasonal conditions across Victoria. Additional expenditure was also incurred to support biosecurity response activities, maintain response capability, and meet cost-sharing obligations with other jurisdictions under national cost-sharing agreements. The actual outcome also includes additional funding for the FutureMAX biosecurity technology platform and Farm Business Resilience initiatives.</i> | \$ million      | 162.7          | 139.3          | (16.8)        | ○      |

## Sustainably manage forest resources

This sub-output creates the conditions to ensure the natural resources economy including forestry resources are sustainably allocated and used for both recreational and commercial purposes.

| Performance measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |                |                |               |        |
| Number of business and community development grants awarded<br><i>Performance is above target due to increased interest in the program, particularly with the Victorian Timber Innovation Fund, Transition Fund and Community Development Fund grant programs.</i>                                                                                                                                                                                                                                                                                                                         | number          | 78             | 40             | 95            | ✓      |
| Number of training activities undertaken under the Victorian Forestry Transition Program<br><i>Performance is below target due to increased demand for training services prior to the program's closure on 30 June 2026. Although this result is below target, the measure is designed such that lower participation is generally favourable, reflecting fewer workers needing assistance to transition to new employment. The increased uptake demonstrates that affected workers were able to access additional training and support pathways to assist their employment transition.</i> | number          | 503            | 450            | (12)          | ■      |
| Number of trees planted under the Gippsland Plantation Investment Program<br><i>Performance is above target due to favourable planting conditions and more plantable land being available than expected.</i>                                                                                                                                                                                                                                                                                                                                                                               | number          | 2 359 236      | 2 000 000      | 18            | ✓      |
| Number of worker support payments finalised under the Victorian Forestry Transition Program<br><i>Performance is below target due to a higher number of support payments being required, reflecting increased demand for transition support during the year.</i>                                                                                                                                                                                                                                                                                                                           | number          | 107            | 50             | (114)         | ■      |
| Value of co-investment from external (non-state) funding sources attracted to the Department's programs that support the growth of Victoria's plantation estate<br><i>Performance is below target due to prevailing market conditions, resulting in reduced land acquisitions during the year.</i>                                                                                                                                                                                                                                                                                         | \$ million      | 7.9            | 12             | (34)          | ■      |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                 |                |                |               |        |
| Total output cost<br><i>The lower than budgeted output cost is primarily due to funding being rephased to future years to align with revised land acquisition, planting and program delivery timelines, under the Timber Plantation Establishment initiative and Forestry Transition Program.</i>                                                                                                                                                                                                                                                                                          | \$ million      | 50.8           | 150.4          | 66.2          | ✓      |

Note:

- ✓ Performance target achieved or exceeded.
- Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).
- Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Net zero emissions, climate-ready economy and community

### Context

DEECA leads the Victorian Government's climate action policy, in line with the *Climate Action Act 2017*.

The Act provides Victoria with a world-leading legislative foundation, which cements our net zero emissions goal in law. It establishes a comprehensive framework to achieve net zero greenhouse gas emissions while we plan for, and adapt to, our changing climate. It drives Victoria's transition to a climate resilient community and economy and builds the state's resilience to climate change.

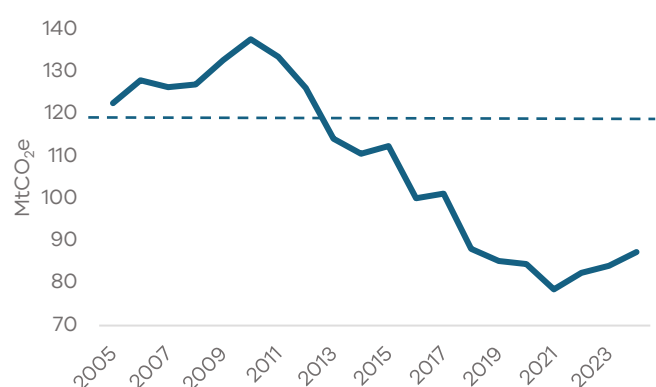
In November 2025, the Victorian Government released **Victoria's Climate Change Strategy 2026-30**, setting the direction for the next 5 years of Victoria's transition, as the state continues to take nation-leading action to reduce emissions and build climate resilience.

| Initiative                                                                                                                 | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Demonstrate Victorian Government leadership in the transition to a net zero emissions, climate ready economy and community | <p>In 2025-26, DEECA led key actions to support Victoria's leadership in the transition to a net zero, climate-ready economy and community, including:</p> <ul style="list-style-type: none"> <li>• supporting Victorian Government decision makers to consider the greenhouse gas emissions impacts of policies and projects; in May 2026, DEECA published the Victorian <b><u>Emissions Value series</u></b>, enabling emissions to be consistently valued and incorporated into business cases and other decision-making processes</li> <li>• preparing the <b><u>Whole of Victorian Government Emissions Reduction Pledge (2026-30)</u></b>, which sets out actions to reduce emissions from government operations and embed climate considerations in decision-making</li> <li>• collaborating with the Department of Treasury and Finance to develop the second <b><u>Victorian Government climate-related risk disclosure statement</u></b>, which outlines the government's approach to managing climate-related risks and opportunities in line with evolving best-practice frameworks</li> <li>• coordinating the <b><u>Government response to the Parliamentary Inquiry into Climate Resilience</u></b>, released in February 2026</li> <li>• supporting departments to better understand and manage climate-related risks, including by preparing or updating climate risk assessments for key assets and services exposed to physical climate hazards</li> <li>• supporting departments to identify emissions reduction opportunities and challenges across government operations by providing guidance and coordination for the development of portfolio emissions reduction plans</li> <li>• supporting Traditional Owners to progress climate action goals through the \$1.1 million Traditional Owner Climate Action Grants Program, which is building capability and capacity to care for Country and respond to climate change.</li> </ul> |
| Deliver leading climate action strategies for Victoria                                                                     | <p>Victoria's <b><u>Climate Change Strategy 2026-30</u></b> was released in November 2025, supported by \$8.5 billion in investment. The strategy sets Victoria's direction to reduce emissions and strengthen climate resilience over the next 5 years. It outlines the breadth and depth of climate action in Victoria, including the transition to renewable energy, greater access to sustainable transport, support for Victorian farmers to reduce emissions and the planting of millions of trees across the state. DEECA also released <b><u>7 Emissions Reductions Pledges</u></b> in November 2025, which outline actions to cut emissions across 6 sectors – energy, transport, agriculture, land, industrial processes and product use, and waste – as well as from the Victorian Government's own operations from 2026-30. The pledges include more than 100 actions covering existing public commitments, ongoing actions from the 2021-25 pledges and new, approved and funded actions. These actions support: affordable and reliable clean energy; new industries and jobs; reduced congestion; more sustainable transport options; lower-emissions agriculture, increased tree planting across Victoria, reduced organic waste to landfills; and lower emissions from refrigerant gases, while helping businesses reduce costs.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Initiative                                                    | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deliver best available climate science and emissions analysis | <p>Progress and key actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>delivering 9 training modules to support use of <a href="#">Victoria's Future Climate Tool</a>, enabling users across Victorian Government, local government and non-government organisations to access and interpret the latest climate projections for Victoria through an interactive platform</li> <li>leading the Victorian Government's participation in climate science research partnerships and collaborations, including the <a href="#">National Environmental Science Program</a>, the <a href="#">National Partnership on Climate Projections</a>, and the Australian Research Centre's <a href="#">Centre of Excellence for 21st Century Weather</a>. These engagements enabled DEECA access leading research to inform climate policy, planning and decision-making in Victoria</li> <li>preparing the 2023 <a href="#">Annual Greenhouse Gas Emissions Report</a>, tabled in Parliament in November 2025. DEECA also progressed development of the 2024 report and accompanying data dashboard, which will provide a new interactive way to access information on Victoria's emissions. The 2024 report and dashboard are expected to be released in mid-2026-27.</li> </ul> |

## Departmental Objective Indicator performance

### Indicator: Reduction in Victoria's greenhouse gas emissions relative to 2005



#### Notes on the data:

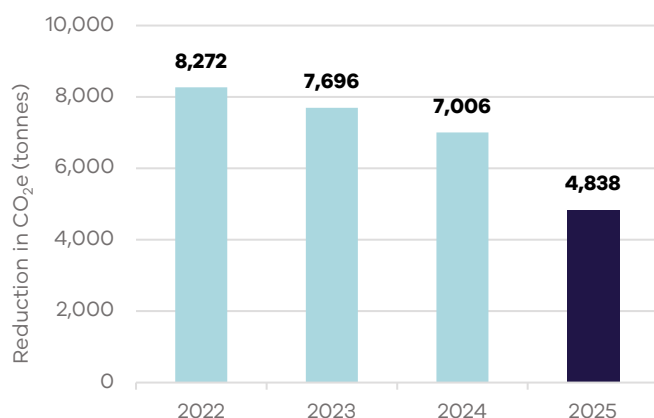
- Data for this indicator is reported 2 years in arrears. The most recent Commonwealth data is for 2023–24. The 2-year lag is due to the detailed collection process and extensive quality assurance associated with the Commonwealth's reporting.
- The Victorian Government has legislated Greenhouse Gas Emissions Reduction targets of:
  - 28–33% below 2005 levels by 2025
  - 45–50% below 2005 levels by 2030
  - 75–80% below 2005 levels by 2035
  - Net zero emissions by 2045.

The latest available Commonwealth data shows that by 2024, Victoria's emissions were 28.5% below 2005 levels, within the range of the 2025 target. Most reductions were attributed to the electricity sector, with additional contributions from the absorption of emissions by Victoria's forests and reduced fossil gas use by businesses and households. Victoria's 2024 emissions increased by 3.1% compared with 2023, driven by weather-related factors, increasing [land use, land use change and forestry](#) emissions. These factors also reduced wind and hydro renewable energy generation, resulting in a temporary increase in electricity emissions.

The Victorian Government publishes an annual report on Victoria's [Greenhouse Gas Emissions](#) using the latest available data. The report draws on emissions data prepared by the Commonwealth Department of Climate Change, Energy, the Environment and Water in accordance with internationally agreed standards.



**Indicator: Reduction in greenhouse gas emissions for Victorian schools participating in the ResourceSmart Schools program**



**Notes on the data:**

- Carbon dioxide equivalent (CO<sub>2</sub>e) is a measure used to compare the impact of different greenhouse gases on climate change by factoring in their global warming potential. It provides a unified way to express the contribution of each greenhouse gas to climate change.
- Tonnes of CO<sub>2</sub>e emissions abatement by schools participating in the ResourceSmart Schools (RSS) program is calculated per calendar year to align with schools' reporting period.
- The 2025 result has been calculated using the Commonwealth Department of Climate Change, Energy, the Environment and Water formula for 2025, where 1 kilowatt hour (kWh) equals 0.78kg<sup>1</sup> of CO<sub>2</sub>e emitted.
- The CO<sub>2</sub>e formula is updated annually as the energy grid becomes greener.
- Historic CO<sub>2</sub>e figures may change. This is because participating schools can retrospectively adjust their energy billing data in the RSS online system after annual reporting is complete.

Through the RSS program, participating Victorian schools are supported to work through a sustainability framework and progress towards 5-star sustainability status.

Schools undertake sustainability activities and upload billing data, curriculum material and other documentation to an online platform to demonstrate how sustainability is embedded into the school's operations, curriculum and community. Actions include replacing less efficient appliances and upgrading or installing energy saving infrastructure, such as motion-sensor lighting and rooftop solar photovoltaic systems.

RSS reported energy savings of 6,202,584 kWh in the 2025 school year, below the output performance measure target of 8,500,000 kWh. The result was

lower than expected due to a decrease in the number of schools with direct access to energy billing data as a result of changes to energy suppliers to schools.

In 2025, participating schools' energy savings avoided emissions equivalent to 4,838 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e).

RSS was delivered in partnership with Sustainability Victoria from 2008 until 1 June 2026 when the program transitioned to DEECA.

**Indicator: Strengthen community and government resilience to climate change hazards**

This new objective indicator reports on the department's progress towards the delivery of Adaptation Action Plan actions, in support of achieving a net zero emissions, climate ready economy and community.

In 2025–26, DEECA strengthened Victoria's climate resilience by supporting communities, industries and government to better understand, prepare for and manage climate risks. A key milestone was the release of **Victoria's Climate Change Strategy 2026–30** in November 2025, which sets the direction for strengthening climate resilience over the next 5 years and will inform the development of the next Adaptation Action Plans for 2027–31.

DEECA promoted the use of the **Victorian Climate Science Report 2024** and **Victorian Climate Projections 2024** through targeted resources, practical guidance and fit-for-purpose frameworks. These initiatives supported government agencies, industries and communities to understand climate change impacts and inform decisions and actions. DEECA also built climate science capability across the Victorian public sector and local government through targeted training and engagement, including the use of **Victoria's Future Climate Tool** to translate climate projections into policy, planning and investment decisions.

DEECA worked with the Department of Treasury and Finance (DTF) to publish the second **Victorian Government Climate-related Risk Disclosure Statement** in October 2025 and strengthen climate considerations in government decision making. This included supporting departments to prepare or update climate-risk assessments and introducing a budget screening process to consider the emissions and climate risk and resilience impacts of State Budget proposals. These new requirements support lower-cost emissions reduction opportunities, reduce exposure and vulnerability to climate risks and encourage innovation.

<sup>1</sup> Australian National Greenhouse Accounts Factors <https://www.dcceew.gov.au/sites/default/files/documents/national-greenhouse-account-factors-2025.pdf> page 8

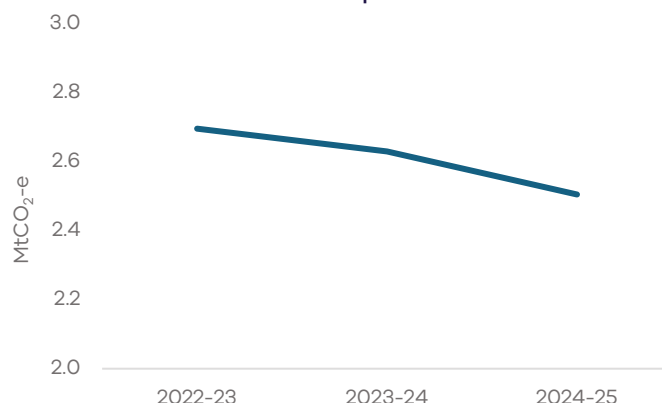
DEECA coordinated the [Government Response to the Parliamentary Inquiry into Climate Resilience](#) in consultation with relevant departments and agencies. Released in February 2026, the Government Response supported in full, in principle or in part all 80 recommendations addressed to government. Key reforms include [Ministerial Direction No. 22](#) on climate considerations in planning, reforms under the *Planning Amendment (Better Decisions Made Faster) Act 2026* to ensure land use and development responds to climate change, and a more streamlined, state-led approach to planning scheme amendments to incorporate updated flood risk information and guide development in flood-prone areas.

DEECA continued to implement the [Primary Production, Natural Environment, and Water Cycle](#) Adaptation Action Plans (2022–26), embedding climate change considerations in government decision making to strengthen the resilience of assets, services and ecosystems. DEECA also supported the implementation of Adaptation Action Plans across 4 other systems – the [Built Environment, Education and Training, Health and Human Services, and Transport](#).

DEECA coordinated the development of draft [Adaptation Action Plans 2027–31](#), focusing on at-risk communities, assets, services, industries and natural environments; supporting households and communities to manage climate risks; and planning for the future while enhancing emergency management and preparedness. Public engagement on the draft plans commenced in June 2026 across 8 statewide systems, including the first Energy Adaptation Action Plan.

DEECA partnered with Victoria’s First Peoples to progress self-determination, through the implementation of a climate action grants program and participated in climate action partnerships and collaborations at local, national and international levels. This included contributing to the development of a national adaptation action agenda through the Energy and Climate Change Ministerial Council.

#### Indicator: Reduction in greenhouse gas emissions from Victorian Government operations



#### Notes on the data:

- Data for this indicator is reported one year in arrears.
- Emissions data comprises scope 1 and 2 emissions reported by Victorian public entities in accordance with [Financial Reporting Direction 24](#). Scope 1 emissions are direct emissions from owned or controlled sources (such as combustion of gas, liquid fuels used in vehicles and back-up generators, medical gases, and wastewater treatment). Scope 2 emissions are indirect emissions from the generation of electricity purchased through the grid.

This new objective indicator reports on progress towards the reduction of greenhouse gas emissions from Victorian Government operations in support of achieving a net zero emissions, climate ready economy and community.

The Victorian Government contributes to this goal by reducing emissions from its own operations. Emissions from the Victorian Government sector include Victorian Government departments and most public entities defined under the *Public Administration Act 2004*, including public health services, public schools, TAFEs, police and emergency services.

The latest available data shows that Victorian Government emissions reduced by 5% in 2024-25, primarily due to increased renewable energy use across public entities.

Further reductions are expected for 2025-26, with eligible Victorian Government sites transitioning to 100% renewable electricity supplied by the SEC from 1 July 2025. All Victorian water corporations have also sourced 100% renewable electricity for all operations since the end of 2025.

In addition to powering government operations with renewable electricity, the government delivered commitments under the **2021-25 Whole of Victorian Government pledge**, including improving the energy performance of government buildings and piloting zero emissions vehicles in the government fleet.

In 2025-26, DEECA coordinated development of the **2026-30 Whole of Victorian Government pledge**.

released in November 2025. The pledge focuses on reducing government emissions from fossil gas, transport fuels and wastewater, which are expected to be the key sources of government emissions from 2026 to 2030.

For further information on DEECA's emissions, see the Environmental Performance reporting section in this Annual Report.

## Climate Action

This output leads the development and implementation of strategic, whole of government climate action policy and programs that contribute to Victoria's 2045 target of net zero greenhouse gas emissions and building the State's resilience to climate change.

| Performance measures                                                                                                                                                           | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                |                 |                |                |               |        |
| Annual energy saved by Victorian schools participating in the ResourceSmart Schools program                                                                                    | kWh             | 6 202 584      | 8 500 000      | (27)          | ■      |
| <i>Performance is below target due to a decrease in the number of schools with direct access to energy billing data as a result of changes to energy suppliers to schools.</i> |                 |                |                |               |        |
| Victorian schools participating in the ResourceSmart Schools program                                                                                                           | number          | 504            | 600            | (16)          | ■      |
| <i>Performance is below target reflecting the current level of engagement of Victorian schools with extracurricular activities.</i>                                            |                 |                |                |               |        |
| <b>Timeliness</b>                                                                                                                                                              |                 |                |                |               |        |
| Delivery of statutory outputs under the <i>Climate Action Act 2017</i> within statutory timeframes                                                                             | per cent        | 100            | 100            | 0             | ✓      |
| <b>Cost</b>                                                                                                                                                                    |                 |                |                |               |        |
| Total output cost                                                                                                                                                              | \$ million      | 18.6           | 18.4           | (0.9)         | ○      |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Sustainable development of Victoria's earth resources

### Context

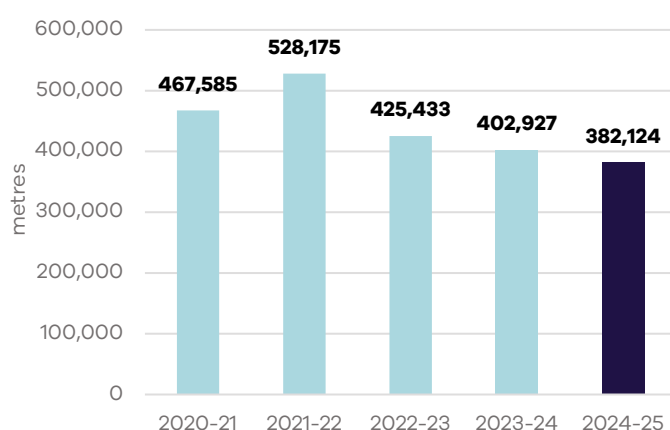
DEECA develops and delivers policy, programs and regulations to enable investment and generate jobs through the sustainable development of the state's earth resources, including extractives, minerals and petroleum.

| Initiative                            | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Victoria's Critical Minerals Roadmap  | <p>The <b><u>Victorian Critical Minerals Roadmap</u></b> aims to develop Victoria's critical minerals industry, supporting new jobs and investment.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• approving a work plan for a new exploration tunnel at Southern Cross Gold's Sunday Creek antimony and gold project in central Victoria on 27 November 2025, supporting underground exploration drilling and potential resource development</li> <li>• announcing the \$1 million Advancing Antimony Grants program on 2 March 2026 to support industry development in Victoria, strengthen local manufacturing, create new jobs and regional growth, and build downstream processing capability</li> <li>• approving a mining work plan for VHM Limited's Goschen Rare Earths and Mineral Sands Project in north-west Victoria on 28 November 2025, supporting the project's progression towards production</li> <li>• commencing work to explore the feasibility of establishing Victoria's first rare earth element processing facility in partnership with the Commonwealth Government, following its announcement on 27 November 2025, to support advanced manufacturing and strengthen local supply chains</li> <li>• establishing the Mineral Sands Agricultural Land Restoration Working Group on 2 June 2026, bringing together farmers, rehabilitation experts, local government, catchment management authorities, Agriculture Victoria and the resources sector to build confidence that land used for mineral sands development can be successfully rehabilitated for agricultural use</li> <li>• commencing a new airborne electromagnetic survey across central Victoria on 1 June 2026, in partnership between the Geological Survey of Victoria and Geoscience Australia, to generate new geoscience data and improve understanding of subsurface geology, including areas associated with antimony occurrences.</li> </ul> |
| Secure the supply of quarry materials | <p>This initiative aims to secure long-term access to quarry materials and support Victoria's growth. Demand for extractive resources is expected to increase from 58 million tonnes in 2024-25 to approximately 80 million tonnes per year by 2030. Identifying and safeguarding land with the highest potential to supply extractive materials over the next 10 years will help meet rising demand.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• approving 132 million tonnes of new quarry resources, significantly exceeding the annual target of 80 million tonnes. New extractives supply will support the Big Build infrastructure program and new housing developments</li> <li>• approving 3 new Strategic Extractive Resource Areas on 27 April 2026 – Lang Lang (Cardinia Shire), Oaklands Junction (Hume City) and Trafalgar (Baw Baw Shire) – to help secure future quarry material supply</li> <li>• improving approval timeliness, with average end-to-end approval times in 2025-26 reduced by nearly 30% compared with 2023-24.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Transition to New Duties Model        | <p><b><u>The transition to a new duties model</u></b> on 1 July 2027 will establish a modern, duty-based regulatory framework for Victoria's mineral and quarry industries, reflecting amendments made in 2023 to the <i>Mineral Resources (Sustainable Development) Act 1990</i>. The project will strengthen DEECA's ability to protect public safety, infrastructure and the environment through clearer statutory duties, risk-based compliance obligations and streamlined works approval processes.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• implementing processes to streamline minor variations for quarry and minerals operations before the duty-based framework commences</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Initiative                                            | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       | <ul style="list-style-type: none"> <li>supporting the passage of legislative amendments in February 2026 through the <i>Mineral Resources (Sustainable Development) Amendment (Financial Assurance) Act 2026</i></li> <li>engaging directly with industry groups to support transition to the new duties model.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Efficient and strengthened earth resources regulation | <p>This initiative supports a sustainable mining and quarrying sector through strong regulations and timely decision making.</p> <p>Progress and actions in 2025-26 include:</p> <ul style="list-style-type: none"> <li>advancing a statewide rapid inspection campaign, completing 475 inspections in 2025-26 to ensure licensees met work plan obligations and managed key site risks</li> <li>approving the construction of a new tailings storage facility at the Fosterville Gold Mine near Bendigo on 7 November 2025; to be built within an existing tailings area to help address storage constraints and support the mine's safe ongoing operation</li> <li>approving, in partnership with the Commonwealth Government, the production licence for Amplitude Energy's Annie Gas Field Project in the Otway Basin on 7 May 2026, supporting access to locally produced gas for Victorian households and industries</li> <li>implementing key reforms in response to recommendations from the <a href="#"><u>Quarry Rehabilitation Bonds Review Panel</u></a> in June 2026, including introducing a simplified bond calculator, launching a performance incentive scheme with bond reductions of up to 20%, and increasing the cash bond limit to \$100,000. The panel found that current bond settings for the quarry sector do not reflect risk, are inefficient, and place unnecessary burdens on quarry operators while not encouraging progressive rehabilitation.</li> </ul> |

## Departmental Objective Indicator performance

### Indicator: Metres drilled for minerals exploration in Victoria



#### Notes on the data:

- Data for this indicator is reported 1 year in arrears.
- Source: Drilling information reported in expenditure and activity returns submitted during 2024-25; data coverage may extend back to 1 October 2023.

- Definitions:
  - Exploration is the search for economic mineral deposits.
  - Drilling is the process of subsurface sampling to determine the nature of the material below the surface.
  - Metres drilled captures the amount of drilling linked to exploration.

Reported minerals exploration drilling in Victoria remained relatively stable in 2024-25, totalling 382,124 metres. This was 20,803 metres or 5.16%, lower than in 2023-24. Changes in activity reflected:

- a 15% decrease in drilling under exploration licences, from 149,805 metres in 2023-24 to 127,365 metres in 2024-25, alongside a shift from aircore to diamond drilling that may reflect progression to more advanced exploration stages
- a 9.4% decrease in drilling under mining licences, from 213,032 metres in 2023-24 to 193,052 metres in 2024-25, driven by a reduction in gold exploration drilling
- a 53.9% increase in drilling under retention licences, from 40,090 metres in 2023-24 to 61,707 metres in 2024-25, driven by higher levels of gold and antimony related drilling.

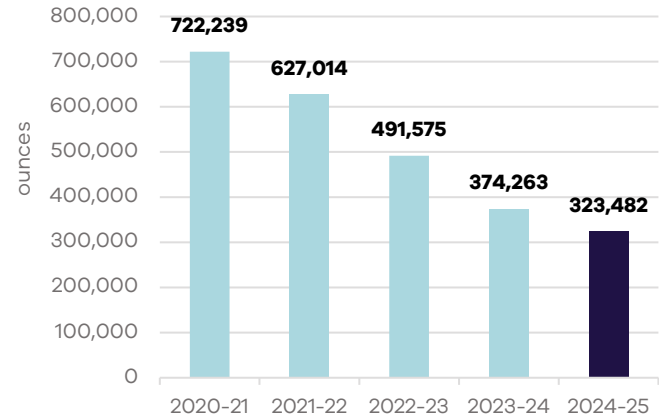


Exploration expenditure, reported alongside drilling metres, is another positive indicator of industry health. Expenditure in Victoria began rising in the final quarter of 2024–25 and remained above the levels recorded at the same time in the previous year. Companies reporting strong drilling results included:

- visible gold at North Stawell Minerals’ Darlington prospect, with subsequent drilling confirming high-grade mineralisation near the operating Stawell Gold Mine
- multiple zones of visible gold near historic gold mining regions in Myrtleford by Advance Metals
- multiple high-grade gold intersections at Aureka’s St Arnaud, Irvine and Tandarra projects, advancing several underexplored gold districts in central Victoria, with further drilling undertaken in 2025-26
- Falcon Metals delivered one of Victoria's highest-grade drilling results of 2025 at their Pyramid Hill project near the historic Bendigo Gold Mine, with additional drilling undertaken in 2025-26
- active drilling by Stavely Minerals across its copper-silver and gold projects, including expansion of a new copper-silver area at Junction Prospect and thick zones of gold mineralisation at Fairview South and North
- drilling by Bubalus Resources at the Crosbie South Gold Project, targeting gold-antimony associated with a historic goldfield, with early high-grade mineralisation results supporting follow-up drilling in 2025-26.

**Indicator: Level of production of minerals and extractives**

**Annual production of gold**



**Notes on the data:**

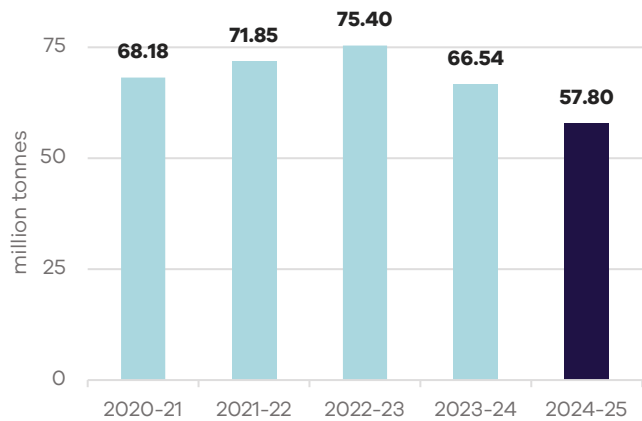
- Data for this indicator is reported one year in arrears.
- The restatement of prior year data in some cases is due to the receipt of late submissions from licence holders.
- Source: [Earth Resources Regulation Annual 2024-25 Statistical Report](#).

Gold production in Victoria was 323,482 ounces in 2024-25, representing a reduction of 50,781 ounces or

13.6% from 2023-24. The decrease was mainly driven by lower production at Fosterville Gold Mine located near Bendigo, Victoria’s largest gold producer, reflecting lower throughput and lower gold grades from mine sequencing. Mine sequencing is used to optimise the development of mineral reserves.

DEECA facilitated earth resources projects in a timely and transparent way, while safeguarding public safety, human health, infrastructure and the environment. This included supporting industry through expert advice and clear approvals processes.

**Annual production of extractives**

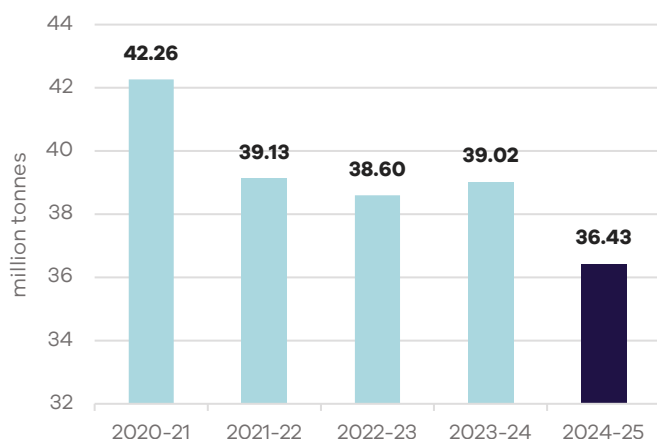


**Notes on the data:**

- Data for this indicator is reported one year in arrears.
- The restatement of prior year data in some cases is due to the receipt of late submissions from licence holders.
- Source: [Earth Resources Regulation Annual 2024-25 Statistical Report](#).

Extractives production decreased by 8.74 million tonnes to 57.80 million tonnes in 2024-25, a decrease of 13% from 2023-24. The decrease was mainly driven by lower stone production. Demand for extractives material, including sand, stone and gravel, is expected to continue growing as Victoria’s Big Build and increased housing development drive investment in major construction and transport infrastructure. Demand is projected to exceed more than 90 million tonnes by 2034. To support future supply, DEECA approved the extraction of 132 million tonnes of new quarry-based construction materials in 2025-26.

### Annual production of brown coal



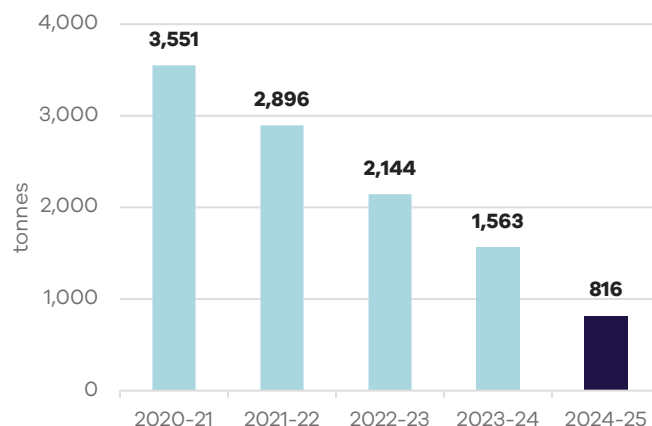
#### Notes on the data:

- Data for this indicator is reported one year in arrears.
- The restatement of prior year data in some cases is due to the receipt of late submissions from licence holders.
- Source: [Earth Resources Regulation Annual 2024-25 Statistical Report](#).

Brown coal production decreased by 6.6% to 36.4 million tonnes in 2024-25. Production has remained relatively steady since 2021-22 but is expected to decline over time as renewable electricity generation increases, supporting Victoria's transition to net zero emissions by 2045 and the planned closure of coal fired power stations. Yallourn Power Station is scheduled to close in mid-2028 and Loy Yang A Power Station is scheduled to close in 2035.

DEECA facilitated earth resources projects in a timely and transparent way, while safeguarding public safety, human health, infrastructure and the environment. This included supporting industry through expert advice and guidance on longer term mine rehabilitation planning.

### Annual production of antimony



#### Notes on the data:

- Data for this indicator is reported one year in arrears.
- Source: [Earth Resources Regulation Annual 2024-25 Statistical Report](#).

Antimony is produced from Australia's only antimony mine at Costerfield in central Victoria. Production decreased by 47.8%, from 1,563 tonnes in 2023-24 to 816 tonnes in 2024-25, reflecting lower grades that have steadily declined in recent years.

Exploration drilling at Costerfield during 2024-25 identified growth potential for the mine with high grade gold and antimony close to the existing operation, supporting the long-term growth outlook for future mine expansion and production.

DEECA facilitated earth resources projects in a timely and transparent way, while safeguarding public safety, human health, infrastructure and the environment. This included supporting industry through expert advice and clear approvals processes.

## Resources

The Resources output seeks to unlock the full potential of Victoria's earth resources, including supporting the transition to net zero emissions through effective policy, programs and regulation.

This is achieved by: securing the supply of quarry-based construction material to support residential and infrastructure development across the state; the delivery of high-quality geoscience data and knowledge to inform government decision making and attract new investment; and the responsible regulation of quarries and mines from exploration through to rehabilitation.

| Performance measures                                                                                                                                                                                                                        | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                             |                 |                |                |               |        |
| Community and stakeholder engagement information forums                                                                                                                                                                                     | number          | 54             | 55             | (2)           | ○      |
| Earth resources regulatory audits completed in line with the agreed compliance work program                                                                                                                                                 | number          | 765            | 277            | 176           | ✓      |
| <i>Performance is above target due to the Rapid Inspection program (commenced in January 2025), which aims to inspect and assess the risk and the condition of sites for mineral, prospecting and extractives licences across Victoria.</i> |                 |                |                |               |        |
| Geoscience data packages released to promote earth resource opportunities across the State                                                                                                                                                  | number          | 10             | 10             | 0             | ✓      |
| <b>Timeliness</b>                                                                                                                                                                                                                           |                 |                |                |               |        |
| Delivery of agreed milestones for major resources initiatives and priority projects                                                                                                                                                         | per cent        | 97             | 100            | (3)           | ○      |
| Extractive Industries Work Authority work plans processed within regulatory timeframes                                                                                                                                                      | per cent        | 99             | 95             | 4             | ✓      |
| Mineral licence applications processed within regulatory timeframes                                                                                                                                                                         | per cent        | 100            | 95             | 5             | ✓      |
| <i>Performance is above target due to operational improvements implemented by the department in the processing of license applications.</i>                                                                                                 |                 |                |                |               |        |
| Mineral work plans processed within regulatory timeframes                                                                                                                                                                                   | per cent        | 97             | 95             | 2             | ✓      |
| Site rehabilitation bonds processed within 90 days from issue of bond notice for work plans expanding access to resource                                                                                                                    | per cent        | 100            | 95             | 5             | ✓      |
| <i>Performance is above target due to operational improvements implemented by the department in the processing of rehabilitation bonds.</i>                                                                                                 |                 |                |                |               |        |
| <b>Cost</b>                                                                                                                                                                                                                                 |                 |                |                |               |        |
| Total output cost                                                                                                                                                                                                                           | \$ million      | 53.3           | 53.7           | 0.7           | ✓      |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Reduced impact of major bushfires and other emergencies

### Context

DEECA is one of several Victorian Government departments and agencies with responsibilities for emergency management. DEECA's responsibilities span all phases of emergency management: mitigation, preparedness, response and recovery. DEECA's approach to reducing the impact of emergencies is informed by several strategies, policies and guidelines. Victoria's Bushfire Management Strategy guides DEECA's integrated approach to reducing the risk of bushfires and the protection of people, property and the environment. The strategy is supported by [Victoria's Bushfire Management Strategy Implementation Plan \(2024–27\)](#) and [Victoria's Bushfire Monitoring, Evaluation and Reporting Framework](#). The strategy builds on the ongoing work of the [Safer Together Program](#) that the department delivers in partnership with the sector and communities to support improved outcomes for bushfire risk management.

| Initiative                                                                                                | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Coordinate delivery of recovery services following emergencies, implementing the One DEECA Recovery Model | <ul style="list-style-type: none"> <li>DEECA continued to deliver and monitor multiple recovery programs following emergency events relevant to DEECA and its delivery partners, including coordinating of recovery activities eligible for cost sharing under the Commonwealth Government's <a href="#">Disaster Recovery Funding Arrangements</a>.</li> <li>Progress and actions in 2025-26 included: <ul style="list-style-type: none"> <li>DEECA and partner agencies, including Parks Victoria, delivered immediate recovery works following the January 2026 bushfires to reopen public land safely and support communities and primary producers with immediate relief needs. Programs delivered included: <ul style="list-style-type: none"> <li>gate fee rebates and waste levy waivers to enable impacted communities to dispose of disaster waste free of charge</li> <li>Prolonged Power Outage payments, which provided critical emergency relief to communities and businesses without power for 7 or more days</li> <li>support for primary producers, including grants of up to \$75,000, concessional loans and emergency fodder</li> <li>immediate interventions to protect biodiversity and wildlife welfare, including for threatened species</li> <li>priority waterway remediation and urgent erosion control works led by catchment management authorities</li> <li>works on roads and recreational assets to make them safe.</li> </ul> </li> </ul> </li> <li>DEECA continued to coordinate recovery following the Yarram Gap bushfire in Grampians National Park (Gariwerd) in the summer of 2024-25, delivering recovery works and supporting programs delivered by partner agencies and entities. Key works completed in 2025-26 included: <ul style="list-style-type: none"> <li>visitor asset works to repair and reopen the Grampians Peak Trail</li> <li>roading works over more than 200 kilometres, including engineering works to improve the resilience of key networks</li> <li>restoring habitat and water quality in the Wannon River, allowing the endangered River Blackfish to be reintroduced, with a captive breeding program established as a safeguard.</li> <li>treating more than 100,000 hectares for invasive species and monitoring threatened plants and animals to guide future recovery actions in the Grampians National Park (Gariwerd)</li> <li>progressing post-event heritage evaluations with Traditional Owners engaged to undertake survey works, with funding provided directly to Traditional Owners to support self-determined recovery activities across the Gariwerd fire footprint.</li> <li>providing funding to catchment management authorities to restore assets, waterways and catchments.</li> </ul> </li> <li>DEECA also supported recovery efforts across Victoria's coast and addressed critical short-term public safety and access concerns following severe weather events from August to September 2024. Works included repairs to stairs, walking</li> </ul> |

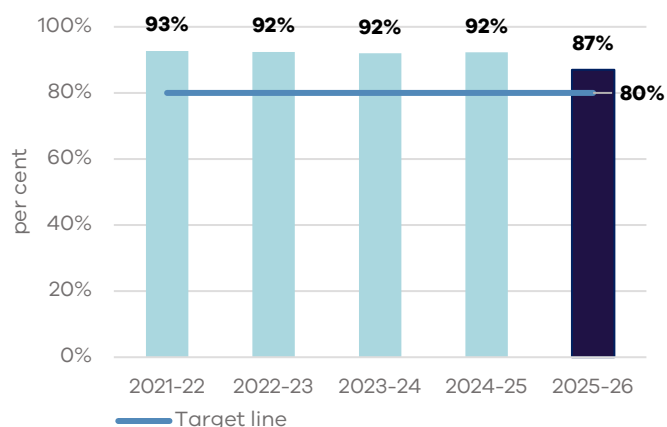
| Initiative                                                                                                                                                        | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                   | <p>trails, boardwalks and access ramps, and restoration of damaged seawalls and piers.</p> <ul style="list-style-type: none"> <li>DEECA continued to monitor the remaining recovery programs from the October 2022 flood event, including delivery of: <ul style="list-style-type: none"> <li>a \$1.8 million targeted grants program to state-listed heritage places administered by the Department of Transport and Planning</li> <li>walking trail and visitor site remediation works administered by Parks Victoria.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Support delivery of forest and fire land management works through forest contractors                                                                              | <p>Forest contractors used their specialist equipment and skills to support forest and fire management activities, including storm debris removal and firefighting efforts in the Grampians, Hume and Gippsland regions. The Forest Contractor Program remains an essential part of prevention and preparedness activities for upcoming bushfire seasons.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>increasing the use of forest contractors for forest management works and emergency response activities by using contract arrangements in place when native timber harvesting ceased (this supported contractor availability for standby and emergency response during the significant fire season)</li> <li>commencing pine wilding harvesting projects in the Barwon Southwest region, contributing to the Government's Biodiversity 2037 commitments</li> <li>simplifying rapid deployment arrangements for contractors to deliver high-volume, low-complexity land management and storm recovery works.</li> </ul>                                                                                         |
| Lead the Coordination of the implementation of the Safer Together Program                                                                                         | <p>The <b>Safer Together</b> program supports innovation, investment in science, collaboration and community partnerships, enabling Victoria's bushfire management sector to work together to implement <b>Victoria's Bushfire Management Strategy</b>.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>providing approximately \$1.3 million to local governments to develop and implement community-specific bushfire risk reduction programs partnership with the Country Fire Authority</li> <li>progressing improvements to Victoria's predictive services capability to strengthen the sector's understanding of the spread and impacts of smoke from bushfires and planned burning operations</li> <li>hosting the cross-sector <b>Safer Together Science Symposium</b> on 12 August 2025, which showcased the outcomes of Safer Together research and supported the translation of this knowledge into policy and practice changes for the benefit of Victorians.</li> </ul>                                                                                                                                    |
| Deliver the fuel management program, including planned burning, mechanical treatment and the construction and maintenance of Strategic Fuel Breaks on public land | <p>In 2025-26, 213 planned burns covering 53,671 hectares were delivered. This included 159 fuel reduction burns covering 51,513 hectares, 21 ecological burns covering 2,132 hectares and 33 windrow or heap burns covering 26 hectares. A further 19,631 hectares of mechanical treatments were delivered, including mowing, slashing, mulching, rolling, storm debris removal and strategic fuel break maintenance. In addition, <b>Forest Fire Management Victoria</b> (FFMVic) also assisted with the delivery of 26 cultural burns totalling 348 hectares.</p> <p>A total of 1,271 kilometres of strategic fuel breaks were maintained, exceeding the target of 900 kilometres.</p> <p>The Storm Debris Program was established following severe storms across Victoria in June and October 2021 to manage the delivery of works to clear storm debris. Works associated with a further storm in February 2024 were incorporated into the program. In 2025-26, the program mechanically treated 490 hectares, completing delivery. These works are included in the total 19,631 hectares of bushfire risk reduction mechanical treatments reported above.</p> |
| Deliver DEECA's strategic state-wide roading program                                                                                                              | <p>In 2025-26, DEECA maintained 3,225 kilometres of the road network it manages and completed the construction of 12 crossings through the integrated roading program. A key capital project was the replacement of the Thurra Bridge in Croajingolong National Park, East Gippsland, which was completed in August 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



| Initiative                                                                        | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deliver preparedness and readiness activities for bushfire and emergency response | <p>Forest Fire Management Victoria (FFMVic) maintained strong operational readiness throughout the 2025-26 high-risk weather period by strengthening workforce capability, delivering pre-season training, maintaining Incident Management Team capability, building surge capacity, and supporting staff wellbeing and safety. Following almost 2 years of dry conditions and above-average temperatures, FFMVic worked with partner agencies and communities to prepare for a severe fire season. The 2025-26 bushfire season was among Victoria's most extreme on record. Major fires began in October 2025, with the most dangerous conditions occurring from 7 to 9 January 2026. On 9 January 2026, extreme to catastrophic fire danger contributed to more than 200 bush and grass fires igniting in a single day. Elevated fire risk continued through February and early March 2026.</p> <p>In response, FFMVic maintained a high level of asset and operational preparedness through comprehensive fleet servicing, rigorous equipment checks, and the readiness of critical infrastructure including aircraft, airbases, and fire towers. Bushfires impacted approximately 434,390 hectares of public land, highlighting the scale of operations and the importance of sustained preparedness. Strategic decision-making and rapid response enabled some fires with the potential to threaten lives and property to be quickly contained or made safe, while others escalated into campaign fires. Several fires that began on 7 and 9 January 2026 resulted in significant impacts across the state, including the loss of homes, infrastructure, livestock and crops. Preparedness was further strengthened through targeted risk reduction activities and strong interagency collaboration, including planned burning and partnerships with agencies and Traditional Owners.</p> |

## Department Objective Indicator performance

**Indicator: Percentage of bushfires contained at first attack and/or under 5 hectares to suppress bushfires promptly, keep bushfires small and minimise loss**



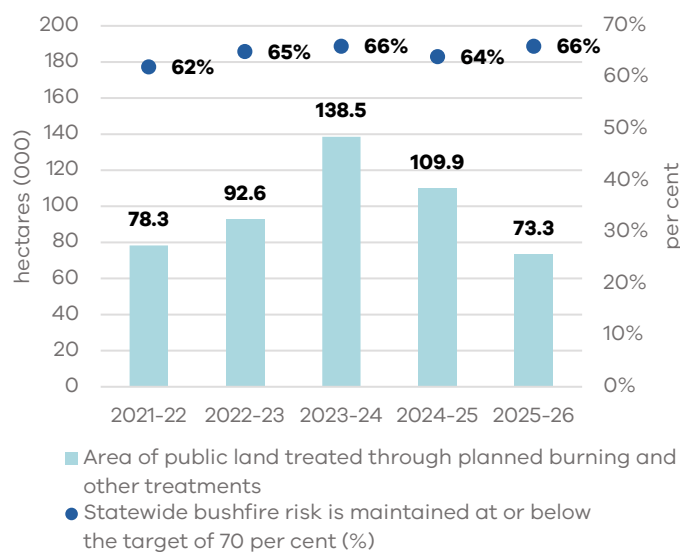
During the 2025-26 bushfire season, Victoria experienced another demanding period of fire activity, characterised by elevated fire danger, dry fuel conditions and periods of extreme weather across much of the state. Fast-moving fires driven by hot temperatures, dry lightning events and strong winds, placed sustained pressure on firefighting resources and communities.

FFMVic responded to 382 bushfires covering 257,080 hectares on public land, where DEECA was the control agency. FFMVic crews also responded to 242 unattended campfires and 161 escaped barbecue campfires. FFMVic crews supported other lead fire agencies in response to 190 bushfires. The total public and private land impacted across Victoria from bushfires in the 2025-26 season was approximately 435,990 hectares.

Performance is above target due to the targeted delivery of FFMVic's bushfire risk reduction program in areas of higher bushfire risk, consistent with Regional Bushfire Management Strategies and the Joint Fuel Management Program. This involved the swift deployment of firefighters, aircraft, heavy plant and specialist resources to contain fires quickly and minimise their spread and impact on communities and the environment.

FFMVic continued to work closely with partner agencies, Traditional Owners, emergency services and local communities to reduce bushfire risk, strengthen preparedness, and enhance Victoria's capability to manage increasingly complex and volatile fire conditions.

**Indicator: Area treated through planned burning and other treatments to maintain the statewide bushfire risk at or below 70%**



**Notes on the data:**

- The statewide fuel driven bushfire risk for 2025-26 is a provisional figure. The final figure will be reported in late 2026 via [Victoria's Bushfire Management Report Card](#).

During 2025-26, 213 planned burns covering 53,671 hectares were delivered. This included 159 fuel reduction burns (51,513 hectares), 21 ecological burns (2,132 hectares) and 33 windrow/heap burns (26 hectares). A further 19,631 hectares of mechanical treatments were delivered, including mowing, slashing, mulching, rolling, storm debris removal (490 hectares), strategic fuel break maintenance. In addition, FFMVic assisted with the delivery of 26 Traditional Owner cultural burn operations totalling 348 hectares.

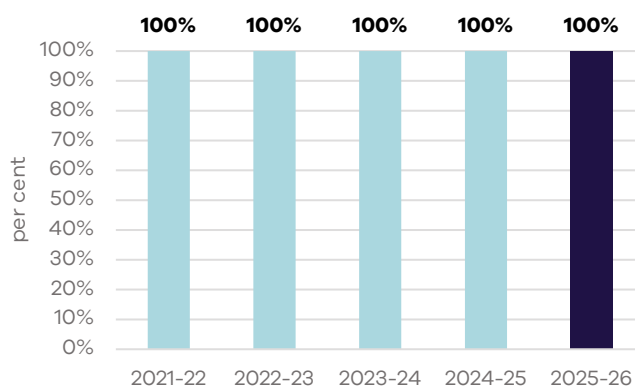
Extended dry conditions across parts of Victoria during winter and spring 2025 limited opportunities to deliver planned burns leading into summer 2025-26. Underlying dryness contributed to a significant bushfire season, while tropical influenced rainfall in early autumn further constrained delivery. The main burning window occurred in second half of April 2026, resulting in one

of the most constrained autumn burning windows in recent years with limited opportunities to burn at scale in most regions.

It is important to note that hectares burnt is a useful objective indicator, but it is not a measure of effective risk reduction. Often the most impactful burns in terms of risk reduction are relatively small in footprint but critical to protecting people, property and the environment. These burns can be complicated and technical and involve multi-day operations, with an effect on residual risk that is disproportionate to the small area of the burn.

Despite the weather conditions, the total area treated in 2025-26 resulted in the provisional statewide bushfire risk being maintained below its 70% target, at 66%, (the final risk figure will be released later in 2026 as noted above). The [Regional Bushfire Management Strategies](#) and [Joint Fuel Management Program](#) enabled DEECA to target bushfire risk reduction activities in those areas with the highest risk.

**Indicator: Percentage of agreed departmental fire emergency management obligations met on time and to standard**



DEECA fulfilled 100% of its emergency management obligations as the control agency for fire, meeting all requirements on time and to the required standard in accordance with its accountability under the [State Emergency Management Plan](#).

## Fire and Emergency Management

This output plans and delivers integrated bushfire management. Through this output, the Department works with land and fire managers to plan and deliver bushfire management across public and private land; involves local communities in decision-making, drawing on local values and insights to promote resilience; invests in science and partnerships to build knowledge of the relationship between fire and the environment to better manage risk; monitors and assesses the impact and effectiveness of fire management operations; ensures its workforce is effectively trained and prepared; and maintains a strategic road network to facilitate fire and emergency related activities and provide access for the community.

| Performance measures                                                                                                                                                                                                                                                                                                                                                                                                                                   | Unit of measure        | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        |                        |                |                |               |        |
| 100 per cent of burns identified in the current year of the Joint Fuel Management Program ready for on ground delivery                                                                                                                                                                                                                                                                                                                                 | date                   | May 2026       | May 2026       | 0             | ✓      |
| Personnel with accreditation in a fire and emergency management role<br><i>Performance is above target reflecting a continued proactive approach to ensuring staff progress to accreditation as soon as practicable, strong engagement in training programs and an intake of seasonal workers to support response operations during the bushfire season.</i>                                                                                           | number                 | 2 682          | 2 450          | 9             | ✓      |
| Stakeholder and community forums on bushfire management and planned burning held<br><i>Performance is above target due to proactive efforts to increase community engagement ahead of the high-risk weather season, particularly in the Gippsland Region.</i>                                                                                                                                                                                          | number                 | 19             | 12             | 58            | ✓      |
| State forests roads (Category 1) and bridges (on Category 1 roads) with documented inspections and/or maintenance programs to meet regulatory obligations<br><i>Performance is below target due to the diversion of resources to priority fire response and recovery activities. Inspections or maintenance works that were unable to be carried out in 2025-26 are expected to be implemented in early 2026-27.</i>                                   | per cent               | 70             | 100            | (30)          | ■      |
| Statewide bushfire risk is maintained at or below the target<br><i>Performance is above target due to the targeted delivery of Forest Fire Management Victoria's bushfire risk reduction program in key areas of higher bushfire risk, in accordance with Regional Bushfire Management Strategies and the Joint Fuel Management Program. The final result will be available in the Bushfire Risk Management Report, published annually in October.</i> | per cent<br>(estimate) | 66             | 70             | 6             | ✓      |
| Strategic fire access roads improved<br><i>Performance is above target reflecting efforts to scope, plan, procure and mobilise works early in the season, which led to the early identification of additional contingency works that were able to be completed within the program.</i>                                                                                                                                                                 | km                     | 3 225          | 2 000          | 61            | ✓      |
| Strategic fuel breaks maintained<br><i>Performance is above target due to reduced maintenance requirements for several fuel breaks in good condition and additional resource capacity, allowing further works to be completed.</i>                                                                                                                                                                                                                     | km                     | 1 271          | 900            | 41            | ✓      |
| <b>Quality</b>                                                                                                                                                                                                                                                                                                                                                                                                                                         |                        |                |                |               |        |
| Fires contained at less than five hectares to suppress fires before they become established, minimising impact<br><i>Performance is above target due to the effective early detection of, and rapid response to, bushfires across the state, despite challenging operating conditions that resulted in a higher number of incidents and more complex fire behaviour during the fire season.</i>                                                        | per cent               | 87             | 80             | 9             | ✓      |

| Performance measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| Personnel accredited to serve in a senior capacity (level 2 or 3) in a fire and emergency management role<br><i>Performance is above target due to a proactive approach to ensuring staff progress to accreditation as soon as practicable after completing training and demonstrating their ability to perform the role, strong engagement in senior emergency program management, development and accreditation programs, proactive identification of future leaders and a high success rate of participants.</i>                                                                                                            | number          | 363            | 340            | 7             | ✓      |
| <b>Timeliness</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                |                |               |        |
| Assessment of Standard of cover completed to assess resource requirements and availability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | date            | Dec 2025       | Dec 2025       | 0             | ✓      |
| Fires contained at first attack to suppress fires before they become established, minimising impact<br><i>Performance is below target due to the scale, duration and intensity of the 2025–26 bushfire season, including prolonged dry conditions and periods of extreme weather. Despite these challenges, Forest Fire Management Victoria continued to apply early response strategies to contain many fires quickly and reduce broader impacts.</i>                                                                                                                                                                         | per cent        | 76             | 80             | (5)           | ■      |
| Readiness and response plans completed prior to the upcoming fire season                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | date            | Oct 2025       | Oct 2025       | 0             | ✓      |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                |                |               |        |
| Total output cost<br><i>The higher than budgeted output cost is primarily due to the emergency response and recovery activities across public land, to protect communities, the environment and critical infrastructure. The result reflects supplementary funding that enabled DEECA to significantly expand its efforts in response to a high-risk weather season to reduce bushfire risk and maintain emergency management capability across Victoria. Throughout the year, DEECA delivered fuel management and bushfire prevention activities, maximising planned burning and fuel reduction works in high-risk areas.</i> | \$ million      | 651.8          | 400.6          | (62.7)        | ■      |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Reliable, sustainable and affordable energy services

### Context

DEECA provides policy advice to government on the delivery of reliable, sustainable and affordable energy services, as well as leading programs that boost renewable energy deployment, improve energy efficiency and electrification, strengthen consumer protections and improve affordability. The department also plays a critical role in maintaining the safety of our energy system, including leading coordinated responses to energy emergencies and fuel supply disruptions, and building resilience against events that impact Victoria's energy system. These events range from changing energy demand, supply and prices, to fuel supply risks, bushfires, floods and extreme weather. We also work with market bodies as well as national and state governments to design and implement reforms to ensure that governance and systems are fit-for-purpose to support the transition to renewable energy. DEECA actively works to maximise the benefits of the energy transition, including for workforce development and jobs, and to support Aboriginal self-determination.

| Initiative                        | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| Deliver the Offshore Wind Program | <p><b><u>Offshore Wind Energy Victoria</u></b> within DEECA continued to establish the offshore wind sector for Victoria.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• continuing to refine the support mechanism and other key commercial elements of the offshore wind auction Request for Proposal, intended for release in August 2026, to support delivery of Victoria's first 2 gigawatts of offshore wind energy</li> <li>• working to ensure the proposed National Electricity Market <b><u>Electricity Services Entry Mechanism</u></b> scheme can integrate Victoria's tranche 1 offshore wind contracts</li> <li>• confirming the <b><u>Victorian Renewable Energy Terminal</u></b> at the Port of Hastings as Victoria's preferred port for offshore wind construction and assembly, and managing the interface between terminal delivery and the offshore wind program</li> <li>• commencing a policy review of the regulatory frameworks governing design, construction and operation of offshore wind farm projects connecting into Victoria, expected to be complete in mid-2027-28, with implementation to follow</li> <li>• engaging with Traditional Owners and communities to support the realisation of benefits from offshore wind development</li> <li>• collaborating on VicGrid's <b><u>Community Engagement and Social Values guidelines</u></b>, which set expectations for how developers of new energy and transmission projects engage with, and deliver social value and economic benefits for, regional communities</li> <li>• continuing engagement with feasibility licence holders, offshore wind industry stakeholders and key Victorian and Commonwealth government departments and regulators.</li> </ul> |
| Gas Supply Security               | <p>This initiative supports the security of gas supply in Victoria while the broader transition away from gas continues.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• developing and facilitating passage of the <i>National Gas (Victoria) Amendment Act 2026</i> in March 2026, enabling the Minister for Energy and Resources to direct specified upgrades to the <b><u>Victorian Declared Transmission System</u></b></li> <li>• working with the Australian Energy Regulator (AER), Australian Energy Market Operator (AEMO), Commonwealth Government and industry to support gas transmission system planning and supply security – this included 2 Victorian Government submissions to the AER in February and June 2026 on South West Pipeline upgrades needed to address gas shortfall risks, contributing to the AER approving all associated capital expenditure sought by the asset owner</li> <li>• advocating to the Commonwealth Government through national jurisdictional forums and Ministerial letters for a domestic gas reservation mechanism, contributing to the Commonwealth's announcement of a domestic reservation scheme to take effect from mid-2027</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |



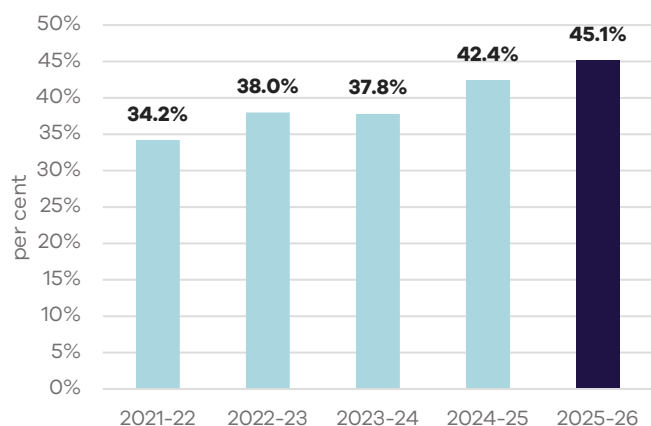
| Initiative                                                                                      | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                                                                                                 | <ul style="list-style-type: none"> <li>continuing engagement with stakeholders and project proponents to help mitigate gas shortfall risks</li> <li>undertaking regulatory and legal work to enable future interventions that support reliable gas supply, including consultation, legal advice and implementation mechanisms</li> <li>progressing longer-term gas system reforms, including engagement with market bodies, regulators and gas project proponents on transmission planning, pipeline investment proposals and options to improve transparency, accountability and resilience across the east coast gas market</li> <li>developing and submitting a <a href="#">rule change</a> request to the Australian Energy Market Commission (AEMC) under the <a href="#">National Gas Law</a> to extend arrangements at the critical Dandenong liquefied natural gas (LNG) storage facility. The arrangements enable the AEMO to act as buyer and supplier of last resort, to maximise Dandenong LNG storage inventory until the end of 2029. DEECA continued to advocate for the required outcomes, leading to the AEMC final decision on 30 October 2025 and associated AEMO procedures, taking effect from 1 April 2026.</li> </ul> |
| Driving down gas bills for businesses and households - delivery of the Gas Substitution Roadmap | <p>Actions progressed under the Gas Substitution Roadmap in 2025-26 included:</p> <ul style="list-style-type: none"> <li>releasing the <a href="#">Gas Substitution Roadmap - 2025 update</a> in December 2025, outlining progress on Victoria's transition to cleaner energy and continued engagement with stakeholders and First Peoples</li> <li>supporting the making of new <a href="#">building electrification regulations</a> in December 2025 and associated implementation activities with the Building and Plumbing Commission</li> <li>supporting business and industry electrification through the \$10 million <a href="#">Energy Innovation Fund Round 3</a> and the \$9.5 million <a href="#">Industry Diversification Program</a></li> <li>progressing reforms to improve gas network transparency and planning, including development of new gas network data requirements to support future network and energy system decision-making.</li> </ul>                                                                                                                                                                                                                                                                         |
| Energy Affordability Services Program (including Victoria Energy Compare)                       | <p>This initiative provided a one-off \$100 Power Saving Bonus for eligible Victorian concession card holders who used the <a href="#">Victorian Energy Compare</a> website.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>recording more than 1.5 million visits to the Victorian Energy Compare website since the launch of Round 5 of the Power Saving Bonus program in August 2025</li> <li>processing more than 288,000 Power Saving Bonus Round 5 applications, resulting in more than \$28 million in payments to Victorian households that applied before Round 5 closed on 31 March 2026</li> <li>processing more than 44,000 applications through community outreach partners, which provided over-the-phone and in-person support for households.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 100 Neighbourhood Batteries Program (100NB)                                                     | <p><a href="#">This program</a> will install at least 100 neighbourhood batteries across the state and deliver a range of benefits for communities. These include unlocking solar hosting capacity by addressing network constraints, providing back-up power during network outages and directly reducing the cost of energy bills.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>installing 48 neighbourhood batteries statewide including 4 batteries under the <a href="#">First Peoples Solar and Storage Initiative</a></li> <li>facilitating the approval of \$12.1 million for 24 projects to deliver 39 batteries and 40 solar systems, including 11 projects led by Registered Aboriginal Parties and 14 projects led by Aboriginal organisations, such as health clinics and sporting clubs. This initiative is co-funded by the <a href="#">100 Neighbourhood Batteries program</a> and the Commonwealth Government <a href="#">Community Solar Banks</a> program.</li> </ul> <p>Rounds 1 and 2 of the program, together with the First Peoples Solar and Storage Initiative, will deliver 139 neighbourhood batteries, exceeding the target of 100.</p>                           |
| Fuel Supply Security                                                                            | <p>In early 2026, conflict in the Middle East significantly impacted global fuel supplies due to shipping constraints through the Strait of Hormuz. As a result, Australia saw significant price volatility of liquid fuels including diesel and petrol.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Initiative                                                                                                                          | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                     | <p>Fuel security has been a key priority for the Victorian Government, and to support this, Victoria has worked closely with the Commonwealth to secure supply. DEECA undertook preparedness activities including appointing a State Controller-Energy, investing in 10 million litres of diesel as a strategic fuel reserve for the agricultural sector and supporting the amendment of the <i>Fuel Emergency Act 1977</i> to ensure that fuel businesses share their supply data to help Victoria plan and prepare for any future shortages.</p> <p>The global fuel situation continues to be monitored, with Australia continuing to receive fuel in the quantities and frequencies needed to meet demand.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>Solar Homes rebate and loans program for owner occupiers and rentals</p>                                                         | <p>In 2025-26, the Solar Homes Program approved 34,370 solar photovoltaic (PV) rebates for owner occupier and rental households. This included 776 approvals for rental properties, with more than half of these renters supported through the <a href="#">Solar for Apartments</a> and <a href="#">Community Housing</a> programs.</p> <p>Round 3 of the Solar for Apartments program was launched on 19 September 2025 and will remain open until 30 June 2027 or until all rebates are exhausted.</p> <p>Solar Victoria's <a href="#">Residential Electrification Grants</a> program closed to new applications on 30 June 2026, with 7 providers approved to help Victorian households meet new 7-star energy efficiency standards and reduce energy costs in new and existing homes across regional and metropolitan Victoria. The program focuses on innovation in products and delivery, benefitting both first home buyers and disadvantaged households.</p> <p>In 2025-26, the Solar Homes program also approved:</p> <ul style="list-style-type: none"> <li>• \$27 million in interest-free loans to support installation of solar PV on Victorian households</li> <li>• 30,383 hot water rebates for owner occupier households.</li> </ul> <p>The Solar Homes Program is expected to achieve its originally estimated installed capacity of 2.8 gigawatts, with installed capacity tracking at 2.52 gigawatts as at 30 June 2026.</p>                                                                                                |
| <p>Governance oversight of the Victorian Energy Upgrades (VEU) program and strategic planning for the future of the VEU program</p> | <p>Approximately \$705 million in <a href="#">Victorian Energy Upgrades</a> discounts were provided to households and businesses in 2025-26.<sup>2</sup> More than 147,000 households and 16,500 businesses received discounted energy-efficient products and services during the year.</p> <p>Achievements in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• commencing the staged rollout of the <a href="#">ceiling insulation activity</a>, with Stage 1 allowing upgrades in public and community housing residential premises from 14 April 2026</li> <li>• introducing the Energy and Resources Legislation Amendment (VEET Strategic Review and other matters) Bill 2026 into Parliament to make changes to the <i>Victorian Energy Efficiency Target Act 2007</i> and give effect to the Strategic Review's reforms</li> <li>• transitioning the induction cooktop activity pilot to an <a href="#">ongoing activity</a> on 30 June 2026, delivering improved consumer outcomes</li> <li>• launching the <a href="#">Commercial and Industrial Solar PV</a> activity from 29 September 2025</li> <li>• completing public consultation for space heating and cooling, hydronic heating and industrial heat decarbonisation activities</li> <li>• announcing updated specifications for commercial and industrial heat pump hot water systems in July 2025</li> <li>• delivering a successful campaign promoting VEU discounts to Victorian households, contributing to a 125% increase in VEU website views.</li> </ul> |

<sup>2</sup> Based on a Victorian Energy Efficiency Certificate price of \$96.96 (the average settlement price for 2025) and the 2025 calendar year target of 7.3 million certificates.

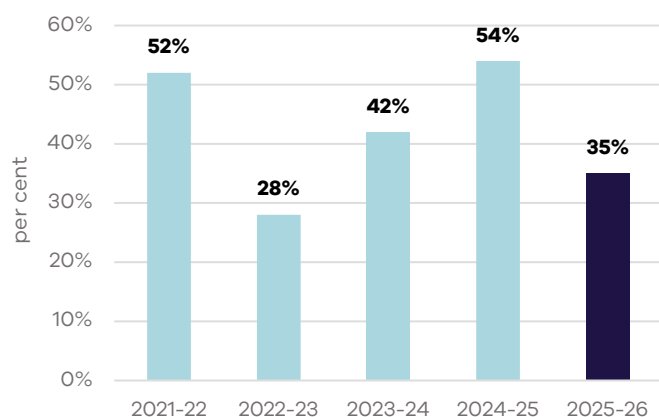
## Departmental Objective Indicator performance

### Indicator: Relative share of Victoria's electricity sourced from renewables



In 2025-26, renewable energy accounted for 45.1% of Victoria's electricity generation, up from 42.4% in 2024-25. The increase reflects continued growth in Victoria's renewable energy capacity, including the Golden Plains wind farm and several utility-scale solar farms progressing through commissioning.

### Indicator: Percentage of surveyed users of the Victorian Energy Compare website who report that they plan to switch offers after using the website



Of the 37,133 [Victorian Energy Compare](#) users who completed the online survey in 2025-26, 35% reported they planned to change offers after using the website.

This indicator reflects not only the website's presentation, but also external influences such as energy market price volatility and retailer pricing behaviour.

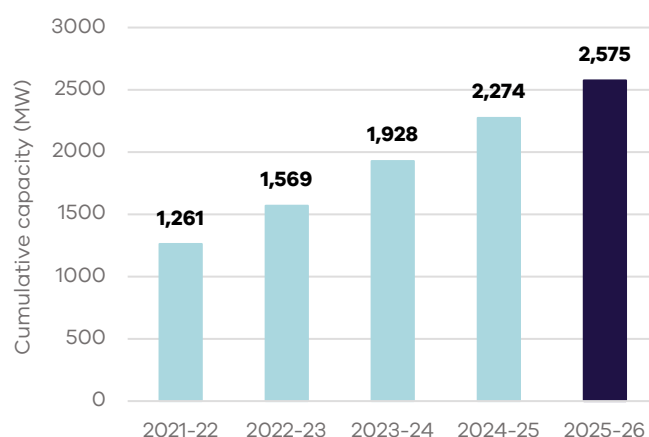
Between August 2025 and March 2026, the website was also the entry point for Victorian households seeking to access the \$100 Power Saving Bonus Program. This significantly increased website visitors and survey respondents, contributing to a proportional decrease in users reporting they planned to switch energy offers.

Results returned to levels broadly consistent with the 2022-23 period, reflecting the impact of the Power Saving Bonus program on this indicator.

The Power Saving Bonus program also increased awareness of the Victorian Energy Compare website and its benefits, contributing higher repeat traffic to the website.

The Victorian Energy Compare website continued to provide value to Victorian energy consumers, with 71% of surveyed users reporting a positive experience and 51% reporting a better understanding of their energy usage and costs after using the website.

### Indicator: Electricity generating capacity installed under the Solar Homes Program



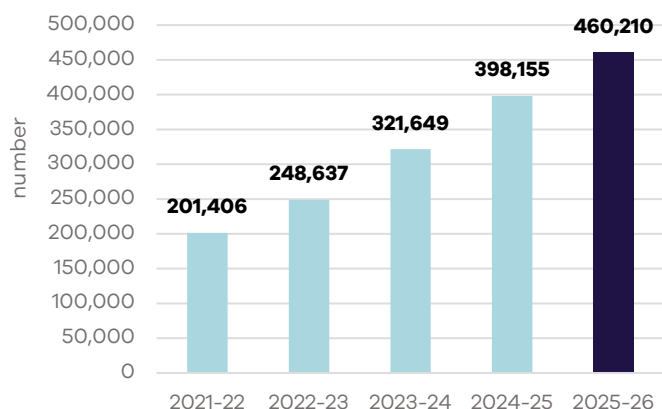
#### Note:

Data for previous years has been restated to reflect updates to the final number of solar systems installed. These revisions account for financial adjustments, including applications that spanned multiple financial years and were subsequently cancelled or expired.

As at 30 June 2026, the total cumulative electricity generating capacity installed under the [Solar Homes Program](#) was 2,575.3 MW, with the annual result for 2025-26 totalling 301.1 MW. This represents the generating capacity from all solar PV systems installed under the Solar PV rebates for owner-occupier households and rental properties program (excluding Solar for Apartments, Residential Electrification Grants and Community Housing programs) and solar PV systems installed simultaneously with a battery or Virtual Power Plant rebate. Although demand for solar PV rebates decreased in 2025-26, the average system size increased from 8.6 kilowatts (kW) to 9.6 kW, which contributed to the increase in generation capacity installed in 2025-26.

**Indicator: Solar panel systems and energy-efficient hot water systems installed under the Solar Homes Program**

**Cumulative systems installed - Solar PV, battery and hot water systems**



**Note:**

Data for previous years has been restated to reflect updates to the final number of solar systems installed. These revisions account for financial adjustments, including applications that spanned multiple financial years and were subsequently cancelled or expired.

This objective indicator reports on the cumulative number of systems installed under the Solar Homes Program, including solar PV, hot water, and battery systems. The battery component of the Solar Homes Program closed to new applications in May 2025, with all installations completed within 2025-26.

As at 30 June 2026, a cumulative total of 460,210 systems had been installed under the Solar Homes Program, including 62,055 solar PV, hot water and battery systems installed in 2025-26. Customer satisfaction reached a record high, with 94% of surveyed customers rating the overall performance of Solar Victoria as 'Good' or 'Very Good'. Application processing also improved, with completed eligibility applications processed in an average of 2.3 business days, compared with 4.6 days in 2024-25 and 7 days in 2023-24.

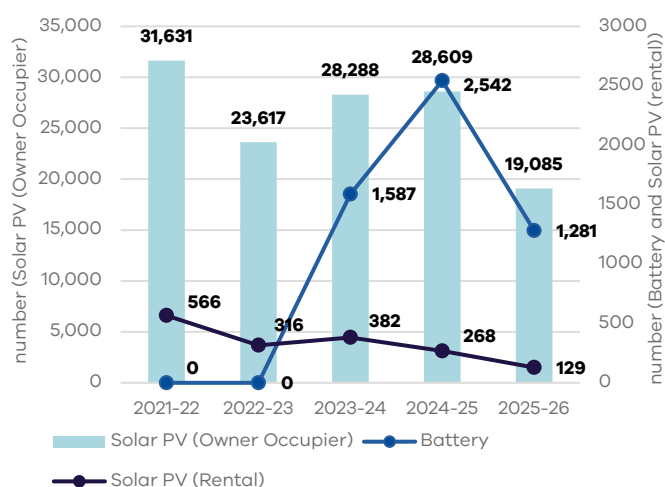
Solar PV installations were approximately 22% lower than in 2024-25. Energy-efficient hot water systems installations were the second highest since the program launched in 2018, with 28,524 installations completed, 11% lower than in 2024-25.

Installations under the Solar for Apartments and Residential Electrification Grants programs supported the uptake of solar PV and efficient electric hot water systems at scale, including for harder to reach cohorts, such as apartment residents and rental households.

National data from [SunWiz](#) indicates that Victoria recorded the third-highest number of residential PV installations among all Australian states during 2025-26, with New South Wales and Queensland consistently holding first and second place, respectively.

The Solar Homes Program has issued more than 210,000 interest-free loans to support Victorians install solar PV or battery systems. As at 30 June 2026, 98% of loans commenced between July 2019 and May 2022 were fully repaid within the required 4-year loan term.

**Interest-free loans issued by year**



**Note:**

Prior year data has been restated to reflect retrospective adjustments to the final number of applications approved in previous financial years. These adjustments account for factors such as applications that spanned multiple financial years and were subsequently cancelled or expired.

## Energy

This output advocates for the provision of reliable, sustainable and affordable energy services through energy programs, including renewable energy development, energy efficiency and affordability improvements, and facilitation of new investment.

| Performance measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |                |                |               |        |
| Government-supported events that engage business and supply chains regarding the energy sector                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | number          | 10             | 10             | 0             | ✓      |
| Neighbourhood batteries installed, including batteries specifically for Traditional Owners and First Peoples communities.                                                                                                                                                                                                                                                                                                                                                                                                                                                        | number          | 48             | 25             | 92            | ✓      |
| <i>Performance is above target due to the completion of projects that were delayed from Round 1 in 2024-25, and batteries from Round 2 being completed ahead of schedule through the delivery of multi-battery projects.</i>                                                                                                                                                                                                                                                                                                                                                     |                 |                |                |               |        |
| Vulnerable Victorian energy consumers supported to navigate the energy market by the Energy Assistance Program                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | number          | 5 833          | 3 000          | 94            | ✓      |
| <i>Performance is above target due to the impact of the Power Saving Bonus launched in August 2025, including a higher number of vulnerable energy consumers reached through the Energy Assistance Program.</i>                                                                                                                                                                                                                                                                                                                                                                  |                 |                |                |               |        |
| <b>Quality</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                |                |               |        |
| Users of the Victorian Energy Compare website who report they are likely to recommend the website to others                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | per cent        | 80             | 70             | 14            | ✓      |
| <i>Performance is above target reflecting the ongoing improvements and enhancements made to the Victorian Energy Compare website. It also reflects increased visitation driven by targeted programs such as the Power Saving Bonus and the continuing value the website provides to Victorian consumers.</i>                                                                                                                                                                                                                                                                     |                 |                |                |               |        |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                |                |               |        |
| Total output cost                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$ million      | 430.2          | 306.4          | (40.4)        | ■      |
| <i>The higher than budgeted output cost is primarily related to the accounting required under Accounting Standards, to de-recognise a contractual asset associated with the Victorian Renewable Energy Target derivative financial instruments. It is also contributed to by additional government funding for the VicGrid Operations and Delivery initiative and the release of contingency funding for the Power Saving Bonus for Vulnerable Consumers initiative. This was partially offset by lower than expected expenditure for the Energy Innovation Fund initiative.</i> |                 |                |                |               |        |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Solar Victoria

The Solar Victoria output implements multi-year programs to incentivise the uptake of solar panel energy systems and energy efficient hot water systems as Victoria transitions to a lower emissions future, increasing the use of renewable energy sources, reducing air pollution and reducing dependence on conventional energy sources.

Solar Victoria also has governance oversight of the Victorian Energy Upgrades program, the State's largest emissions reduction program, supporting Victoria to achieve its energy transition and emissions reduction goals through improved energy efficiency, demand management, commercial and industrial solar, and household and business electrification.

Through this output, Solar Victoria supports investment in household energy technology innovation to find new and improved ways to meet future energy demand.

| Performance measures                                                                                                                                                                                                            | Unit of measure        | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                 |                        |                |                |               |        |
| Applications for Solar panel system rebates for households approved                                                                                                                                                             | number                 | 34 370         | 47 700         | (28)          | ■      |
| <i>Performance is below target due to lower customer demand, reflecting changes in market conditions.</i>                                                                                                                       |                        |                |                |               |        |
| Applications for hot water rebates approved                                                                                                                                                                                     | number                 | 30 383         | 27 000         | 13            | ✓      |
| <i>Performance is above target due to increased demand for energy efficient hot water systems, as customer awareness of heat pumps as a viable replacement for gas hot water systems and associated bill savings increases.</i> |                        |                |                |               |        |
| Rebated installations audited by the Solar Homes Audit Program within 6 months of installation                                                                                                                                  | per cent               | 2.4            | 2.5            | (6)           | ■      |
| <i>Performance is below target due to an increase in rebates paid in May and June, exceeding the availability of audit inspectors. Scheduled audits from these installations are expected to be completed in early 2026-27.</i> |                        |                |                |               |        |
| Victorian Energy Efficiency Certificates (each representing one tonne of greenhouse gas emissions avoided) surrendered by energy retailers to meet their liabilities under the Victorian Energy Efficiency Target               | certificates (million) | 7.3 (estimate) | 7.3            | 0             | ✓      |
| <i>The final result will be produced by and published in the Essential Services Commission Annual Report by November 2026.</i>                                                                                                  |                        |                |                |               |        |
| <b>Quality</b>                                                                                                                                                                                                                  |                        |                |                |               |        |
| Solar Homes Program customers who rate the overall performance of Solar Victoria as 'Good' or 'Very Good' in post-approval surveys                                                                                              | per cent               | 94             | 75             | 25            | ✓      |
| <i>Performance is above target due to improvements in the digital application process, enabling a higher volume of applications to progress directly to approval.</i>                                                           |                        |                |                |               |        |
| <b>Timeliness</b>                                                                                                                                                                                                               |                        |                |                |               |        |
| Average number of business days to process completed eligibility applications                                                                                                                                                   | days                   | 2.3            | 10             | 77            | ✓      |
| <i>Performance is above target due to process efficiencies and digital uplift.</i>                                                                                                                                              |                        |                |                |               |        |
| Rebate payments for Solar retailers processed within five business days                                                                                                                                                         | per cent               | 92             | 80             | 15            | ✓      |
| <i>Performance is above target due to process efficiencies and digital uplift</i>                                                                                                                                               |                        |                |                |               |        |
| <b>Cost</b>                                                                                                                                                                                                                     |                        |                |                |               |        |
| Total output cost                                                                                                                                                                                                               | \$ million             | 126.5          | 142.3          | 11.1          | ✓      |
| <i>The lower than budgeted output cost is predominantly due to lower-than-expected uptake of the Solar Homes loans.</i>                                                                                                         |                        |                |                |               |        |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).



## Healthy, resilient and biodiverse environment

### Context

DEECA works with portfolio partners and external stakeholders to develop effective, evidence-based policies, programs, regulatory responses, and compliance activities for improved outcomes across a range of areas. These include environment protection, waste and resource recovery, ecosystem resilience, native vegetation management, wildlife, threatened species and land management practices.

| Initiative                                                     | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| Restore nature for carbon storage through the BushBank Program | <p>The <b><u>BushBank</u></b> program delivers funding to achieve biodiversity and carbon policy outcomes and will revegetate and restore native vegetation across more than 20,000 hectares of public and private land over a 16-year period (2020-21 to 2035-36). Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>establishing agreements with 6 seed sector organisations, including 2 Traditional Owner Corporations, to help meet the growing demand for native woody shrub and tree seeds and seedlings</li> <li>establishing 2 funding agreements with Traditional Owners under the Traditional Owner Allocated Grant, that is open to Traditional Owner Corporations with Registered Aboriginal Party status until 2029; the Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation will deliver the 'Narrap Nursery Establishment' project and DJAARA (Dja Dja Wurrung Clans Aboriginal Corporation) will deliver the 'Continuing to expand DJAKITJ seed production capacity' project. DEECA is engaging with other corporations to develop further projects</li> <li>restoring more than 250 hectares of degraded public land, through 7 public land managers, in locations such as Mount Macedon, Lerderderg State Park and bunjil nganga Parkland (Quarry Hills)</li> <li>securing 16 new private land sites through DEECA's delivery partner on private land <b><u>Cassinia Environmental</u></b>, which will collectively deliver approximately 2,600 hectares of restored native vegetation. As at 30 June 2026, Cassinia Environmental has secured more than \$400,000 from partners, including carbon markets and philanthropic biodiversity-focused partners. Since the program began in 2020 it has secured \$11.2 million in co-funding, protected more than 10,900 hectares of private land and supported planting across 4,817 hectares.</li> </ul> |
| Reform Household Recycling                                     | <p>DEECA continued to work with councils and Alpine Resorts Victoria to roll out Victoria's household waste and recycling system.</p> <p>As at 30 June 2026, 61 of 79 councils offered food organics and garden organics recycling services, 43 of 79 offered glass services, including 27 with kerbside glass services, and 31 councils offered all 4 streams.</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Sustainability Victoria (SV) was responsible for delivering the behaviour change component of this initiative until 31 May 2026. Details are available in <b><u>SV's Annual Report 2025-26</u></b>. The Circular Economy Education and Behaviour Change program transferred to DEECA on 1 June 2026.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Accelerate Victoria's transition to a circular economy         | <p>DEECA continued to provide evidence-based analysis and strategic advice to inform government decisions and actions to deliver Victoria's 10-year circular economy policy, and to drive national reforms that support circular economy outcomes efficiently while minimising costs to business.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>establishing the <b><u>Illegal Waste Dumping Taskforce</u></b> in partnership with EPA Victoria, including funding to support increased regulatory operations by the Conservation Regulator and an <b><u>\$8.5 million rebate program</u></b> to help local government authorities and other public land managers clean-up illegally dumped waste</li> <li>delivering the <b><u>waste sector pledge</u></b> to cut emissions by driving down methane emissions from landfill over 2026-2030</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Initiative                                                                                                                                               | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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|                                                                                                                                                          | <ul style="list-style-type: none"> <li>regulating a <b>waste to energy</b> cap limit of 2.5 million tonnes per year on the amount of waste that can be heat-treated to generate energy, enabling the issuing of <b>7 waste to energy cap licences</b></li> <li>working with other jurisdictions to advocate for and progress nationally consistent product stewardship regulation for priority products including batteries, solar panels and packaging, and a single national portal for container deposit schemes across Australia.</li> </ul> <p>Key actions delivered by Recycling Victoria (RV) in 2025-26 included:</p> <ul style="list-style-type: none"> <li>continuing to oversee the <b>Container Deposit Scheme</b>, which returned more than 3.33 billion eligible containers for recycling, as at 30 June 2026</li> <li>releasing the third <b>Circular Economy Risk, Consequence and Contingency Plan</b> (CERCC Plan) in June 2026 to identify, describe and manage risks to service continuity and the transition to a circular economy in Victoria's waste recycling and resource recovery sector</li> <li>releasing the third edition of the <b>Circular Economy Market Report</b> in June 2026, providing clearer visibility of Victoria's resource recovery sector and market value trends; the report includes new data on commodity prices for key virgin and recovered materials, the social and environmental impacts of circular economy initiatives, cross-sector links between waste streams, remanufacturing potential, market demand and opportunities to reduce waste and support high-skill job creation</li> <li>releasing the <b>Victorian Recycling Infrastructure Plan Annual Progress Report 2024-25</b>, providing an update on implementation from October 2024 to October 2025, including key infrastructure developments, progress on actions and indicators, and issues requiring further action</li> <li>publishing the <b>2022-2026 Acquittal Report</b> on 29 June 2026, detailing RV's achievements and recognising the collective work of staff, partners and stakeholders across Victoria's waste, recycling and resource recovery sector.</li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>Sustainability Victoria (SV) was responsible for delivering grants to accelerate Victoria's transition to a circular economy. Details are available in SV's Annual Report 2025-26. This function transferred to DEECA on 1 June 2026.</li> <li>Recycling Victoria (RV) was transferred to the Environment Protection Authority on 30 June 2026. It is included in this report as RV was part of DEECA from 1 July 2025 to 29 June 2026.</li> </ul> |
| <p>Deliver technical planning and environmental assessment advice to support the Economic Growth Statement and delivery of infrastructure priorities</p> | <p>DEECA continued to provide high-quality and timely assessments and advice to stakeholders throughout 2025-26.</p> <p>As at 30 June 2026, 86% of planning referrals relating to native vegetation were responded to on time, exceeding the departmental target of 70%.</p> <p>Timeliness for planning and environmental assessment advice to support the <b>Economic Growth Statement</b> and delivery of infrastructure priorities, including energy projects and the <b>Housing Statement</b>, was 85% in 2025-26. This was consistent with 2024-25, despite increasing case numbers and complexities.</p> <p>In June 2026, the Victorian Government released <b>Progress Update – Delivering a better approach to managing biodiversity impacts of renewable energy projects</b>. The update outlines progress in delivering key commitments, including completing targeted research projects and releasing new mapping tools, to support efficient, fit-for-purpose planning and environmental assessments and approvals for renewable energy projects. These products provide greater clarity and consistency for proponents, assessors and community members on assessment and advice processes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Enable strategic, place-based action to improve Victoria's biodiversity (including Protecting</p>                                                     | <p>DEECA continued the implementation of landscape-scale environmental management, focusing on predator and pest control, weed management, and targeted interventions for threatened species in alignment with <b>Protecting Victoria's Environment – Biodiversity 2037</b> objectives.</p> <p>Progress and actions in 2025-26 included:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Initiative                                                     | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Biodiversity Program, implementation of Deer Control Strategy) | <ul style="list-style-type: none"> <li>The <b>Nature Fund</b> and <b>Icon Species</b> programs continued to support targeted actions for a range of threatened animals.</li> <li>DEECA directly delivered large scale control of introduced species on public land including pigs, foxes and deer, as well as weed control projects targeting weeds and invasive plants, providing benefits to farming enterprises, visitor amenities, neighbouring landholders and threatened vegetation communities.</li> <li>Through the Strengthening Country pooled funding model, support was provided to 8 Traditional Owner groups to lead delivery of self-determined actions to strengthen biocultural outcomes for Country.</li> <li>The Landcare for Country pilot has enabled three Traditional Owner groups to deliver place-based action for biodiversity by creating employment opportunities, building skills and capacity and supporting self-determined Caring for Country activities.</li> <li>DEECA provided funding to ensure the continued employment of 80 part-time <b>Landcare facilitators</b> and 10 full-time Catchment Management Authority-based <b>Regional Landcare Coordinators</b>, primarily serving regional and rural areas. These positions strengthened the Landcare and environmental volunteering sectors at local and regional levels, enhancing natural resource management and environmental protection, improving sustainable land management and agricultural practices, strengthening social connections within communities, and improving wellbeing outcomes for community members and farmers.</li> </ul> |

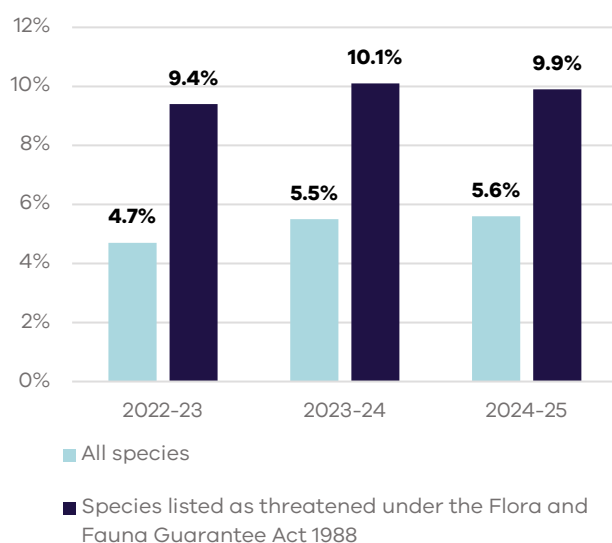
## Departmental Objective Indicator performance

### Indicator: Improve Victoria's native species populations and their habitat through targeted management

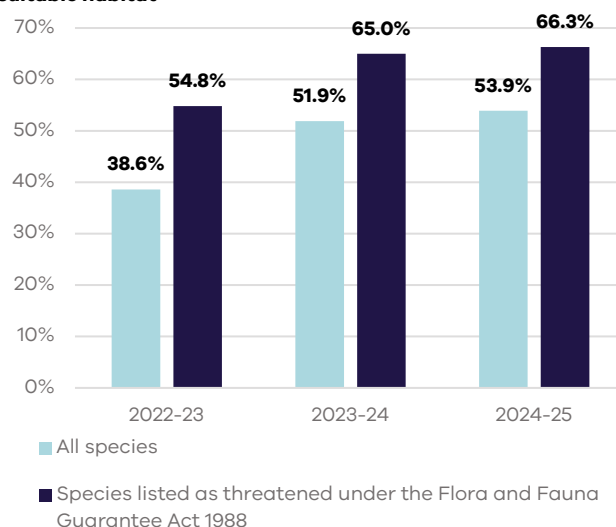
This indicator reports on the change in suitable habitat for Victoria's native species populations resulting from threat management activities delivered through DEECA's on-ground biodiversity programs.

The result for this indicator, using these 2 different summary metrics based on 2024–25 data is:

#### Mean Change in Suitable Habitat (CSH)



#### Percentage of species that have an improvement in suitable habitat



#### Notes on the data:

- Results are reported one year in arrears due to the time needed to collect spatial activity data from delivery partners and complete quality assurance and analysis according to departmental data standards.
- Change in Suitable Habitat (CSH) represents the increase in the likelihood that a species will persist at a location over time, such as over 50 years, in response to sustained management of relevant threats. It is expressed as the proportional increase (percentage) in hectares of suitable habitat available to a species under a sustained management regime, compared with no management. Further information is available in DEECA's **Strategic Management Prospects** decision support tool.

Conserving Victoria's biodiversity depends on retaining suitable habitat and managing threats within those habitats. Common threats to native species include competition from introduced plants, such as environmental weeds, and introduced herbivores, including deer, goats, rabbits and pigs; direct predation by foxes and cats; and loss of connectivity caused by habitat removal and fragmentation.

An increase in suitable habitat indicates an improved outlook or likelihood of persistence for a species as a result of implemented management actions. It does not mean a species is secured or recovered. This measure should only be considered as an indicator of species benefitting from current investment, not an indicator of species recovery.

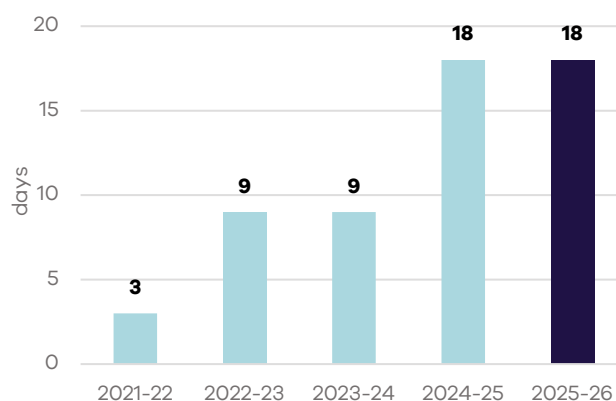
In 2024-25 and in 2025-26, DEECA delivered a range of investment programs to support biodiversity policy outcomes through targeted place-based action. These included:

- **Protecting Biodiversity program** including the **Nature Fund** (\$15 million per annum)
- **Weeds and Pests on Public Land programs** (\$2.85 million per annum)
- **Peri Urban Weeds Management Partnership program** (\$1.0 million per annum)
- **Victorian Deer Control program** (\$4.4 million per annum)
- **Nature restoration for carbon storage – BushBank program** (\$77 million over 15 years)
- **Icon Species** (\$1.36 million per annum).

These programs deliver sustained landscape-scale predator, pest herbivore and weed control, revegetation and restoration of degraded habitats, and complementary targeted actions for threatened species aligned to Victoria's biodiversity plan – **Protecting Victoria's Environment – Biodiversity 2037**.

#### Indicator: Reduction in pollutants from priority hotspots

**Number of days where the air quality standard was exceeded in the Brooklyn industrial precinct**



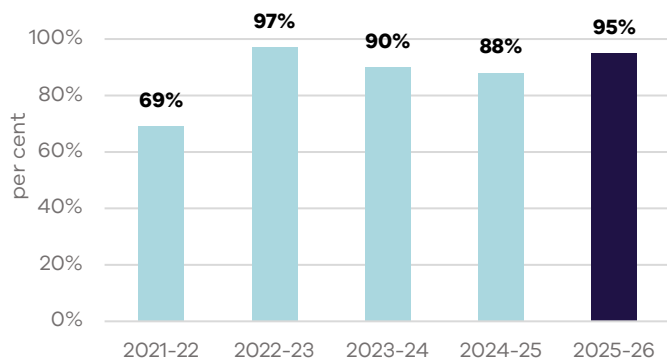
The residential area south of the Brooklyn industrial precinct has experienced poor air quality due to high dust levels from activities within the precinct. These environmental challenges reflect historic planning decisions that located industry next to residential zones. Environment Protection Authority Victoria (EPA) has monitored PM<sub>10</sub> (particles smaller than 10 micrometres), the major component of dust in the air, in Brooklyn since October 2009.

In 2025-26, maximum limits under the **national air quality standard** and Victorian **Environment Reference Standard** were exceeded on 18 occasions. Nine of these days were attributed to activities within the Brooklyn industrial precinct. On 4 of the 9 days, higher PM<sub>10</sub> readings were also measured at other monitoring stations, indicating possible contributions from dust sources outside the precinct.

EPA has maintained its strategic regulatory focus on reducing air pollution in the precinct to lower environmental risk and improve public health outcomes through planned inspection programs, unannounced inspections, increased enforcement, and follow-up action to ensure duty-holders address pollution at the source and comply with the *Environment Protection Act 2017*. EPA has also implemented a second Better Environment Plan, which is a voluntary agreement with 4 businesses in the Brooklyn industrial precinct capturing innovative controls to manage human health and environmental impacts caused by dust.

**Indicator: Environment Protection Authority prosecutions result in a finding of guilt or a clarification of the law**

**Success rate of EPA summary and indictable prosecutions**



**Notes on the data:**

- Data since 2022-23 includes summary and indictable prosecutions. Data prior to 2022-23 relates to indictable prosecutions only.

This departmental objective indicator reflects that matters commenced by EPA have a sound legal basis and are in the public interest.

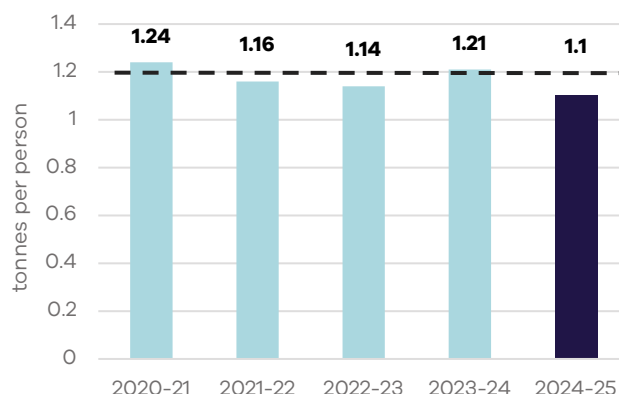
In 2025-26, EPA finalised 76 summary and indictable prosecutions, of which 72 were successful, resulting in a success rate of 95%. The increase from 88% in 2024-25 to 95% in 2025-26 is largely attributable to EPA focusing its prosecutorial resources on high-impact, high deterrent offending. These efforts resulted in a decrease in the number of initiated and finalised contested summary prosecution matters in 2025-26, which predominately rely on lay witness evidence and carry a higher probability of dismissal and withdrawal.

In 2025-26, EPA continued to focus its prosecutorial efforts on complex cases that were expected to have a significant deterrent effect and improve compliance with the **General Environmental Duty**, as part of a more targeted regulatory strategy.

EPA takes a proportionate approach to compliance and enforcement across all sectors and continues to work with duty holders to assist them to understand and meet their duties and obligations. For those who continue or repeatedly disregard their regulatory responsibilities, EPA will use all regulatory powers available to it to protect human health and the environment.

**Indicator: Reduction in waste generation per person**

**Waste generation per person**



**Notes on the data:**

- The 2019-20 result of 1.20 tonnes per person is the baseline from which the 'reduction in waste generation per person of 15% by 2030' is measured, as implementation of the Victorian Government's circular economy policy, **Recycling Victoria: a new economy**, commenced in 2019-20.
- Historical values may vary slightly from previous reporting if more data subsequently becomes available.
- Data for this indicator is reported one year in arrears.

This indicator reports on waste generated per person. It includes municipal solid waste and commercial and industrial waste but excludes construction and demolition waste.

In 2024-25, total municipal solid waste and commercial and industrial waste generated was 1.10 tonnes per person. This is a reduction from the 2023-24 year, where waste generated was 1.21 tonnes per person. This means municipal solid waste and commercial and industrial waste generation per person is now trending below 2019-20 baseline levels of 1.20 tonnes per person.

These reductions were supported by commitments under the Victorian Government's circular economy policy, **Recycling Victoria: a new economy**, which commenced in 2020. Key actions under this policy to support Victorians to reduce waste generation over time, include:

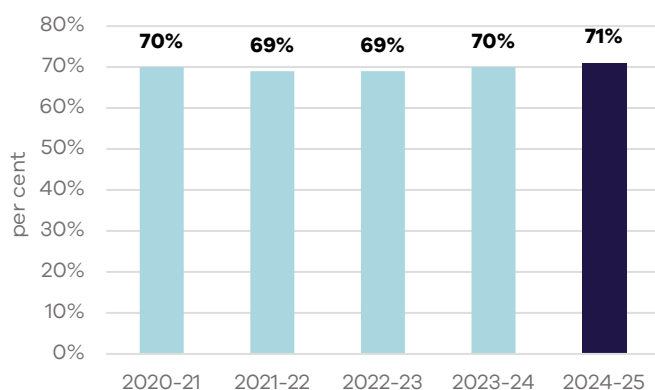
- the Victorian Government's ban of a range of single-use plastic items since February 2023 has resulted in Victorians reducing waste and litter by avoiding single-use plastic items and choosing reusables instead; recent litter audits show a 69% reduction of the banned items in the environment
- \$26.6 million for the Small Acts, Big Impacts education campaign, which encouraged households to avoid single-use items and reduce food waste
- \$17 million for Victoria's Circular Economy Business Innovation Centre, to equip Victorian businesses

with support to pursue circular economy business opportunities that reduce waste generation; over the life of the program from 2020 to 2024, waste processing capacity increased by 55,822 tonnes a year, and 107,887 tonnes of waste was avoided

- \$14.6 million for the Communities and Councils program to develop circular economy initiatives, minimise waste and meet local needs; funded initiatives included promotion of re-use; repair and sharing programs; replacing single-use items with reusables, and development of local skills and social enterprises
- \$1.8 million in waste levy relief provided to charitable recyclers to support them redistributing goods for reuse.

#### Indicator: Increase in diversion of municipal and industrial waste from landfill

Total waste diverted from landfill



#### Notes on the data:

- Historical values may vary slightly from previous reporting if more data subsequently becomes available.
- Data for this indicator is reported one year in arrears.

This indicator reports on the percentage of municipal, construction and demolition, and commercial and industrial waste diverted from landfill. Hazardous waste is not included in this indicator.

The Victorian Government's circular economy policy, **Recycling Victoria: a new economy**, established a target of diverting 80% of waste from landfill by 2030, with an interim target of 72% by 2025.

The diversion of waste from landfill increased to 71% in 2024-25, an improvement from the baseline of 69% in 2019-20.

The delivery of major reforms continues under **Recycling Victoria: a new economy** to improve Victoria's recycling system, increase resource recovery and support the transition to a circular economy. These reforms are expected to increase diversion of waste from landfill over time, as new household recycling services, infrastructure investment, market development and regulatory settings mature, and include:

- continuing the implementation of a standardised household recycling system across the state, which includes a food organics and garden organics recycling services that is diverting waste from landfill
- delivering the Container Deposit Scheme, which enabled the return of more than 3.33 billion eligible containers for recycling as at 30 June 2026
- investing \$51 million through the Industry and Infrastructure Development Package in new and expanded recycling facilities for priority materials, which has to date increased Victoria's annual recycling infrastructure capacity by 1.1 million tonnes
- driving demand for recycled materials through the **Recycled First Policy** requiring major Victorian Government infrastructure projects to demonstrate how they are optimising their use of recycled and reused materials, with 72 million tonnes of recycled materials being used in projects to date.

Further increases in diversion of waste from landfill are expected as a result of a range of activities underway in the recycling sector. Major deliverables in 2025-26 included:

- Release of the first Victorian **Recycling Infrastructure Plan (VRIP) Annual Progress Report**, providing an update on the implementation of the VRIP including an overview of key infrastructure developments, an update on the VRIP actions and other indicators
- Completing implementation of the **waste to energy licencing scheme** by issuing 7 cap licences, distributing a total of 2.35 million tonnes per annum of the total cap, in line with the annual cap on the amount of permitted waste that can be thermally processed by new waste to energy facilities (2.50 million tonnes per annum).



## Environment and Biodiversity

This output leads the development and implementation of strategic, whole of government environmental policy and delivers investment, regulatory and research functions that support Victoria's diverse and resilient ecosystems.

| Performance measures                                                                                                                                                                                                                                                                                                                        | Unit of measure | 2025-26 actual     | 2025-26 target | Variation (%) | Result |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                                                                                                                             |                 |                    |                |               |        |
| Biodiversity surveys completed on forest, fire management activities                                                                                                                                                                                                                                                                        | number          | 400                | 150            | 167           | ✓      |
| <i>Performance is above target reflecting higher than expected demand for biodiversity surveys, with drivers including DEECA's Fuel Management program, the Strategic Fuel Breaks program and the Melbourne Strategic Assessment. Investment in a new Biodiversity and Threatened Species Survey also contributed to the higher result.</i> |                 |                    |                |               |        |
| Environmental volunteer hours contributing to the health of Victoria's biodiversity                                                                                                                                                                                                                                                         | number          | 400 000 (estimate) | 400 000        | 0             | ✓      |
| <i>The final result will be available in late 2026 following the receipt and analysis of data from community groups.</i>                                                                                                                                                                                                                    |                 |                    |                |               |        |
| Habitat restored and enhanced to benefit biodiversity and store carbon                                                                                                                                                                                                                                                                      | hectares        | 2 518              | 1 600          | 57            | ✓      |
| <i>Performance is above target primarily due to the program's delivery partner securing additional sites for habitat restoration.</i>                                                                                                                                                                                                       |                 |                    |                |               |        |
| New permanently protected native vegetation on private land                                                                                                                                                                                                                                                                                 | hectares        | 4 186              | 800            | 423           | ✓      |
| <i>Performance is above target reflecting an increase in government incentives for landholders to place conservation covenants on their properties, including through the BushBank program.</i>                                                                                                                                             |                 |                    |                |               |        |
| On-ground action to support local environmental outcomes                                                                                                                                                                                                                                                                                    | hectares        | 40 000 (estimate)  | 40 000         | 0             | ✓      |
| <i>The final result will be available by early 2027 following the receipt and analysis of statewide data.</i>                                                                                                                                                                                                                               |                 |                    |                |               |        |
| Pest herbivore control in priority locations                                                                                                                                                                                                                                                                                                | hectares        | 900 000 (estimate) | 1 200 000      | (25)          | ■      |
| <i>The final result will be available by early 2027 following the receipt and analysis of statewide data. Performance is expected to be below target due to bushfire impacts, resulting in the deferral of some herbivore control activity to 2026-27.</i>                                                                                  |                 |                    |                |               |        |
| Pest predator control in priority locations                                                                                                                                                                                                                                                                                                 | hectares        | 600 000 (estimate) | 700 000        | (14)          | ■      |
| <i>The final result will be available by early 2027 following the receipt and analysis of statewide data. Performance is expected to be below target due to bushfire impacts.</i>                                                                                                                                                           |                 |                    |                |               |        |
| Priority conservation actions for threatened species                                                                                                                                                                                                                                                                                        | number          | 45 (estimate)      | 45             | 0             | ✓      |
| <i>The final result will be available in late 2026 following the receipt and analysis of data from delivery partners</i>                                                                                                                                                                                                                    |                 |                    |                |               |        |
| Strategic compliance and enforcement operations completed by the Conservation Regulator                                                                                                                                                                                                                                                     | number          | 5                  | 5              | 0             | ✓      |
| Weed control in priority locations                                                                                                                                                                                                                                                                                                          | hectares        | 40 000 (estimate)  | 50 000         | (20)          | ■      |
| <i>The final result will be available by early 2027 following the receipt and analysis of statewide data. Performance is expected to be below target due to bushfire impacts and updated modelling that resulted in changes to priority locations, which required additional planning.</i>                                                  |                 |                    |                |               |        |

| Performance measures                                                                                                                                                                                                                                                       | Unit of measure        | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|----------------|---------------|--------|
| <b>Quality</b>                                                                                                                                                                                                                                                             |                        |                |                |               |        |
| Annual Arthur Rylah Institute Client Survey respondents rank the level of overall satisfaction with ARI's research as good, very good or excellent                                                                                                                         | per cent               | 98             | 95             | 3             | ✓      |
| Presentations made and scientific publications in peer reviewed journals<br><i>Performance is above target due to a higher than usual number of presentations to meet clients and stakeholders' needs and for citizen science events, plus strong publication results.</i> | number                 | 65             | 60             | 8             | ✓      |
| Proportion of weed and pest animal control targeted towards priority locations<br><i>The final result will be available by early 2027 following the receipt and analysis of statewide data.</i>                                                                            | per cent<br>(estimate) | 70             | 70             | 0             | ✓      |
| Traditional Owner groups whose Country plans, cultural values and practices are enabled by biodiversity policies and programs<br><i>The final result will be available by late 2026, following the receipt and analysis of statewide data.</i>                             | per cent<br>(estimate) | 59             | 59             | 0             | ✓      |
| <b>Timeliness</b>                                                                                                                                                                                                                                                          |                        |                |                |               |        |
| Native Vegetation Credit Extracts processed within 10 days                                                                                                                                                                                                                 | per cent               | 95             | 96             | (1)           | ○      |
| Planning referrals relating to native vegetation processed within statutory timeframes<br><i>Performance is above target due to the implementation of process efficiencies that enabled a stronger focus on priority projects.</i>                                         | per cent               | 86             | 70             | 23            | ✓      |
| Wildlife Licence renewals processed by target dates<br><i>Performance is above target due to business process improvements implemented by the department to proactively identify issues before they impact on delivery timelines.</i>                                      | per cent               | 96             | 85             | 13            | ✓      |
| <b>Cost</b>                                                                                                                                                                                                                                                                |                        |                |                |               |        |
| Total output cost<br><i>The higher than budgeted output cost is predominantly due to additional funding for the Western Grassland Reserve, as well as additional Commonwealth funding for the Urban Rivers Platypus Recovery and High Pathogenicity Avian Influenza.</i>   | \$ million             | 160.6          | 128.3          | (25.2)        | ○      |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Statutory Activities and Environment Protection

This output involves protecting the environment and people by preventing and reducing harm from pollution and waste through better regulation, conducting research and gathering intelligence to inform compliance and enforcement activities, collaboration and the provision of advice. These activities support a liveable and prosperous state by leveraging good environmental performance and a shared responsibility among all Victorians to maintain clean air, water and land, and minimal disturbance from noise and odour.

| Performance measures                                                                                                                                                                                                                                                                                                                         | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                                                                                                                              |                 |                |                |               |        |
| Environment condition notifications provided to Victorians<br><i>Performance is above target due to increased notifications outside of the traditional spring to autumn seasonal period, including beach reports being issued throughout the year.</i>                                                                                       | number          | 1 105          | >800           | 38            | ✓      |
| Total inspections of business sites or premises conducted to prevent and respond to risks of harm to human health and the environment<br><i>Performance is above target due to increased demand, influenced by licence compliance assessments, incidents such as pollution, as well as by broader strategic initiatives to reduce risks.</i> | number          | 4 290          | 4 000          | 7             | ✓      |
| <b>Quality</b>                                                                                                                                                                                                                                                                                                                               |                 |                |                |               |        |
| Victorian community trust in EPA<br><i>Performance is below target, consistent with 'trust' scores for similar organisations in other jurisdictions. Strong coverage of activities such as the Illegal Dumping Taskforce and impactful digital communications contributed to an improvement from the previous year.</i>                      | per cent        | 52             | 70             | (26)          | ■      |
| <b>Timeliness</b>                                                                                                                                                                                                                                                                                                                            |                 |                |                |               |        |
| Applications for internal review of remedial notices completed within statutory timeframes                                                                                                                                                                                                                                                   | per cent        | 100            | 100            | 0             | ✓      |
| Applications for licences and permits completed within statutory timelines<br><i>Performance is above target due to a higher ratio of permits (simpler assessment for lower-risk activities) to licences (more complex and higher-risk activities) and a continued focus on process and system improvement.</i>                              | per cent        | 94             | 50             | 88            | ✓      |
| EPA advice on planning matters is provided within required timeframes<br><i>Performance is above target reflecting a continued focus on providing risk-based advice (including streamlined advice for low-risk matters), and process and system improvement.</i>                                                                             | per cent        | 85             | 65             | 31            | ✓      |
| EPA confirms duty holder compliance with remedial notice requirements, or escalates for further action, within 17 days of the compliance due date<br><i>Performance is above target reflecting a continued focus on process and system improvement, including prioritising statutory notice compliance follow-up.</i>                        | per cent        | 94             | 80             | 18            | ✓      |
| EPA provides technical advice to lead agencies within agreed timelines during emergency incidents<br><i>Performance is above target reflecting a commitment to fulfilling the EPA's emergency management advisory role and the EPA's high-level responsiveness to calls from emergency services.</i>                                         | per cent        | 100            | 90             | 11            | ✓      |
| EPA responds to priority waste incidents within 15 hours of notification<br><i>Performance is above target due to the one priority waste incident that occurred in 2025-26 being responded to within 15 hours, enabled by EPA's focus on ensuring readiness to respond to incidents.</i>                                                     | per cent        | 100            | 90             | 11            | ✓      |

| Performance measures                                                                                                                                                                                                                                                                            | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| Environmental audits and preliminary risk screening assessment reports are reviewed to ensure administrative compliance with legislation and guidelines within 14 days of submission<br><i>Performance is above target reflecting the prioritisation of resources to ensure timely reviews.</i> | per cent        | 86             | 80             | 8             | ✓      |
| Pollution reporters requesting follow up by EPA receive contact within five working days<br><i>Performance is above target reflecting the EPA's focus on being responsive to community reports.</i>                                                                                             | per cent        | 84             | 75             | 12            | ✓      |
| <b>Cost</b>                                                                                                                                                                                                                                                                                     |                 |                |                |               |        |
| Total output cost<br><i>The higher than budgeted output cost is predominantly due to initiatives related to sustainability and environmental protection.</i>                                                                                                                                    | \$ million      | 180.1          | 158.0          | (14.0)        | ○      |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Circular Economy

This output was renamed from Waste and Recycling in 2024-25 to Circular Economy in 2025-26 to better reflect the deliverables of the portfolio.

This output leads the development and implementation of strategic, whole of government circular economy policy, regulation and programs including leadership and oversight of waste and resource recovery services and development of partnerships across industry and the community to support Victoria's transition to a circular economy. This contributes to sustainable economic development and reduced environmental impacts from more productive use of resources, reduced waste, and a safe and thriving recycling industry.

| Performance measures                                                                                                                                                                                                                                                                                                                                     | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                                                                                                                                                                          |                 |                |                |               |        |
| Container Deposit Scheme refund collection points provided to Victorians                                                                                                                                                                                                                                                                                 | number          | 620            | >600           | 3             | ✓      |
| Proportion of Victorian households with access to organic food and garden waste recycling services<br><i>Performance is below target due to delays in some local councils implementing services.</i>                                                                                                                                                     | per cent        | 73             | 80             | (9)           | ■      |
| Proportion of Victorian households with access to separated glass recycling services<br><i>Performance is below target due to delays in some local councils implementing services.</i>                                                                                                                                                                   | per cent        | 37             | 40             | (8)           | ■      |
| <b>Quality</b>                                                                                                                                                                                                                                                                                                                                           |                 |                |                |               |        |
| Cumulative increase in the capacity of Victoria's resource recovery infrastructure                                                                                                                                                                                                                                                                       | tonnes          | 2 323 396      | 2 400 000      | (3)           | ○      |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                                              |                 |                |                |               |        |
| Total output cost<br><i>The higher than budgeted output cost is predominantly due to higher revenue and expenditure from the tripartite agreements between the department, local councils and waste management contractors, as a result of a higher volume of organic waste generated across metropolitan Melbourne, compared to the initial budget.</i> | \$ million      | 170.5          | 108.0          | (57.9)        | ■      |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Productive and effective land management

### Context

Victoria's public land, including its parks, forests, coasts, alpine resorts and Crown land reserves, has significant economic, environmental, cultural and recreational value. DEECA manages public land to both protect these values and optimise its use by all Victorians.

In partnering with other public land managers, including Traditional Owners, statutory agencies and committees of management, DEECA ensures that public land and water assets are used in a sustainable manner and that their natural and built assets continue to be maintained and improved.

DEECA partners and works closely with Traditional Owners and Registered Aboriginal Parties to ensure their connection to Country, recognise existing rights under agreements and incorporate Aboriginal knowledge and culture into the management of land and natural values.

DEECA works to ensure that all Victorians and visitors to the state have access to safe and appropriate infrastructure, and that development, particularly along Victoria's coastline, is appropriate and takes full account of community, environmental, and economic values as well as Traditional Owner cultural values and aspirations.

| Initiative                                                                                                              | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Future Forests program                                                                                                  | <p>This initiative contributes to the management of more than 1.8 million hectares of State forest where timber harvesting no longer occurs due to the transition out of commercial native timber harvesting on 1 January 2024.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>collecting more than 3,000 kilograms of seed, with DEECA taking advantage of favourable seasonal conditions to collect 1,000 kilograms more than planned</li> <li>completing approximately 85% of the post timber harvesting regeneration program, with Traditional Owner groups involved in weed spraying, seedling production and hand planting</li> <li>completing the fencing of regenerating areas at high-risk of herbivore browsing by reusing fencing materials</li> <li>commencing the coordination of the Delatite Arm Reserve Reforestation Project at Lake Eildon to harvest the remaining pine plantation and replant native trees</li> <li>establishing a new panel of 10 suppliers for the Biodiversity and Threatened Species Survey Program on 1 July 2025, delivering 400 targeted threatened species surveys across more than 40,000 hectares of public land, which yielded more than 38,450 records of more than 800 flora and fauna species, including 6,553 records of 151 different threatened species</li> <li>releasing Victoria's <b><u>State Forest By-Products Framework</u></b> and updated <b><u>Forest Produce Licence Policy</u></b> in April 2026.</li> </ul> |
| Deliver the regulatory operations program including investigations, monitoring and strategic operations and enforcement | <p>The Conservation Regulator delivers a range of compliance and enforcement, licensing and permissions, and community education and communications activities aligned with its regulatory priorities.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>securing successful prosecutions for significant forest and wildlife crime, including: <ul style="list-style-type: none"> <li>two individuals being fined \$30,000 each for selling more than 13,000 tea tree stakes across 2022 and 2023, valued at approximately \$30,000, after illegally clearing dense areas of tea tree vegetation</li> <li>an individual being sentenced to 2 years and 10 months imprisonment for wildlife smuggling offences and fined \$5,000 with conviction for attempting to mail 27 reptiles to Hong Kong</li> <li>an individual being convicted and fined \$5,000 for lighting a campfire in Victoria's north-east during a statewide total fire ban on 26 December 2024</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

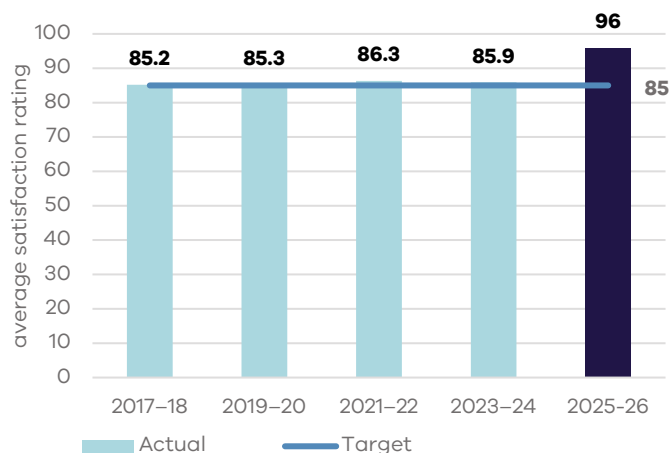
| Initiative                                                                   | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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|                                                                              | <ul style="list-style-type: none"> <li>• leading strategic operations aligned with regulatory priorities, including illegal fires on public land, illegal firewood collection, cruelty to wildlife, protection of threatened species and illegal vehicle-use</li> <li>• expanding its partnership with Crime Stoppers Victoria to enable reporting of forest and wildlife crime, including the June 2026 launch of the <b><u>'Illegal Firewood: The Cost is Wild'</u></b> campaign</li> <li>• continuing to deliver <b><u>'Taskforce Ironbark'</u></b> to address the illegal take of timber for commercial firewood, which causes habitat destruction and threatens native wildlife and Aboriginal cultural heritage. In 2025-26, significant penalties included a \$10,000 fine for an individual who unlawfully cut down trees and damaged wildlife habitat in the Otway Forest Park</li> <li>• launching Victoria's <b><u>Net Swap pilot program</u></b> in partnership with 5 metropolitan councils: Boroondara, Brimbank, Manningham, Merri-bek and Yarra, as well as RSPCA Victoria, Zoos Victoria, Wildlife Victoria and Animal Welfare Victoria. The program enabled household fruit growers to swap illegal netting for a legal, wildlife-safe alternative at no cost. More than 600 illegal nets were collected and recycled, helping prevent future harm to wildlife and reducing waste</li> <li>• issuing or renewing 9,387 private and commercial wildlife licences, supported by proactive compliance and education activities to monitor and support licence-holder compliance</li> <li>• attending community events across Victoria to engage and educate the public on environmental regulatory requirements, including events for water users to raise awareness of marine distancing laws. Attendance at wildlife sale events also supported engagement on licensing requirements and safe wildlife care</li> <li>• launching a new <b><u>Education Resources webpage</u></b> for schools, community groups and the wider public, providing: <ul style="list-style-type: none"> <li>– curriculum linked lesson plans, accessed more than 650 times by at least 110 educators</li> <li>– wildlife crime education videos</li> <li>– downloadable education and outreach materials</li> </ul> </li> <li>• developing and implementing a Permissions Monitoring and Compliance Strategy to strengthen oversight of wildlife and forest permissions across Victoria.</li> </ul> |
| Deliver the Great Ocean Road Coastal Trail (Fairhaven to Grey River) Project | <p>This project aims to link existing trails along the Great Ocean Road to create a 75 kilometre walk from Fairhaven to Grey River.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• executing the Traditional Owner Licence Agreement confirming the trail name as the Gadubanud Meerreeng Coastal Trail and securing key statutory approvals</li> <li>• achieving key project delivery milestones, including confirming construction costs through public tender, completing designs, preparing draft signage and emergency management plans, and progressing procurement and contract negotiations for trail upgrades and major infrastructure</li> <li>• progressing on-ground works, with signage and upgrade works commencing between Wye River and Kennett River.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Develop local parks, playgrounds and dog parks                               | <p>In 2025-26, DEECA continued to deliver high-quality, accessible open space for Victorian communities through the <b><u>Better Parks and Playgrounds Program</u></b> (\$7.4 million) and the <b><u>New and Upgraded Dog Parks Program</u></b> (\$13.4 million), funded through the 2023-24 State Budget.</p> <p>These investments are improving local parks, playgrounds and dog parks, supporting healthier, more connected communities and providing more opportunities for Victorians to exercise, relax and enjoy the outdoors.</p> <p>In partnership with local delivery partners, 8 Better Parks and Playgrounds projects and 18 New and Upgraded Dog Parks projects were completed as at 30 June 2026. The remaining 30 projects have either been completed in early 2026-27 or are underway and expected to open progressively through to mid-2027.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |



| Initiative                                                                                                                        | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deliver the Great Ocean Road Management Reform                                                                                    | <p>The Great Ocean Road management reform was completed on 30 June 2026. DEECA consolidated public land management along the Great Ocean Road, transferring responsibility for more than 170,000 hectares from 11 entities to the Great Ocean Road Coast and Parks Authority (GORCAPA). GORCAPA is responsible for protecting, conserving, enhancing and managing the Great Ocean Road coast and parks.</p> <p>DEECA continues to support GORCAPA in implementing a sustainable funding model to support the long-term management and stewardship of the Great Ocean Road coast and parks.</p> <p>DEECA progressed preparation of the <a href="#">Strategic Framework Plan</a> for the Great Ocean Road region for completion by the Department of Transport and Planning.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Implement the Suburban Parks Program                                                                                              | <p>DEECA continued to deliver the <a href="#">Suburban Parks Program</a>, which will create, connect, plan and upgrade more than 6,500 hectares of open space across Melbourne.</p> <p>In June 2026, DEECA completed the Seaford Wetlands Rejuvenation project, which delivered landscaping and environmental improvements, upgrades to walking paths and facilities and a biocultural trail loop around the wetlands. The trail supports the rejuvenation of cultural practices identified by the Bunurong Land Council Aboriginal Corporation.</p> <p>The Co-Managed Parklands project continued to support long-term planning and infrastructure improvements across 4 co-managed parklands on Melbourne's outskirts: Jacksons Creek biik wirrdha, bunjil nganga Parkland (Quarry Hills), Cardinia Creek and marram baba Merri Creek. By June 2026, 15 planning and infrastructure projects were completed.</p> <p>DEECA continued to deliver major parkland projects across Melbourne's growing suburbs. By June 2026, DEECA had acquired 319 hectares or 85% of the 391 hectares required for the Three New Parks project and transferred to Parks Victoria to support the future establishment of regional parklands at Kororoit Creek, Werribee Township and Clyde.</p> <p>Additional achievements included completing upgrades to facilities and paths at Wattle Park in December 2025, continuing delivery of the Plenty River Trail and land management and maintenance at Sandbelt Parklands.</p> |
| Renewing Victoria's Public Land Legislation                                                                                       | <p>DEECA continued to progress the government's commitment to modernise Victoria's public land legislation. The reforms will provide a contemporary framework for public land management by replacing 3 outdated Crown Land Acts – the <i>Crown Land (Reserves) Act 1978</i>, <i>Forests Act 1958</i> and <i>Land Act 1958</i> – with a new Public Land Act, which will operate alongside a refined <i>National Parks Act 1975</i>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Activate public land through technical and place based regulatory advice, and services, project delivery and land manager support | <p>DEECA strengthened the management and activation of public land through improved regulatory services, support for land managers and targeted reform initiatives.</p> <p>Regional teams supported continuous improvement activities and informed the development of priority reforms to public land legislation.</p> <p>Key progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• executing revised Instruments of Delegation to support the use and management of Crown land and jointly developing pilot projects with local councils to improve public land outcomes</li> <li>• improving access to public land information and services by modernising Crown land management customer guidance resources and strengthening Customer Contact Centre capability through targeted training. This improved the consistency and quality of advice provided to the community and supported faster enquiry resolution.</li> </ul> <p>These achievements strengthened DEECA's capacity to deliver consistent, efficient and effective public land services, support land managers and councils, and improve the safety, stewardship and activation of Victoria's public land estate.</p>                                                                                                                                                                                                                                                                                      |

## Departmental Objective Indicator performance

### Indicator: Level of park visitor satisfaction across the Parks Victoria estate

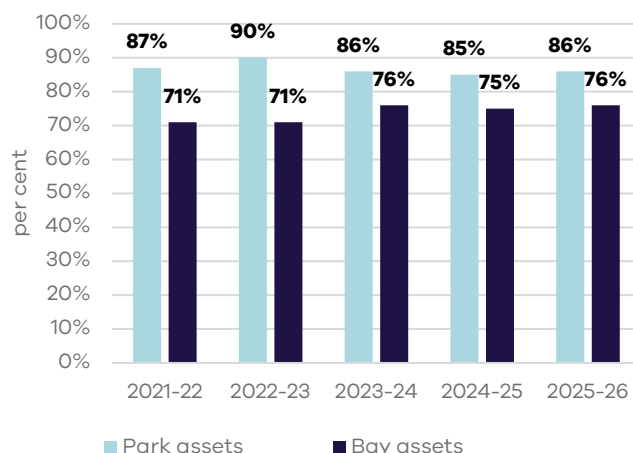


This indicator measures visitor satisfaction through an annual survey, with satisfaction defined as the perceived quality of parks, facilities and services, and met or unmet expectations.

The most recent survey, conducted in 2025-26, indicated that the Parks Victoria estate received an average satisfaction of 96%. This metric was calculated as the percentage of visitors who rated their satisfaction with the park they visited as 'fully satisfied', 'very satisfied' or 'satisfied'. This is a change from previous methods which used an index of 100 to rate satisfaction. Future targets and results will use the new percentage-satisfied measure to assess visitor satisfaction.

In 2025-26, Parks Victoria collected visitor satisfaction data for specific park experiences, including the natural environment, plants and animals, facilities, and visitor comfort and safety. The natural aspects of parks continued to rate very highly among visitors. In addition, 38% of respondents rated the state of the tracks and trails as one of their most satisfactory experiences, while 32% identified cleanliness of the environment as the most satisfactory part of their park experience. When asked about the least positive aspect of their visit, 36% of respondents said there was nothing negative to report.

## Indicator: Bay and park assets rated in average to excellent condition

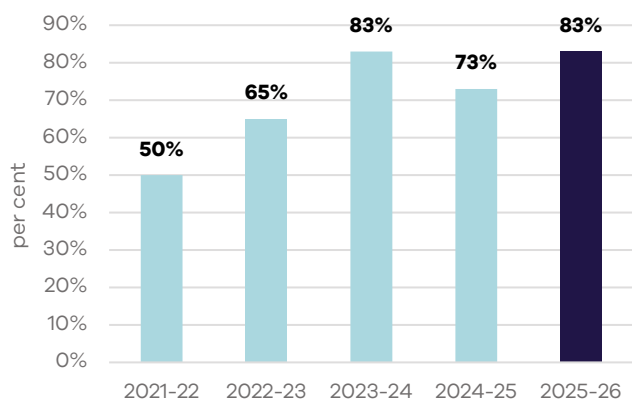


Parks Victoria manages one of the most diverse park and waterway networks in the world. The network contains natural and cultural resources that provide a wide range of benefits to the environment, the community and the economy. Each year, Parks Victoria measures the condition of bay and park assets to inform asset investment and maintenance.

In 2025-26:

- 86% of park assets were rated in average to excellent condition, against a target of 88%. Park assets were impacted by fire events in early 2025 in the Grampians (Gariwerd) National Park and to a lesser extent 2026 bushfires, which contributed to the deterioration of significant assets. Completed works in 2025-26, including the Dee Slip bridge (Yarra Ranges National Park), Tidal River footbridge (Wilson's Promontory National Park) and Yeddonba viewing platform (Chiltern-Mount Pilot National Park) had a positive impact on overall asset condition.
- 76% of bay assets were rated in average to excellent condition, against a target of 80%. The result is below target due to the decline of maritime assets from age and environmental impacts. Repairs completed in 2025-26 to the Lagoon and Workshops piers, and the Queenscliff Creek rock retaining wall helped mitigate overall asset condition decline. Future repair works are planned for Portsea and Sorrento piers. Capital projects to replace the Dromana and St Leonards piers are underway and are expected to improve asset condition in 2026-27.

**Indicator: Traditional Owner satisfaction with DEECA's progress in enabling self-determination**



Traditional Owner satisfaction with the department's progress in enabling self-determination increased to 83% in 2025-26, up from 73% in 2024-25. The 2025-26 survey had a lower response rate, with 6 of 12 Traditional Owner Corporation (TOC) Caucus members responding compared with 10 of 11 members responding in 2024-25.

TOC Caucus members were most positive about strengthened self-determination in project design and delivery, and improvements in the recognition of Traditional Owner rights. TOC Caucus members were least positive about DEECA's delivery against long-term Traditional Owner goals.

Despite the positive overall satisfaction, fewer TOC Caucus members rated engagement with DEECA as empowering or collaborative in 2025-26 compared with 2024-25. When engaging with DEECA Groups, TOC Caucus members reported:

- 2% of engagements empower them, down from 14% in 2024-25
- 10% collaborate with them, down from 23% in 2024-25
- 33% involve them, up from 22% in 2024-25
- 38% consult them, up from 10% in 2024-25
- 6% inform them, down from 12% in 2024-25.

Examples of DEECA's continuing progress towards self-determination include:

- recognising and implementing the decisions that Traditional Owners make over cultural fire practices through supporting the delivery of 26 cultural burn operations
- implementing agreements with Traditional Owners, including supporting 4 Recognition and Settlement Agreements, one Traditional Owner Land Management Agreement, 2 Co-operative Management Agreements and 7 Native Title Determinations
- Further examples of actions delivered by DEECA over 2025-26 to enable self-determination are included in the About DEECA section of this Annual Report.

## Management of Public Land and Forests

This output provides for the improved stewardship of Victoria's forests, coasts and Crown land reserves. Through this output, the Department manages the natural, built and historic assets on public land responsibly, and incorporates management of public land in partnership with statutory agencies, committees of management and local government.

| Performance measures                                                                                                                                                                                      | Unit of measure  | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                           |                  |                |                |               |        |
| Annual visitation to Zoos Victoria                                                                                                                                                                        | number (million) | 2.87           | 3.0            | (4)           | ○      |
| Local parks, playgrounds and dog parks completed                                                                                                                                                          | number           | 26             | 22             | 18            | ✓      |
| <i>Performance is above target as a result of local government partners completing projects faster than expected.</i>                                                                                     |                  |                |                |               |        |
| Participants in Coastcare activities                                                                                                                                                                      | number           | 6 794          | 7 500          | (9)           | ■      |
| <i>Performance is below target due to a shift in focus to on-ground activities for smaller scale sessions, which reduced the total number of participants.</i>                                            |                  |                |                |               |        |
| Specimens curated in the State Botanical Collection                                                                                                                                                       | number           | 21 642         | 27 000         | (20)          | ■      |
| <i>Performance is below target due to the complexity of the species being catalogued and the ongoing renovation works in the National Herbarium of Victoria, which impacted access to the collection.</i> |                  |                |                |               |        |

| Performance measures                                                                                                                                                                                                                                                                                                                                                                        | Unit of measure  | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|----------------|---------------|--------|
| Visitors to the Royal Botanic Gardens in Melbourne and Cranbourne                                                                                                                                                                                                                                                                                                                           | number (million) | 2.682          | 2.0            | 34            | ✓      |
| <i>Performance is above target reflecting strong summer visitation driven by a marketing campaign, high engagement across social media channels and increased cruise ship tour visitors.</i>                                                                                                                                                                                                |                  |                |                |               |        |
| <b>Quality</b>                                                                                                                                                                                                                                                                                                                                                                              |                  |                |                |               |        |
| Publicly elected Committees of Management that have a current statutory appointment                                                                                                                                                                                                                                                                                                         | per cent         | 91             | 90             | 1             | ✓      |
| Recreational facilities in state forests maintained to have a life expectancy greater than five years                                                                                                                                                                                                                                                                                       | per cent         | 81             | 75             | 8             | ✓      |
| <i>Performance is above target due to the replacement of end-of-life assets through the Forestry Contractor Strategy, plus previous funding from the Victoria's Great Outdoors Program.</i>                                                                                                                                                                                                 |                  |                |                |               |        |
| <b>Timeliness</b>                                                                                                                                                                                                                                                                                                                                                                           |                  |                |                |               |        |
| Rent reviews of Department managed Crown land leases undertaken within specified time frames                                                                                                                                                                                                                                                                                                | per cent         | 95             | 95             | 0             | ✓      |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                                                                                 |                  |                |                |               |        |
| Total output cost                                                                                                                                                                                                                                                                                                                                                                           | \$ million       | 450.3          | 313.8          | (43.5)        | ■      |
| <i>The higher than budgeted output cost is predominantly due to additional funding allocated from the Parks and Reserves Trust Account for a range of initiatives to improve outdoor recreation activities on public land and Wotjobaluk Traditional Owner Settlement Agreement. This also includes the release of contingency funding for the Forestry Contractor Strategy initiative.</i> |                  |                |                |               |        |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Parks Victoria

This output provides for the improved stewardship of Victoria's parks. Through this output, Parks Victoria manages the development and protection of natural, cultural and community assets for safe enjoyment and sustainable use by all Victorians. Parks Victoria works to ensure the State's park assets are managed efficiently and effectively.

| Performance measures                                                                                                                                                                                          | Unit of measure     | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------|----------------|---------------|--------|
| <b>Quantity</b>                                                                                                                                                                                               |                     |                |                |               |        |
| Area treated to minimise the impact of pest plants, pest animals and over abundant native animals in parks managed by Parks Victoria                                                                          | hectares (thousand) | 1 527          | 1 600          | (4.6)         | ○      |
| Total area of estate managed by Parks Victoria                                                                                                                                                                | hectares (thousand) | 4 080          | 4 120          | (1)           | ○      |
| Visits to national, state, urban and other terrestrial parks                                                                                                                                                  | number (million)    | 99             | 85             | 16            | ✓      |
| <i>Performance is above target due to the roll out of a revised Park Visitor Insights program. The change in reporting methodology provided more accurate visitation data compared to previous reporting.</i> |                     |                |                |               |        |
| Visits to piers and jetties                                                                                                                                                                                   | number (million)    | 26             | 40             | (35)          | ■      |
| <i>Performance is below target due to the roll out of a revised Park Visitor Insights program. The change in reporting methodology provided more accurate visitation data compared to previous reporting.</i> |                     |                |                |               |        |

| Performance measures                                                                                                                                                                                                                                                                    | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| <b>Quality</b>                                                                                                                                                                                                                                                                          |                 |                |                |               |        |
| Significant built bay assets managed by Parks Victoria rated in average to excellent condition                                                                                                                                                                                          | per cent        | 76             | 80             | (5)           | ■      |
| <i>Performance is below target due to the decline of maritime assets from age and environmental impacts.</i>                                                                                                                                                                            |                 |                |                |               |        |
| Significant built park assets managed by Parks Victoria rated in average to excellent condition                                                                                                                                                                                         | per cent        | 86             | 88             | (2)           | ○      |
| <b>Cost</b>                                                                                                                                                                                                                                                                             |                 |                |                |               |        |
| Total output cost                                                                                                                                                                                                                                                                       | \$ million      | 243.0          | 187.3          | (29.7)        | ■      |
| <i>The higher than budgeted output cost is predominantly due to additional State funding to support the necessary recovery activities following the Western Victoria bushfires. This also includes the transfer payments relating the Parks Victoria revenue retention arrangement.</i> |                 |                |                |               |        |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Safe, sustainable and productive water resources

### Context

DEECA works to ensure Victoria has safe, sustainable and productive water resources to meet urban, rural, recreational, environmental and cultural needs, now and into the future. The department partners with water corporations, catchment management authorities, government agencies, industry, Traditional Owners and the community to balance the economic, environmental and social values of water. This supports secure water supplies, healthy waterways and aquifers, sustainable irrigation and agriculture, greener and more liveable cities and towns, and healthy catchments and Country. DEECA is responsible for implementing the government's strategic directions for managing Victoria's water and catchment resources.

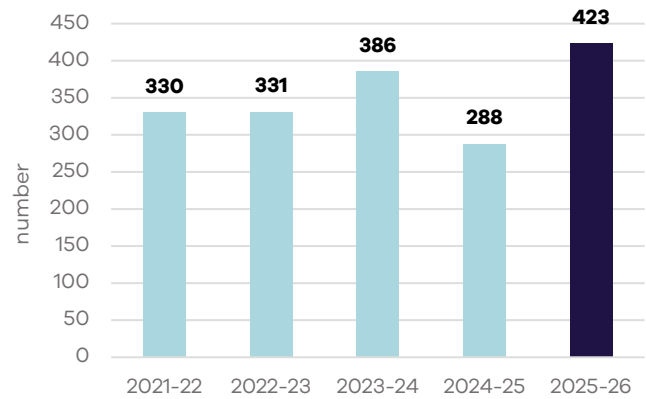
| Initiative                                                                          | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Water Security Plan                                                                 | <p>The Water Security Plan, formerly known as the Water Grid Plan, delivers on action 9-2 of the <b><u>Central and Gippsland Region Sustainable Water Strategy</u></b> (CGRSWS). The plan identifies potential future urban water supply options and guides incremental readiness investments in climate-resilient water supplies for Greater Melbourne, Geelong and connected towns in Gippsland.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>releasing the inaugural <b><u>Water Security Plan for Greater Melbourne, Geelong and connected towns</u></b> on 25 September 2025, which identifies how Victoria can maintain affordable water supply as population grows and the climate becomes drier, while supporting progress towards returning water to Traditional Owners and the environment</li> <li>investigating potential solutions including increasing water efficiency, greater use of stormwater and recycled water for non-drinking purposes, supplementing water storages with purified recycled water and expanding desalination capacity</li> <li>leading detailed investigations into water security options with Melbourne Water. An expert Water Security Taskforce was established in September 2025 to review potential future water supply options and recommend next steps, expected in March 2027.</li> </ul> |
| Increased Traditional Owner access to water and decision-making in water management | <p>The Increased Traditional Owner access to water and decision-making in water management initiative supports delivery of Victoria's <b><u>Water is Life: Traditional Owner Access to Water Roadmap</u></b>, increasing Traditional Owner access to water and participation in water management decision-making.</p> <p>Progress and actions completed in 2025-26 included:</p> <ul style="list-style-type: none"> <li>launching the Learning by Doing grant program in February 2026 to support projects and pilot initiatives that enable Traditional Owners to partner with the water sector; the program is generating insights to inform long-term legislative reform and support Traditional Owner aspirations. As at 30 June 2026, 14 projects have been funded through this grant round</li> <li>supporting Traditional Owners and Aboriginal Organisations in Victoria to hold 15,313 megalitres of water in Victoria as at 30 June 2026, including 12,693 megalitres returned through government commitments</li> <li>continuing to deliver <b><u>Aboriginal Water Officer Network</u></b> and <b><u>Traditional Owner Partnership</u></b> meetings throughout 2025-26, strengthening relationships and supporting increased Traditional Owner input in water related decision-making.</li> </ul>                                                                             |
| Reducing the risks of floods in a changing climate                                  | <p>The <b><u>Reducing the risks of floods in a changing climate</u></b> initiative is a 4-year program that commenced in 2024-25. Key milestones delivered during 2025-26 included:</p> <ul style="list-style-type: none"> <li>allocating funding to the 9 regional catchment management authorities (CMAs) to coordinate regional floodplain management strategies and relevant activities under the <b><u>Victorian Floodplain Management strategy</u></b></li> <li>confirming a 2025-26 investment plan for new flood studies in consultation with CMAs and the local councils. Eight new flood studies received funding in March 2026, with all studies commenced by 30 June 2026</li> <li>assessing applications for Round 2 of the competitive Regional Flood Risk Reduction Grants program, which closed on 28 April 2026; A multi-agency expert panel assessed applications against the program's eligibility criteria, with</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                          |



| Initiative                                                                                             | 2025-26 progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                        | <p>outcomes to be announced early in 2026–27; projects funded through Round 2 are expected to be completed by July 2028 (Emergency Management Victoria is coordinating the program on behalf of DEECA)</p> <ul style="list-style-type: none"> <li>• sharing the full suite of Victoria’s flood mapping held in FloodZoom with the Insurance Council of Australia, with quarterly updates to support use by the insurance sector when setting premiums; FloodZoom is Victoria’s flood intelligence platform, bringing together flood forecasts, mapping, river height data and property information to support flood preparedness, planning and response</li> <li>• sharing flood mapping for public viewing through the Victorian Government’s <a href="#"><u>Are you covered interactive web page</u></a>, which helps people understand their flood risks and insurance policy.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Maintaining the health, resilience and enjoyment of Victoria waterways, catchments, and Country</p> | <p>This initiative contributes to the protection and restoration of Victoria’s waterways and catchments. It funds projects in priority areas identified through regional waterway strategies and supports environmental watering, catchment stewardship, urban waterways and recreational values programs.</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• finalising and submitting updated <a href="#"><u>Ramsar</u></a> documentation to the Australian Government in June 2026 to support the proposed boundary extension to the <a href="#"><u>Port Phillip Bay (Western Shoreline) and Bellarine Peninsula Ramsar Site</u></a>; the updated documentation confirms the precise boundaries and extent of the new wetland areas, increasing the Ramsar site by 1,459 hectares</li> <li>• awarding 5 leadership grants through the Catchment Stewardship Program in November 2025, to support early to mid-career professionals to develop and enhance their leadership in integrated catchment management; the grants support women, innovators and Aboriginal Victorians in catchment management across Victoria</li> <li>• finalising a statewide summary of <a href="#"><u>Regional Catchment Strategy 2021-2027</u></a> mid-term reviews and case studies with CMAs in March 2026, providing a foundation for broader communication of progress across Victoria</li> <li>• providing the <a href="#"><u>draft Victorian Waterway Management Strategy</u></a> for public consultation in June 2026, with the final Strategy scheduled for release in mid-2026-27. The draft Strategy sets out a long-term vision, outcomes, policies and actions to meet Victoria’s responsibilities for managing rivers, wetlands, estuaries and their floodplains.</li> </ul> |
| <p>Murray-Darling Basin strategy, programs and coordination</p>                                        | <p>This initiative supports Victoria’s participation in current and future governance of the Murray-Darling Basin (MDB), by providing leadership, coordination and guidance to pursue Victoria’s interests and negotiate the best possible outcomes for Victoria in delivering the <a href="#"><u>Murray-Darling Basin Plan</u></a> (MDB Plan).</p> <p>Progress and actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>• advocating for Victoria’s position on water recovery under the MDB Plan, including working with stakeholders and negotiation with the Commonwealth government on Sustainable Communities Program funding</li> <li>• overseeing Victoria’s obligations in the MDB Plan including monitoring, evaluation and submission of Victoria’s annual reporting requirements</li> <li>• contributing to major MDB and national water reviews, including the <a href="#"><u>MDB Plan review</u></a>, the Inspector-General of Water Compliance review, the <a href="#"><u>Snowy Water Inquiry</u></a> outcomes review and the <a href="#"><u>Menindee Lakes review</u></a></li> <li>• supporting national water reform by responding to the <a href="#"><u>Productivity Commission review of the National Water Initiative</u></a> and monitoring the <a href="#"><u>Statutory Review</u></a> of the <i>Water Act 2007 (Cth)</i> including the release of the First Nations consultation paper in June 2026.</li> </ul>                                                                                                                                                                                                                                                                                                                                                            |

Department Objective Indicator performance

Indicator: Number of waterway sites with maintained or improved environmental condition as a result of active management



This indicator reports on the number of river reaches or wetlands that have received environmental water (watering programs) and/or where on-ground works were undertaken. Environmental watering programs ensure that rivers and wetlands achieve the appropriate flow regime necessary to maintain or improve waterway health.

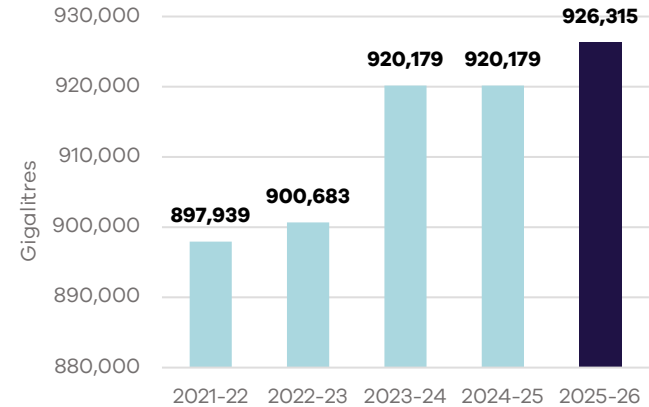
In 2025-26, on-ground works and watering programs were undertaken at 423 waterway sites to maintain or improve their environmental condition. This included 9,565 hectares of waterway vegetation works such as tree planting, weed control and fencing alongside waterways, and the completion of 94% of planned environmental watering actions. The number of waterway sites is higher than in previous years because catchment management authorities were able to significantly increase on-ground works in the second half of 2025-26. Optimal conditions enabled catchment management authorities to progress activities planned in 2024-25 and transition to the delivery of on-ground outcomes in 2025-26.

Effective Water Management and Supply

This output develops policies, provides strategic advice and oversees regulatory systems and institutional arrangements to effectively manage Victoria’s water resources. Through this output, the Department delivers on-ground environmental programs to improve the health of waterways, water industry reform, governance and performance oversight, integrated water management, sustainable irrigation programs, share water effectively and fairly and makes water resource information accessible to enable informed decision making.

| Performance measures                                                                                                                                                                                                             | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| Quantity                                                                                                                                                                                                                         |                 |                |                |               |        |
| Area of active stewardship to improve catchment health and resilience through broadacre management                                                                                                                               | hectares        | 15 768         | 15 000         | 5             | ✓      |
| Performance is above target due to favourable conditions for on-ground works, which enabled catchment management authorities to deliver more activities at previously identified targeted locations within the available budget. |                 |                |                |               |        |

Indicator: Cumulative water savings (permanent reduction in irrigation distribution system delivery losses) realised through water recovery projects



This indicator reports on cumulative water savings from permanent reductions in irrigation distribution system delivery losses through water recovery projects across Victoria. In northern Victoria, this includes water savings from infrastructure projects that contribute to Victoria’s water recovery targets under the Murray-Darling Basin Plan.

Cumulative water savings increased in 2025-26, reflecting water recovery realised through the Sunraysia Water Efficiency Project; the Werribee Irrigation District (WID) Modernisation Project Stages 1-4; the WID 4/1 Pipeline Project; and the Bacchus Marsh Irrigation Project Stages 1-4. Savings are reported once each project’s estimated water savings are independently audited, verified by DEECA and accounted for as realised savings.

In 2026-27, several water recovery projects are expected to complete water savings audits, including the WID Modernisation Project Stages 4-5; the Bacchus Marsh Irrigation Project Stage 5; and the Macalister Irrigation District Phase 1B.

| Performance measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Unit of measure | 2025-26 actual | 2025-26 target | Variation (%) | Result |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|---------------|--------|
| Area of waterway vegetation works undertaken to improve the health and resilience of waterways<br><i>Performance is above target due to favourable conditions for on-ground works, which enabled catchment management authorities to deliver more targeted activities within the initiative budget. The delivery of activities planned from the previous year also contributed to the result. Works included tree planting, fence installation and weed control along waterways.</i> | hectares        | 9 565          | 8 000          | 20            | ✓      |
| Environmental watering actions achieved at planned sites                                                                                                                                                                                                                                                                                                                                                                                                                             | per cent        | 94             | 90             | 4             | ✓      |
| Households or community housing assisted in the Community Rebate and Housing Retrofit Program<br><i>Performance is above target due to increased program uptake by individual residential customers accessing the program, compared to housing properties.</i>                                                                                                                                                                                                                       | number          | 1 628          | 900            | 81            | ✓      |
| Long-term water monitoring site parameters maintained                                                                                                                                                                                                                                                                                                                                                                                                                                | number          | 1 756          | 1 700          | 3             | ✓      |
| New flood studies funded to ensure communities understand flood risk and to inform investment in flood warning and mitigation measures<br><i>Performance is above target as more priority flood studies were able to be funded within the program.</i>                                                                                                                                                                                                                               | number          | 8              | 6              | 33            | ✓      |
| Number of Traditional Owner groups funded to undertake self-determined water projects<br><i>Performance is above target due to the readiness of Traditional Owners organisations to partner to undertake water projects.</i>                                                                                                                                                                                                                                                         | number          | 22             | 20             | 10            | ✓      |
| Place-based plans and actions completed for healthier communities and environments that encompass multiple values (Aboriginal, social, environmental and economic)                                                                                                                                                                                                                                                                                                                   | number          | 7              | 7              | 0             | ✓      |
| Schools signed up to Schools Water Efficiency program (SWEP)                                                                                                                                                                                                                                                                                                                                                                                                                         | number          | 1 600          | 1 600          | 0             | ✓      |
| <b>Quality</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |                |                |               |        |
| Compliance with the salinity management actions agreed in the Murray Darling Basin Agreement                                                                                                                                                                                                                                                                                                                                                                                         | per cent        | 100            | 100            | 0             | ✓      |
| Victorian Water Register system availability per annum                                                                                                                                                                                                                                                                                                                                                                                                                               | per cent        | 98.6           | 95.8           | 3             | ✓      |
| <b>Timeliness</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                |                |               |        |
| Water market information products published annually to ensure water users can make informed decisions                                                                                                                                                                                                                                                                                                                                                                               | date            | Dec 2025       | Dec 2025       | 0             | ✓      |
| Waterway licenses and permits processed within statutory timeframes<br><i>Performance is above target reflecting catchment management authorities' organisational capability and efficiency to successfully process new waterway licences and permits, development applications, and approvals referred by local councils within the statutory timeframes.</i>                                                                                                                       | per cent        | 97             | 90             | 8             | ✓      |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |                |                |               |        |
| Total output cost<br><i>The higher than budgeted output cost is predominantly due to additional Commonwealth funding provided for the Detailed Assessments of the Restoring Flows to the Mallee Floodplain Project to assess the feasibility, environmental benefits and delivery requirements for restoring more natural wetting and drying cycles across 16 high-priority floodplain and wetland sites in the Mallee region.</i>                                                   | \$ million      | 320.1          | 296.2          | (8.1)         | ○      |

Note:

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5% variance (or less than \$50 million for cost measures only).

■ Performance target not achieved – exceeds 5% variance (or more than \$50 million for cost measures only).

## Discontinued measures for 2025-26

Following assessment by the Public Accounts and Estimates Committee, the performance measures listed below were discontinued for 2025-26.

| Output group                          | Performance measure name                                                                                                                                                                   |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agriculture                           | Genetic improvement of dairy cows achieved through breeding contributing to increased milk production and dairy productivity                                                               |
| Agriculture                           | Improved agricultural services, programs and products developed                                                                                                                            |
| Agriculture                           | Key bioscience platform technologies established                                                                                                                                           |
| Agriculture                           | Number of timber communities to have completed or are undertaking the Local Development Strategy Program                                                                                   |
| Agriculture                           | Strategies developed to maintain and/or grow export opportunities, pathways and capability and overcome identified trade barriers                                                          |
| Agriculture                           | Value of co-investment from external (nonstate) funding sources attracted to the Department's research projects that support productive agriculture                                        |
| Climate Action                        | Stakeholder satisfaction with climate action engagement events                                                                                                                             |
| Climate Action                        | Completion of Annual Greenhouse Gas Emissions Report                                                                                                                                       |
| Climate Action                        | Delivery of agreed milestones for climate action policy, advice and research within agreed timeframes                                                                                      |
| Resources                             | Exploration and mining licences which are active                                                                                                                                           |
| Resources                             | Regulatory audits completed within agreed timelines                                                                                                                                        |
| Fire and Emergency Management         | Bridges or crossings on the strategic fire access road network replaced or upgraded                                                                                                        |
| Fire and Emergency Management         | Proportion of Community Based Bushfire Management partnerships rated as high functioning                                                                                                   |
| Energy                                | Annual Melbourne tram network demand offset by solar generated large-scale generation certificates                                                                                         |
| Energy                                | Renewable Certificate Purchasing Initiative projects that contribute to meeting the Renewable Energy Target liability associated with designated government sites annual electricity usage |
| Energy                                | Users of the Victorian Energy Compare website who report a better understanding of their usage costs after using the website                                                               |
| Solar Victoria                        | Applications for Solar Battery loans approved                                                                                                                                              |
| Solar Victoria                        | Applications for Solar PV rebates for rental households approved                                                                                                                           |
| Management of Public Land and Forests | Crown land leases directly managed by the Department                                                                                                                                       |
| Management of Public Land and Forests | Crown land licenses directly managed by the Department                                                                                                                                     |
| Management of Public Land and Forests | Local parks, playgrounds and dog parks under development                                                                                                                                   |
| Management of Public Land and Forests | Suburban pocket parks completed                                                                                                                                                            |
| Effective Water Management and Supply | Climate and hydrology research activities underway that focus specifically on Victoria                                                                                                     |

## Discontinued departmental objective indicators for 2025-26

| Objective                                               | Departmental Objective Indicator                                                         |
|---------------------------------------------------------|------------------------------------------------------------------------------------------|
| Reduced impact of major bushfires and other emergencies | The economic impact of fire prevention and preparedness investment                       |
| Reliable, sustainable and affordable energy services    | Proportion of new light vehicle sales in Victoria that are zero emissions vehicles (ZEV) |

## Discontinued operations

There were no discontinued operations for 2025-26 under the department's output structure.

## Our people

At DEECA, our aspiration is to have a workforce that reflects the communities we serve and live in. We are committed to fostering a culture where our employees are provided with opportunities to develop, are valued for their contribution, and can work flexibly and safely to deliver great value and services to Victorian communities and stakeholders.

On 30 June 2026, DEECA employed 5,462 full time equivalent (FTE) staff, with a total headcount of 5,697.

## Our culture and values

### Public sector values and employment principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The department's policies and practices are consistent with the VPSC's employment standards, and support fair treatment, career opportunities and the early resolution of workplace issues. The department also provides guidance to employees on avoiding conflicts of interest, responding to offers of gifts, benefits and hospitality and managing misconduct.

### Our culture and values

How we work and interact with each other, and with our ministers, stakeholders and the community is critically important to achieving better outcomes for Victoria. As we go about our work, we are guided by the VPS values:

- responsiveness
- integrity
- impartiality
- accountability
- respect
- leadership
- human rights.

These values reflect the way we work as individuals and team members. The values and the **Code of Conduct for Victorian Public Sector employees** provide the foundation of the integrity and accountability framework for all VPS employees.

### Capability development

During 2025-26, DEECA delivered 732 instructor led classes, with a total attendance of 10,034 (6,368 safety and wellbeing and 3,666 corporate and other role training). Additionally, 6,783 staff completed 33,251 eLearning courses within DEECA's Learning Management System.

## Occupational health, safety and wellbeing

DEECA remains dedicated to implementing and maintaining safety and wellbeing initiatives that foster a physically and psychologically safe workplace for all staff.

### Compliance reporting

In 2025-26, WorkSafe Victoria inspectors conducted 19 enquiries and issued 5 Improvement Notices to the department. The notices identified non-compliance with dangerous goods, hazardous substances and traffic management requirements, and a failure to review risk controls following an incident. DEECA addressed all matters and no prosecutions were recorded.

### Employee wellbeing

In 2025-26, DEECA continued to support employee wellbeing through a range of confidential support and early intervention services, including the Employee Assistance Program (EAP), Regional EAP Coordinators, Peer Supporters, the Health and Wellbeing team's Reach Out responders, Family and Domestic Violence Contact Officers and other workplace wellbeing initiatives. These services supported employees experiencing workplace, personal and organisational change-related issues, and contributed to the department's broader approach to psychological health, safety and wellbeing.

### Psychosocial risk management

The Occupational Health and Safety Amendment (Psychological Health) Regulations came into effect on 1 December 2025. The regulations introduced specific duties for Victorian employers to identify, assess and control psychosocial hazards in the workplace, further strengthening the Occupational Health and Safety (OHS) framework for psychological health and safety.

DEECA was well positioned for the commencement of the regulations, having delivered a comprehensive program of work from 2024-25 to strengthen psychosocial risk management capability across the department and establish key implementation foundations. This included awareness and education initiatives, people leader roadshows, a psychosocial risk control bank and practical tools and learning resources to support employees and leaders to identify and manage psychosocial hazards.



DEECA also participated in the Victorian Public Sector psychosocial maturity assessment initiative, which evaluated organisational capability across key psychosocial health and safety domains. The findings informed DEECA's multi-year Psychosocial Health Action Plan, providing a coordinated roadmap to strengthen organisational maturity and progressively integrate psychosocial health and safety into enterprise governance, risk management and Occupational Health and Safety Management System processes.

### Supporting safe emergency response activities

DEECA remains committed to ensuring the safety and wellbeing of its staff during emergency response efforts. In 2025-26, 1,970 Fit for Emergency medical assessments and 331 emergency management medical questionnaires were completed to support safe emergency deployments and ensure capabilities were appropriately aligned with emergency roles.

In 2025-26, DEECA trialled a new OHS Technical Advisor role to strengthen safety capability within Incident Management Teams. The role supported 102 deployment days across 3 major fire events, improving the timeliness and accuracy of incident reporting, incident management and follow-up, safety investigations and proactive risk management. Between emergency events, the Safety team also provided support to whole of government preparedness activities for H5N1 Highly Pathogenic Avian Influenza.

### Incident management

All hazards, near misses and injuries must be reported in DEECA's safety and wellbeing reporting system, SafeWell, and investigated as appropriate.

In 2025-26, DEECA recorded 1,961 safety and wellbeing reports covering incidents, near misses and hazards (Figure 1). This included 1,559 incidents and near misses, equivalent to 28.55 reports per 100 FTE. This was broadly consistent with 2024-25, when 1,595 incidents and near misses were reported, equivalent to 27.81 reports per 100 FTE (Figures 2 and 3).

Reported incidents peaked in January 2026, with 439 incidents recorded (Figures 1 and 2), coinciding with several significant fire emergency response events and planned burning activities. The most frequently reported incidents related to the outdoor environment (80); vehicles (75); trees (33); psychosocial hazards (27); and mobile plant (26). Of 1,961 safety and wellbeing reports recorded in 2025-26, 36% were related to emergency response and planned burning events. The high reporting rate reflects a strong reporting culture, supported by the deployment of safety advisors to emergency events.

There were 111 WorkSafe notifiable incidents across the department in 2025-26. Most of these related to tree or branch falls (36), injuries (27) and plant-related incidents (27). As part of safety assurance activities, DEECA enhanced SafeWell forms to improve data capture for vehicle and tree incidents, providing better understanding of the causes and informing potential future mitigations.

DEECA continued to implement its Safety and Wellbeing Management Plan, which is developed by business areas to identify hazard focus areas and mitigating controls. The plan supports continuous improvement in local and departmental safety and wellbeing outcomes and helps leaders focus on the issues most important to their people.

**Figure 1. Number of safety and wellbeing reports by month 2025-26**

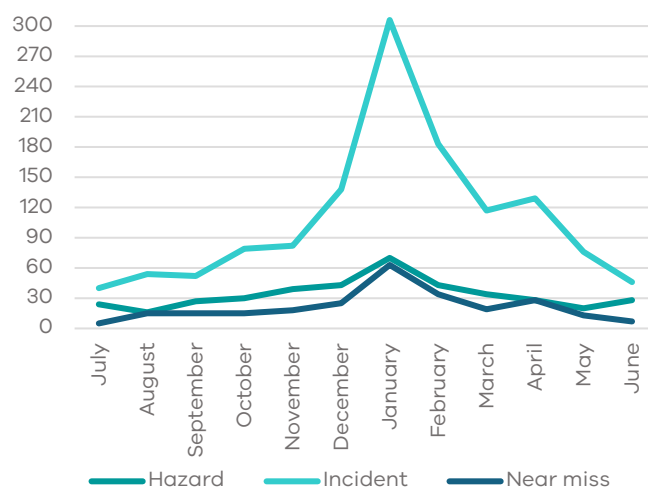


**Figure 2. Number of safety and wellbeing reported incidents, near misses and hazards by financial year**

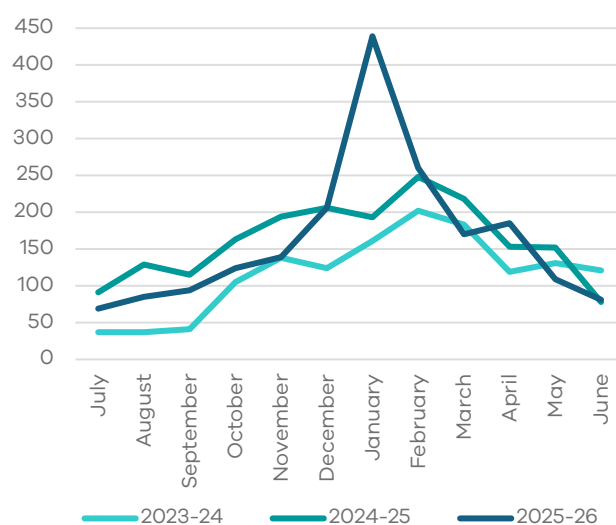
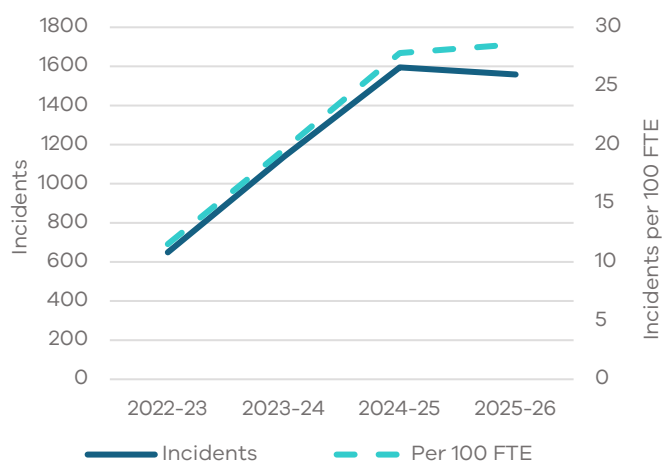


**Figure 3. Number of safety and wellbeing reported incidents and rate per 100 FTE**



### WorkCover claims

DEECA lodged 96 WorkCover standard claims with its WorkCover insurer in 2025-26, compared with 90 claims in 2024-25. Of the 96 claims, 73 (76%) involved lost time, an increase from 63 lost time claims in 2024-25. Despite the increase in claim numbers, DEECA's average incurred claim cost reduced significantly from \$65,107 per claim in 2024-25 to \$36,160 in 2025-26, indicating that the severity and overall cost profile of claims has reduced.

In 2025-26, there were 5 accepted mental injury claims, compared with 4 in 2024-25. Mental injury claims represented 8% of all accepted lost time claims, while non-mental injury claims accounted for the remaining 92% (55 claims). Common causes included slips, trips and falls, manual handling, muscular stress, vehicle incidents and other operational activities associated with field-based work, particularly within bushfire and planned burning environments.

While the number of standard claims increased, the number of claims exceeding 13 weeks reduced significantly from 17 claims (0.30 per 100 FTE) in 2024-25 to 6 claims (0.09 per 100 FTE) in 2025-26. This result indicates improved return to work outcomes and effective injury management interventions, enabling employees to return to work earlier in their recovery.

Note: WorkCover claims data presented in this section reflects the position at 30 June 2026. WorkCover claims figures for prior years are subject to adjustments in later years as claims are continually adjusted and amended.

**Figure 4. Number of standard WorkCover claims against number of lost time claims<sup>1</sup>**

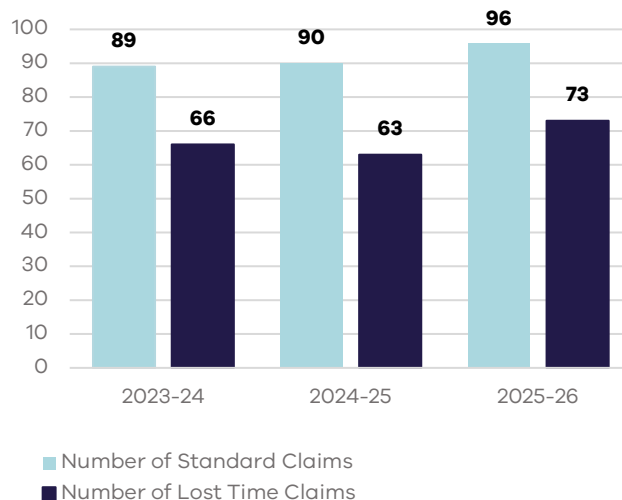
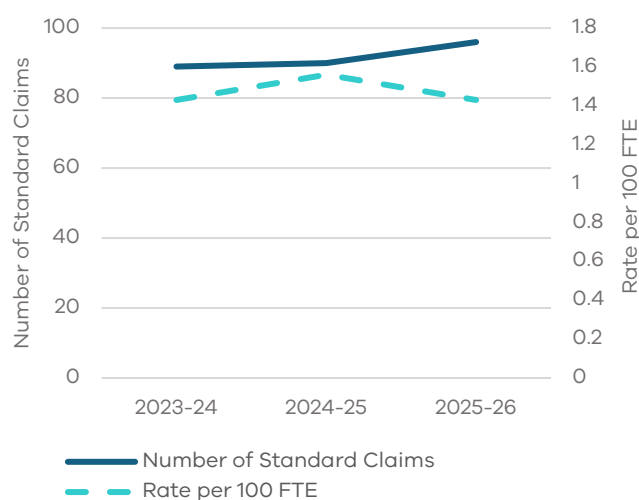


**Figure 5. Number of Standard WorkCover Claims and Rate per 100 FTE**



<sup>1</sup> Number of lost time claims are a subset of total standard claims.

**Figure 6. Accepted Lost Time Mental Injury Claims vs Non-Mental Injury WorkCover Claims**

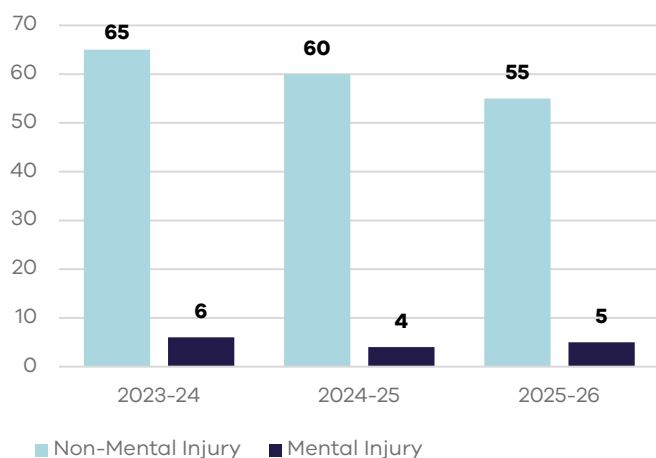


**Figure 7. Number of WorkCover Claims Exceeding 13 Weeks and Rate per 100 FTE**

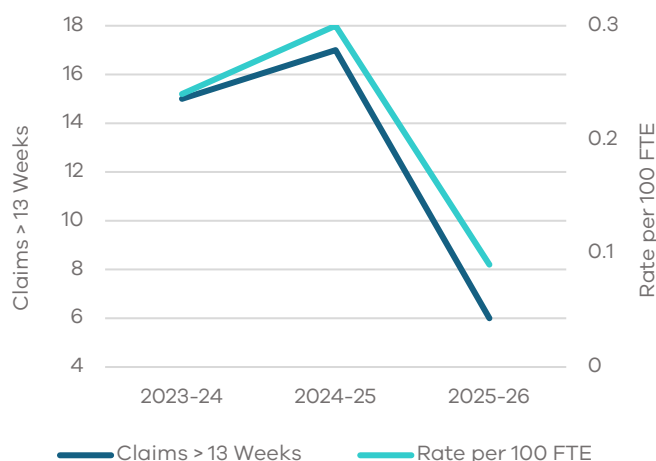
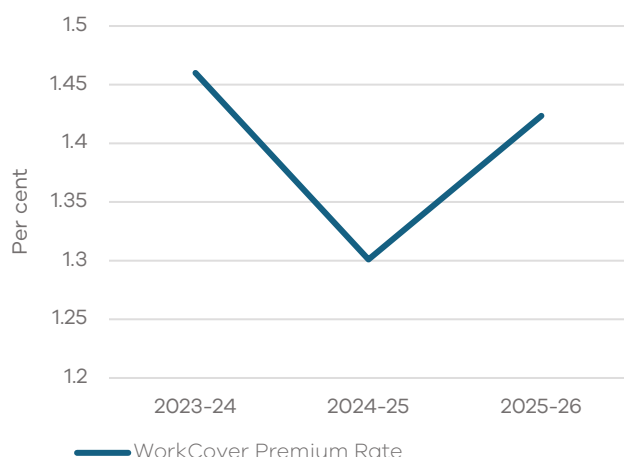


**Figure 8. DEECA WorkCover premium rate**



### Further information

Additional information on the department's performance against key OHS performance indicators is provided at Appendix 3.

## Workforce inclusion

DEECA continued to strengthen its approach to workforce inclusion, with a focus on creating a workplace where diversity is valued and equal opportunity is supported.

In 2025–26, DEECA launched its Diversity and Inclusion Framework 2026–2029. The framework reflects the department's operating context and sets a course for measurable, sustainable progress by strengthening inclusion across workforce culture and systems, and increasing the representation of under-represented groups. It reinforces DEECA's commitment to Aboriginal self-determination, cultural safety, inclusive leadership and equitable engagement to support better outcomes for the Victorian community.

DEECA's staff-led networks foster an inclusive, respectful and supportive workplace by providing spaces for advocacy, professional development and community building where every staff member feels valued and supported. These networks include: the Multicultural Staff Network; Place of Pride; Emerging Professionals Network; Women of Colour Network; Agriculture Science and Technology Women in STEM (Science Technology Engineering and Mathematics); Aboriginal Staff Network and All Abilities Network.

## Gender Equality

DEECA continued to meet its obligations under the *Gender Equality Act 2020* in 2025–26. Key activities included completing a gender workforce audit, submitting a Gender Equality Progress Report to the Commission for Gender Equality in the Public Sector, and launching the department's Gender Equality Action Plan 2026–2030. These activities support DEECA's commitment to identifying and addressing systemic barriers to gender equality, and improving workplace experiences and outcomes for employees of all genders.

The department values diversity across all levels of the workforce, including the representation and participation of employees with non-binary gender identities. DEECA acknowledges that historic and current barriers may affect disclosure of 'self-described' gender identities. As a result, targets or quotas are not currently considered an effective way to promote opportunities for gender diverse staff at all levels.

In 2025–26, DEECA's executive cohort was made up of 62% women and 38% men, with no staff self-described. This compares with 60% women and 40% men in 2024–25.

DEECA is committed to reducing the gender pay gap and conducts an annual gender pay gap audit. In 2025–26, the gender pay gap was 0%, for the fifth consecutive year.

## LGBTIQA+ inclusion

In 2025–26, DEECA launched its inaugural LGBTIQA+ Action Plan 2025–2030, establishing a departmental approach to strengthening inclusion, safety and belonging for LGBTIQA+ employees. The plan outlines actions to build inclusive workplace practices, increase awareness and education, and support a respectful and inclusive workplace culture.

## Access and inclusion

In 2025–26, DEECA launched its Access and Inclusion Plan 2026–2029, strengthening the focus on accessibility and inclusion. The plan provides a framework to improve accessibility, reduce barriers to workforce participation and support a more inclusive workplace informed by employee lived experience. DEECA continued to support employees through workplace adjustments, flexible work arrangements and other initiatives that enable greater workforce participation and inclusion.

## Diversity and inclusion training and education for staff

DEECA continued to build workforce capability through diversity, inclusion and respectful workplace learning programs. In 2025–26, employees participated in training focused on inclusive recruitment, disability awareness, LGBTIQA+ inclusion and safe and respectful workplaces, supporting a culture of inclusion, respect and belonging across the department.

## Multicultural inclusion

DEECA continued to support multicultural inclusion through employee-led networks that promote connection, visibility, professional development and cultural awareness. These networks contribute to the department's broader diversity and inclusion objectives by providing lived experience perspectives and supporting an inclusive workplace culture.

## Employment pathways

DEECA continued to support a diverse and inclusive workforce through targeted employment pathways for emerging talent and underrepresented groups. In 2025–26, DEECA delivered a range of graduate, internship and employment pathway programs to support workforce participation and build future capability.

## First Peoples cultural safety and employment

In 2025–26, DEECA undertook a range of actions to support cultural safety and First Peoples employment.

DEECA's Aboriginal Cultural Capability Framework, 'Our Culture is in our Country, and Our Country is our Culture', supports and promotes self-determination by building Aboriginal cultural capability across the department. The framework ensures DEECA recognises, supports and values First Peoples. An implementation plan and a monitoring and evaluation plan have been developed to support delivery.

As at 30 June 2026, 1.89% of DEECA's workforce identified as First Peoples, up from 1.80% at 30 June 2025. The proportion of First Peoples staff in leadership positions (VPS6 and above) increased from 14.7% to 19.6%, against a target of 20%. DEECA is committed to supporting and improving Aboriginal employment and retention to support a strong First Peoples workforce across all portfolios and levels.

In 2025–26, other key initiatives included the following:

- Implementing a new *First Peoples Workforce Strategy 2026–2031* to strengthen Aboriginal employment, staff retention and employment satisfaction. A key first step was piloting a new First Peoples Culturally Safe Recruitment Framework and Managers Toolkit.
- Rolling out 2 new Aboriginal Cultural Safety Training e-learn modules, compulsory for all staff. As at 30 June 2026, 86% of DEECA staff had completed both modules, and 94% had completed at least the first module.
- Delivering 3 Aboriginal Staff Network events for 135 active members: one Women's Forum; one Men's Forum; and one All staff Forum. All attendees who provided feedback were satisfied, with more than half rating their experience as extremely satisfied.
- Supporting 12 Aboriginal staff to participate in career development, leadership and graduate programs.
- Acknowledging Aboriginal days of significance, including National Sorry Day on 26 May 2026 and Reconciliation Week from 27 May to 3 June 2026, through Secretary messages to all staff. DEECA also held on-Country learning experiences and gatherings; and celebrated NAIDOC Week from 6 to 13 July 2025 through virtual and in-person events. DEECA's 2025 NAIDOC Week event in Naarm attracted approximately 100 guests, including First Nations staff, community and allies, while many regional events were also well attended. DEECA continues to support and encourage acknowledgement of First Nations days of significance at all levels of the department.

## Financial review

Table 1. Five-year financial summary<sup>(i)</sup>: Departmental (controlled) activities

|                                               | DEECA 2026<br>\$'000 <sup>(v)(vi)</sup> | DEECA 2025<br>\$'000 | DEECA 2024<br>\$'000 | DELWP 2023<br>\$'000 <sup>(iv)</sup> | DELWP 2022<br>\$'000 |
|-----------------------------------------------|-----------------------------------------|----------------------|----------------------|--------------------------------------|----------------------|
| Income from government <sup>(ii)</sup>        | 2,272,684                               | 2,343,285            | 2,564,008            | 3,420,474                            | 2,373,698            |
| Total income from transactions                | 3,513,984                               | 3,304,078            | 3,498,001            | 4,370,800                            | 3,246,486            |
| Total expenses from transactions              | 3,405,238                               | 3,222,488            | 3,311,189            | 4,114,619                            | 3,114,827            |
| Net result from transactions <sup>(iii)</sup> | 108,746                                 | 81,590               | 186,812              | 256,181                              | 131,659              |
| Net result for the period                     | (115,191)                               | 574,530              | 180,599              | (81,783)                             | 613,586              |
| Net cash flow from operating activities       | 218,893                                 | 138,437              | 228,869              | 408,385                              | 215,478              |
| <b>Total assets</b>                           | <b>17,028,741</b>                       | <b>13,427,603</b>    | <b>12,888,431</b>    | <b>12,807,741</b>                    | <b>12,210,155</b>    |
| <b>Total liabilities</b>                      | <b>1,169,948</b>                        | <b>1,243,755</b>     | <b>1,313,987</b>     | <b>1,411,951</b>                     | <b>894,127</b>       |

Due to Machinery of Government changes and other administrative changes affecting the make-up of functions/outputs delivered by the department, the amounts disclosed in the 5-year financial summary are not directly comparable. Refer to the notes below.

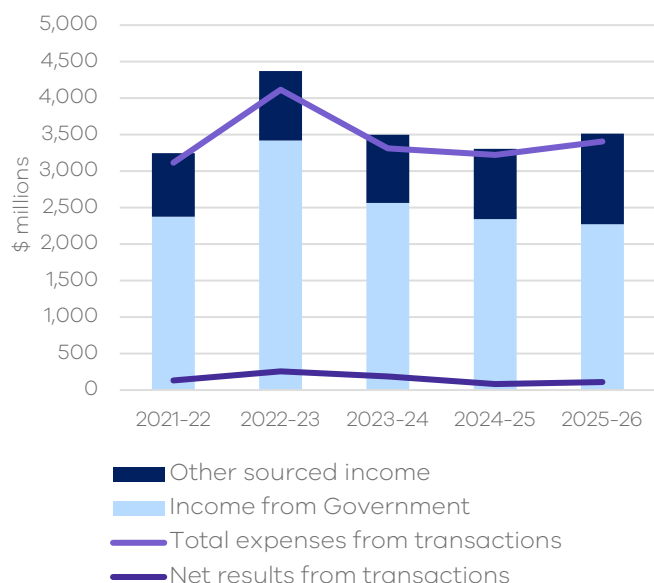
### Notes:

- (i) The five-year financial summary differs to the Budget Portfolio outcomes in Appendix 4. The variations relate to the inclusion of entities such as the Victorian Environmental Water Holder and the Commissioner for Environmental Sustainability and the exclusion of the Rural Assistance Commissioner in Budget Portfolio outcomes reporting.
- (ii) Income from government includes both output and special appropriations.
- (iii) The 'net result from transactions' is identical to the 'net operating balance' for the general government sector.
- (iv) From 1 January 2023, the planning and land services output functions were transferred to the Department of Transport and Planning and the agriculture and resources output functions transferred to DEECA from the former Department of Jobs, Precincts and Regions. Additionally, from 1 January 2023, the department's results consolidate the below entities under section 53(1)(b) of the *Financial Management Act 1994*:
  - Rural Assistance Commissioner
  - Mine Land Rehabilitation Authority (MLRA).
- (v) The MLRA was abolished on 15 April 2026 and MLRA's results are included up to the abolition date.
- (vi) On 30 June 2026, Recycling Victoria (RV), a business unit in DEECA's Circular Economy output, transferred to the Environment Protection Authority Victoria. The operating results of RV are included up to 30 June.

## Current year financial review

### Financial performance and business review

For the year ended 30 June 2026, the department recorded a net result from transactions surplus of \$108.7 million, compared with a surplus of \$81.6 million in 2024-25. After other economic outflows of \$223.9 million, the net result for 2025-26 was a deficit of \$115.2 million, compared with a surplus of \$574.5 million in 2024-25.



Income from transactions increased by 6% in 2025-26. The increase was mainly driven by higher municipal and industrial landfill levy revenue due to an increase in the rate per tonne, higher revenue from tripartite waste collection agreements, increased Metropolitan Parks Improvement Rate revenue and additional funding for initiatives in 2025-26 compared to 2024-25, including Energy Relief, drought relief and bushfire and emergency responses. These increases were partly offset by lower special appropriation funding following the completion of the Commonwealth-funded Food Waste for Healthy Soils projects.

Expenses from transactions also increased by 6% in 2025-26. The increase was mainly due to higher grant expenses reflecting government decisions and priorities for programs including Drought Support Payments, Energy Efficiency Upgrades and Renewable Energy Transition, Bushfire Relief and Recovery, Revenue Retention Arrangements, Public Access, Use and Amenity on Public Land and the Mallee Floodplain Project. The increases were partly offset by reduced expenditure on programs completed or winding down in 2025-26, including Timber Plantation/Harvesting and Forestry Transition, Energy Industry Agreements and other programs. Interest expense and loan repayments transferred to the consolidated fund (via the administered entity)

also decreased, reflecting lower interest forgone on concessional Solar Homes loans and a lower-than-expected uptake of new loans, and the cessation of battery loans in 2025-26.

Other economic flows were an outflow of \$223.9 million in 2025-26, compared to an inflow of \$492.9 million in 2024-25. The 2025-26 outflow mainly reflects the de-recognition of land partly offset by the recognition of buildings and structures. The 2024-25 inflow mainly related to fair value adjustments to Victorian Renewable Energy Target (VRET) financial derivatives. In 2025-26, DEECA transferred 6 derivative contracts to SEC Victoria with only one contract remaining.

### Financial position – balance sheet

DEECA's net assets were \$15.8 billion as at 30 June 2026, comprising total assets of \$17.0 billion and total liabilities of \$1.2 billion.

Total assets increased by \$3.6 billion to \$17.0 billion, mainly due to a \$3.9 billion increase in property, plant and equipment, following the scheduled Valuer-General Victoria revaluations. This was partially offset by a \$509.9 million decrease in financial instruments at fair value through net result, reflecting the transfer of 6 derivative contracts to SEC Victoria on 1 July 2025 and the de-recognition of another contract due to a pass-through agreement. One VRET non-operational contract remained with DEECA as at 30 June 2026.

Total liabilities decreased by \$73.8 million to \$1.2 billion in 2025-26. The decrease mainly reflects a decrease in payables of \$35.8 million due to lower accrued expenses, the repayment and transfer of advances under section 37 of the *Financial Management Act 1994*, and lower trade creditors. These decreases were partly offset by higher accrued grants and accrued salaries. Other decreases included borrowings by \$22.3 million following the repayment of loans provided by the Rural Assistance Commissioner and employee provisions by \$15.5 million mainly arising from departmental restructuring under clause 11 of the Victorian Public Service Enterprise Agreement 2024.

### Cash flows

At 30 June 2026, DEECA held cash and deposits of \$1.6 billion, an increase of \$88 million from 1 July 2025. This increase was mainly due to net cash inflows from operating activities of \$218.9 million, partly offset by net cash outflows from investing activities of \$127.1 million and financing activities of \$4.0 million. Operating activities cash inflows reflected movements in receivables, payables and provisions, mainly due to the timing of cash receipts and payments.



## Subsequent events

A number of events occurred after the 2025-26 reporting period but before the date the financial statements were authorised for issue. These events are non-adjusting, meaning their financial impact is not reflected in the 2025-26 financial statements but they are disclosed for information purposes.

The department has determined the following are non-adjusting events:

- On 30 June 2026, Sustainability Victoria ceased operations and became a reorganising body pending legislation for its abolishment. Its functions and balances transferred to the department on 1 July 2026 and will be recognised in the 2026-27 financial statements. Sustainability Victoria has prepared 2025-26 audited annual financial statements and an annual report.
- On 1 July 2026, Marinus Link Holding Company Pty Ltd was incorporated as the parent entity of Marinus Link Pty Ltd (MLPL). The ultimate ownership remained unchanged, with the Commonwealth, Victoria and Tasmania continuing as shareholders. Additionally, following the year end MLPL received a claim relating to the administration of major package contracts. As the claim has not yet been assessed and legal advice has not been obtained, no liability has been recognised as insufficient information is currently available.
- On 4 August 2026, the department's responsible Ministers changed:
  - The Hon Jaclyn Symes was sworn in as Minister for Energy and Resources, Minister for the State Electricity Commission and the Minister for Climate Action (replacing Minister D'Ambrosio) and the Minister for Environment (replacing Minister Erdogan), and
  - The Hon Michaela Settle was sworn in as Minister for Water (replacing Minister Shing).
- On 25 August 2026, the Governor in Council ordered the abolishment of the VicGrid Administrative Office (AO) under section 11(b) of the *Public Administration Act 2004*, effective 31 August 2026.
- The VicGrid AO was established on 1 March 2024 as an interim measure to support the implementation of the Victorian Transmission Investment Framework. The VicGrid AO ceased operations on 1 November 2025, following the transfer of its functions and staff to the newly established VicGrid Body Corporate. The VicGrid AO has no ongoing functions or staff.

## Financial governance

The department maintains strong financial governance through compliance with the *Financial Management Act 1994*, the Standing Directions 2018 issued under the *Financial Management Act 1994* (directions) and relevant taxation legislation.

The department's compliance with the directions is formally assessed at 30 June each year. The department prepares and publishes a public attestation of material compliance in its annual report. The department also maintains a rolling internal audit program to review the department's compliance with the directions.

The department also maintains financial policies and procedures to support sound governance, effective internal controls and consistent financial reporting. These documents are reviewed regularly and updated as needed to ensure they remain relevant and aligned with external reporting requirements.

Financial transactions are subject to regular compliance reviews by the Financial Compliance team within DEECA's Finance and Infrastructure Services division.

Governance of Financial Management (GOFM) training is mandatory for all new financial delegates within the department. Refresher GOFM training is required every 4 years to maintain financial delegations. Governance and integrity training is also available online and is compulsory for all staff.

Leadership teams across the department actively support financial management with financial compliance embedded into work practices. Requirements are communicated regularly through financial forums and daily work practices.

Together these activities support the department's commitment to championing a culture of integrity within the public sector.

### Budget portfolio outcome statements

A comparison of the budget portfolio outcome statements for the department, as published in the

2025-26 [Budget Paper No. 5](#), and the actual results for the year can be found at Appendix 4 of this report.

### Attestation for financial management compliance with Ministerial Standing Directions 5.1.4

#### **Department of Energy, Environment and Climate Action Financial Management Compliance Attestation Statement 2025-26**

I, Kate Houghton, certify that the Department of Energy, Environment and Climate Action has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**Kate Houghton PSM**  
**Secretary**  
**Department of Energy, Environment and Climate Action**

21 September 2026

## Climate-related risk disclosure statement

This statement summarises DEECA's response to climate-related risks and opportunities across its operations.

Climate change has the potential to directly and indirectly impact the services, programs, operations and assets that DEECA delivers and manages on behalf of the Victorian Government. This requires ongoing effort to understand and manage climate-related risks and opportunities and build resilience to climate change impacts.

Victoria is affected by a range of climate hazards, including floods, storms, heatwaves, drought, bushfires and sea-level rise, which are projected to become more complex, frequent and intense as the climate continues to change. These hazards pose risks, which may include damage to buildings and infrastructure, impacts to biodiversity, coastal erosion, and additional strain on energy systems and emergency services, as well as create opportunities while mitigating and adapting to climate change.

DEECA has a role in managing climate-related risks to its own assets and its operations in the portfolios of agriculture, climate action, energy, earth resources, environment and water. DEECA must also consider and manage risks resulting from the transition to a low-carbon economy such as the ongoing competitiveness of some industries, delays in investment and the availability of labour and materials impacting the delivery of renewable energy projects, potential electricity and gas shortages, and regional and social inequity.

To address these challenges, managing climate risks is integrated in DEECA's operations. This includes monitoring the maturity of DEECA's climate risk management, conducting risk assessments, strengthening resilience and planning for adaptation.

DEECA's climate risk management approach focuses on:

- evaluating and managing climate risks to assets, operations and services
- reducing greenhouse gas emissions from its own operations and portfolio responsibilities
- incorporating resilience and adaptation strategies into planning and reporting
- including climate change considerations in departmental policies and guidance
- undertaking research and development to create sustainable innovations to support climate transitions.

DEECA also leads the Victorian Government response to climate change and delivers initiatives aimed at achieving a net zero emissions, climate-ready

economy and community. As such, there are synergies between DEECA's role in understanding, managing and monitoring climate-related risks and opportunities for its own assets, operations and services, and how these are managed for Victoria.

### Climate-related risk governance

The DEECA Board of Management is accountable for the department's risk management framework and collectively owns DEECA's strategic risks. The DEECA Board of Management actively manages multiple climate-related physical and transition strategic risks and opportunities, including those relating to our departmental objectives:

- delivering government commitments to achieve net zero emissions and a climate-ready economy and community
- reducing the impact of major bushfires, biosecurity, energy, water and wildlife emergencies on people, property, the economy and the environment
- securing and delivering safe, sustainable and affordable water, energy, and waste and resource recovery services
- planning for and delivering a healthy, resilient and biodiverse environment and productive and effective land management
- supporting productive and sustainably used agricultural resources and sustainable development of earth resources.

The Performance and Operations Committee of the Board of Management monitors risks through quarterly risk management reports, which include mitigation activity updates and briefings on strategic risk assessments undertaken by subject matter experts and sponsoring executives.

The DEECA Risk and Audit Committee provides independent assurance to the Secretary that the department's risk and control environment is operating effectively and efficiently. This committee actively monitors the department's risk profile, including climate-related risks, and assesses the risk management strategies adopted. The internal audit program provides further assurance through the assessment of key controls mitigating strategic risks.

Climate-related physical, transition and operational risks are integrated within DEECA's enterprise risk management framework, and recorded in the department's risk management information system. Risks are assigned to responsible executives who are accountable for overseeing risk treatment actions, monitoring controls and reporting on risk status through established governance processes.

## Climate-related risk strategy

Climate change has a direct impact on the services, operations, programs and assets that DEECA delivers and manages on behalf of the Victorian Government, and requires sustained action to manage the risks, maximise opportunities and build resilience.

DEECA conducted a comprehensive climate risk assessment in 2024-25 to identify and assess climate-related physical and transition risks across the department's operational control. The assessment identified a range of climate-related risks across departmental functions, including risks relating to service delivery, infrastructure, natural resource management, emergency preparedness and workforce capability. Several priority risks were identified that require further management action to

reduce potential impacts on departmental objectives and service outcomes. DEECA is using this assessment to inform our climate risk management activities and priorities, strengthen organisational resilience, and continue to uplift the department's climate risk maturity.

Climate-related risks were also evaluated through the department's annual climate risk attestation process, informed by [Victoria's Climate Science Report](#) and [Victoria's Future Climate Tool](#). Together, these processes support the integration of climate risk management into departmental planning, decision-making and risk management activities.

The following are part of the actions undertaken by DEECA in 2025-26 to address climate-related risks and build resilience across key sectors and systems.

| Climate-related risk                                                                                                                                                                                                                        | Actions undertaken in 2025-26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A warmer, drier climate threatens agricultural productivity and sustainability, with reduced water availability and more frequent extreme events such as heatwaves, bushfires and floods, challenging the resilience of primary production. | <p>To grow and secure Victoria's agricultural productivity and sustainability, DEECA:</p> <ul style="list-style-type: none"> <li>continued to provide grants under the <a href="#">On-farm Emissions Action Plan Pilot</a>, offering practical information, tools and services to farmers to help them take action to reduce emissions</li> <li>released the <a href="#">Agriculture Sector Emissions Reduction Pledge 2026-30</a> and progressed emissions reduction research under the Pledge on topics including feed additive, breeding and genomics, to support lower-emitting livestock and future opportunities for Victoria's dairy sector</li> <li>provided technical information and events supporting farm business recovery across production, land and water management, biosecurity, animal health and recovery planning</li> <li>administered the <a href="#">Farm Drought Support Grants program</a> with more than 6,600 grants in 2025-26, enabling farm infrastructure improvements to manage and recover from drought and plan for future seasons</li> <li>delivered 2,393 climate-related engagement services to farmers, supply chains, service providers and industry organisations.</li> </ul> |
| More frequent and intense bushfires driven by climate change may accelerate deforestation, leading to ecological degradation and placing pressure on the department's land restoration and conservation programs.                           | <p>To mitigate bushfire-related deforestation risks, DEECA's actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>adding 3.1 tonnes of seed to DEECA's stores to support recovery from future bushfires and storms, with 26.6 tonnes of eucalypt seed assets in storage, including 14.6 tonnes of ash eucalypt species</li> <li>developing a seed collection strategy for areas and species most at risk of forest loss</li> <li>regenerating former VicForests harvest sites to restore ecological function and increase carbon capture</li> <li>partnering with the University of Melbourne using multiple climate scenarios to address key knowledge gaps on fire management actions in a changing climate, such as planned burning, suppression, mechanical fuel treatments, and proxy treatments for fuel breaks to mitigate deforestation</li> <li>supporting research into vulnerable alpine landscapes to inform management actions for targeted eucalypt species.</li> </ul>                                                                                                                                                                                                               |
| Climate-driven extreme weather is a threat to Victoria's energy security, disrupting power supply and transmission systems.                                                                                                                 | <p>To improve energy network resilience and manage supply disruptions, DEECA's actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>maintaining year-round training and annual recruitment for an energy emergency workforce of about 70 personnel</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Climate-related risk                                                                                                                                                                                                                                                | Actions undertaken in 2025-26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>maintaining emergency response doctrine and expanding automated monitoring to improve insights into electricity network reliability and security</li> <li>investing in network resilience measures, including: <ul style="list-style-type: none"> <li>installing back-up power systems through the \$7 million <b><u>Community Microgrids and Sustainable Energy</u></b> program at essential services, businesses and households in Mallacoota, Omeo and Corryong, and a town-scale microgrid in Corryong providing up to 5 days' back-up power</li> <li>thermal and energy modelling of existing houses across Victoria under future heat wave conditions to better understand the residential impact of heatwave projections and inform Victorian engagement in national built environment policy and regulatory reforms.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                     |
| Climate change poses risk to Victoria's water security, waterway quality and ecological health due to reduced reliability of natural sources, greater seasonal variability, and more frequent extreme events.                                                       | <p>In 2025-26, DEECA continued actions to address climate-driven threats to Victoria's water systems, including:</p> <ul style="list-style-type: none"> <li>maintaining 24/7 water emergency preparedness, including supporting the recruitment and training of a 40-person water emergency workforce</li> <li>releasing updated <b><u>Urban Water Strategy and Drought Preparedness Plan guidelines</u></b> in December 2025 for Victoria's 16 urban water corporations</li> <li>releasing the inaugural <b><u>Water Security Plan for Greater Melbourne, Geelong and connected towns</u></b> in September 2025</li> <li>continuing the Strengthening Adaptation Capability program with VicWater, including a climate risk maturity assessment in December 2025 to inform the draft <b><u>Water Cycle Adaptation Action Plan 2027-31</u></b> actions</li> <li>undertaking state-level risk assessments with Emergency Management Victoria on major water sector risks and climate vulnerabilities</li> <li>continuing working with floodplain management authorities and climate scientists to understand how to apply climate projections in flood modelling, to better predict and understand flooding impacts.</li> </ul> |
| Victoria's marine and coastal environment (including natural and built coastal assets) is susceptible to coastal hazard impacts, including erosion and inundation, due to changes in wave action, storm activity and sea level rise associated with climate change. | <p>To address climate-related risks to Victoria's marine and coastal environments, DEECA's actions in 2025-26 included:</p> <ul style="list-style-type: none"> <li>continuing to support strategic adaptation planning projects across Victoria, including projects underway at Inverloch, Port Fairy, the Port Phillip Bay western shoreline and along the Great Ocean Road</li> <li>providing routine drone monitoring at sites prone to coastal erosion and change, maintaining wave buoy networks and supporting data collection statewide through the <b><u>Victorian Coastal Monitoring Program</u></b>, to support coastal and climate risk assessments, early warning system capability and strategic planning.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Victoria's biodiversity faces increasing risks from climate change, with projected rises in temperature, more frequent bushfires, and prolonged droughts threatening species survival, habitat integrity, and ecosystem resilience.                                 | <p>DEECA is implementing a range of preventative actions to protect Victoria's biodiversity from the impacts of climate change, with actions in 2025-26 including:</p> <ul style="list-style-type: none"> <li>publishing 109 new <b><u>Action Statements</u></b> under the <i>Flora and Fauna Guarantee Act 1988</i> (the Act) for threatened species and communities, to inform conservation and investment decisions for the recovery of threatened species and communities, and for managing and mitigating potentially threatening processes</li> <li>continuing to provide integrated environmental and biodiversity advice across planning and environmental statutory processes, to ensure that development proposals for economic and infrastructure priorities appropriately consider climate change-related impacts and protect natural systems</li> <li>delivering strategic, place-based actions to improve Victoria's biodiversity through the management of invasive species and habitat restoration, to improve the resilience of ecosystems to the impacts of climate change.</li> </ul>                                                                                                                       |

Efforts to mitigate and adapt to climate change present opportunities for the department, including:

| Climate mitigation or adaptation action                                                                                                                                                                                                                     | Opportunity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Release of Victoria's <b><u>Climate Change Strategy 2026-30</u></b> and emission reduction pledges.                                                                                                                                                         | <p>DEECA coordinated the preparation of Victoria's Climate Change Strategy 2026-30 (the Strategy) and 7 emissions reduction pledges.</p> <p>The Strategy sets the course for Victoria to reduce emissions and strengthen climate resilience over the next 5 years. The Strategy also outlines the breadth and depth of climate action in Victoria, including the transition to renewable energy, providing Victorians with greater sustainable transport options, supporting Victorian farmers to lower their emissions, and planting millions of trees across Victoria.</p> <p>Alongside the Strategy, 7 emissions reduction pledges were released in November 2025, which outline actions the Government will take to cut emissions from the energy, agriculture, waste, transport, industrial processes and product use, land use and forestry sectors, as well as from Government operations.</p>                                                                                                                                                                                                 |
| DEECA and the Department of Treasury and Finance (DTF) prepared the second <b><u>Whole of Government Climate-related Risk Disclosure</u></b> for Victoria and are jointly reviewing the Victorian Government's approach to climate-related risk disclosure. | <p>Preparing climate-related risk disclosures provides an opportunity to build an understanding about the climate-related risks and opportunities that are relevant to Victoria, and the actions the Victorian Government is taking to manage the risks and capitalise on the opportunities.</p> <p>The Whole of Government Climate-related Risk Disclosure was released in October 2025 and demonstrates: Victoria's strong governance and legislative frameworks; comprehensive strategy for managing climate-related risks and opportunities; significant investments in the clean energy transition; robust metrics and targets; and commitments to continue working with partners and communities.</p> <p>During 2025-26, DEECA collaborated with DTF to update Victoria's approach to climate-related risk disclosure at the whole of government and entity level to reflect new international and Australian accounting standards.</p>                                                                                                                                                         |
| Draft <b><u>Adaptation Action Plans</u></b> 2027-31 were released for public consultation.                                                                                                                                                                  | <p>Victoria's 5-yearly Adaptation Action Plans (AAPs) are the primary policy mechanism to improve climate resilience. During 2025-26, DEECA coordinated the preparation of AAPs for 2027-31. Draft AAPs for 8 statewide systems that are vulnerable to the impacts of climate change or vital to building Victoria's climate resilience were released for consultation from 18 June to 15 July 2026 and will be finalised by 31 October 2026.</p> <p>The plans will build on the strong foundations set in the first AAPs 2022-26, and outline actions that the Victorian Government will take over the next 5 years to continue to strengthen the state's resilience to climate hazards such as heat, flood and fire.</p>                                                                                                                                                                                                                                                                                                                                                                            |
| Transitioning Victoria's forestry sector from native timber harvesting to a plantation and farm-forestry based future.                                                                                                                                      | <p>Ending native timber harvesting in state forests creates opportunities to reshape forest management, including regeneration and restoration, climate adaptation and resilience. It also supports the expansion of Victoria's plantation and farm forestry estate, increasing carbon sequestration to contribute to emissions reductions, while supplying domestically sourced timber to local industries and markets.</p> <p>The \$120 million Gippsland Plantations Investment Program will plant more than 14,000 hectares of softwood plantations over 5 to 10 years, boosting building product supply and capturing about 7.8 million tonnes of carbon dioxide over 25 years. Timber used in buildings can continue to store carbon, replacing higher-emission materials such as concrete and steel, reducing embodied carbon across construction.</p> <p>Supporting rural landowners to integrate trees into agricultural landscapes can also help the agriculture sector decarbonise and contribute to climate adaptation through improved shade, shelter, soil stability and hydrology.</p> |



| Climate mitigation or adaptation action                                                                                                                              | Opportunity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| DEECA is committed to ensuring that infrastructure, communities and the environment are more resilient to future emergency events in the face of a changing climate. | DEECA has been maximising the opportunity to integrate climate sensitive design into bridge and crossing infrastructure projects since 2008, including the construction of 70 new concrete bridges since 2018. This has enabled a return on investment by significantly reducing the damage to infrastructure from extreme events, with reduced repair costs in less time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| DEECA is leading a whole of government approach to delivering Victoria's integrated energy transition, supporting achievement of the state's climate targets.        | <p>Victoria's energy transition presents an opportunity to enhance energy reliability and affordability, while responding to climate change. Examples include:</p> <ul style="list-style-type: none"> <li>• <b><u>building electrification regulations</u></b> that will come into effect from 1 January 2027, phasing out gas hot water systems and requiring that new homes and commercial buildings be all-electric, which will provide opportunities to mitigate forecasted shortfalls in gas supply and for cost savings on energy bills</li> <li>• <b><u>minimum energy efficiency standards in rental homes</u></b> that will come into effect from 1 March 2027, will provide opportunities for emissions abatement, cost and energy savings in rental properties and homes that are more resilient to climate change</li> <li>• <b><u>legislated offshore wind energy generation targets</u></b> of at least 2 gigawatts (GW) by 2032, 4 GW by 2035 and 9 GW by 2040, which will help to deliver affordable, reliable and clean renewable energy into the grid</li> <li>• the <b><u>Energy Efficiency in Social Housing Program</u></b>, which supports more than 60,000 energy efficiency upgrades for public, community and Aboriginal housing, including fully electrifying 5,000 social housing homes, reducing energy costs and improving the thermal comfort of homes, providing health and wellbeing benefits and improving households' resilience to climate change.</li> </ul> |
| DEECA is leading efforts to transition Victoria's water sector to net-zero emissions by 2035.                                                                        | <p>Reducing emissions in Victoria's water sector presents a range of opportunities to innovate, collaborate and enhance our natural environment including:</p> <ul style="list-style-type: none"> <li>• new technologies for wastewater treatment using the oxygen by-product of hydrogen production from water, which may reduce emissions and operational costs for water corporations</li> <li>• the transition of the water sector to 100% renewable energy, which has increased regional investment in local solar projects</li> <li>• water sector emission reduction targets that have increased opportunities for regional economic, social and ecological benefits through investment in high-quality Victorian carbon offsets</li> <li>• water sector carbon sequestration programs, which have strengthened partnerships with First Peoples-led organisations and created valuable opportunities to learn from Traditional Owner knowledge and wisdom in water and land management</li> <li>• Victoria's renewable gas transition is making it increasingly viable for water corporations to capture biogas naturally generated from wastewater treatment and upgrade it to biomethane for injection into the Victorian gas grid, delivering financial benefits for water corporations and water customers.</li> </ul>                                                                                                                                                                |
| DEECA is advancing circular economy solutions in the water sector to support emissions reduction, reduce waste, and build climate resilience.                        | Circular economy solutions in the water sector have the potential to produce new products from biosolid waste such as biochar, which can be used in construction and agricultural production.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Climate mitigation or adaptation action                                                                                                                                                                                          | Opportunity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEECA is working across government to lead delivery of the <a href="#">Towards 2030 Resources Victoria Strategy</a> and the <a href="#">Victorian Critical Minerals Roadmap</a> to support the transition to a net zero economy. | <p>Critical minerals are essential for renewable energy infrastructure, modern computing, emerging technologies and sustainable economic development. Harnessing critical minerals responsibly will create jobs and economic activity for Victoria's regions, provide royalties to the people of Victoria, supply ethically sourced materials into the market and strengthen Victorian and Australian supply chains, making Victoria an attractive destination for investors and operators.</p> <p>Climate-related opportunities that support Victoria's transition to a low-emissions and climate-resilient economy include establishing a critical minerals industry, promoting downstream processing, strengthening Victoria's geoscience evidence base, supporting post-mining transition in the Latrobe Valley, improving rehabilitation outcomes, reducing land-use conflict, and partnering with regulators, Traditional Owners, communities, industry and research organisations to enable responsible resources development and Victoria's energy transition.</p> |

## Climate-related risk management

DEECA's risk management framework provides the foundation and organisational arrangements to ensure that climate-related risks are effectively identified, assessed and managed throughout the department. The framework is aligned to the Victorian Government Risk Management Framework, and provides guidance for designing, implementing, monitoring, reviewing and continually improving risk management practices.

DEECA's risk management framework requires DEECA business units to consider their operating context, including the impacts of climate change, and assess risks and opportunities so that risks are managed in line with the department's risk appetite. Climate-related risks are assessed and managed at the strategic, operational and program or project levels.

As required by DEECA's risk management framework, all risks are assessed for potential impacts on the environment, with impacts of extreme harm being outside the department's risk appetite. The department mitigates the impacts of climate-related risks through business adaptation and resilience strategies, delivery of climate-related programs and associated operational risk management activities.

## Climate-related metrics and targets

DEECA has committed to actions to achieve net zero emissions from its operations by 2030 including:

- replacing gas assets with zero emissions alternatives at end of life
- transitioning the shared passenger vehicle fleet to electric vehicles
- purchasing zero emissions electricity across all department-controlled accounts.

More information on these measures and reporting on climate-related metrics in line with requirements under Financial Reporting Direction 24 is provided under Environmental Performance from the next page.

## Environmental performance

This section informs the Victorian community about the department's environmental impacts and illustrates how these are being responsibly managed. It includes both quantitative and qualitative data reflecting the department's environmental performance during 2025-26.

### DEECA commitment to 2030 net zero emissions

DEECA has committed to achieving net zero emissions from 2030 onwards. This commitment provides time to plan and prioritise the transition to zero emissions alternatives. Implementation of DEECA's actions towards achieving net zero emissions by 2030 includes a focus on transitioning assets where zero emissions alternatives are financially viable. Actions underway include:

Replacing DEECA gas assets with zero emissions alternatives at end-of-life. In 2025-26, this contributed to a 12% reduction in emissions from these assets compared with the 2022-23 baseline.

Applying a Zero Emissions Vehicle (ZEV) first policy to transition DEECA's shared passenger vehicle fleet to ZEVs. As at 30 June 2026, 97 ZEVs were available for staff, representing 43% of the total shared passenger vehicle fleet.

Purchasing zero emissions electricity across all department-controlled electricity accounts from July 2025. In 2025-26, this contributed to an 89% reduction in emissions from these accounts compared with the 2022-23 baseline.

The annual emissions associated with DEECA's emergency management activities are largely determined by the extent of emergency response required. Emissions from both operational vehicles and aviation (related to these activities) will require further transition planning in coming years, as the range of viable zero emissions alternatives increase over time.

### Green Team Program

DEECA's Green Team program continues to promote awareness of environmental objectives by encouraging positive environmental behaviours across the department. A group of staff volunteers help develop, implement, and refine a range of site-based initiatives and activities aimed at raising staff awareness to improve overall environmental performance.

### Environmental Management System (EMS)

All Victorian Government departments are required to adopt and maintain an EMS that is aligned to International Standard ISO 14001 and Financial Reporting Direction 24 (FRD 24). The department's EMS is a structured approach to manage both environmental performance and environmental compliance in line with FRD 24 reporting. The purpose of the EMS is to:

- guide actions and decisions relating to the environment
- enhance awareness of the department's ongoing commitment to mitigate environmental impacts
- manage material and emerging risks
- continually improve on environmental management practices.

The department's EMS was last externally audited in September 2023.

### Reporting period for environmental data

This report tracks annual environmental data from 1 April to 31 March, to allow for a full reporting year.

DEECA was established on 1 January 2023 through Machinery of Government changes. This is the fourth report for DEECA, with 2022-23 forming the baseline year for the department.

The full time equivalent (FTE) staff figure from the end of June 2026 used throughout this report is 5,462.

### Buildings

Under FRD 24 reporting requirements, all sites with active utility accounts are included, with consumption indicators broken down further by site type. The following site categorisation has been established for DEECA FRD 24 reporting and is used throughout this report.

| Site category       | Number of sites | Description                                                                                  |
|---------------------|-----------------|----------------------------------------------------------------------------------------------|
| Offices             | 24              | DEECA office sites                                                                           |
| Mixed use sites     | 39              | DEECA office sites with depots or warehouses attached (including the Arthur Rylah Institute) |
| AV Research centres | 12              | Agriculture Victoria research centres                                                        |
| Other               | 46              | Airbases, depots, farms, fire towers, radio towers and warehouses                            |

DEECA reporting excludes residences and sites where DEECA staff are located within another department's facility. Non-DEECA staff accommodated within a DEECA-managed facility are counted towards the DEECA reported consumption figures (but not FTE figures). DEECA entities co-located within DEECA tenancies are also included in this report. All other DEECA entities are excluded from this reporting.

## Transportation

This includes the DEECA-owned vehicle fleet, use of the VicFleet pool vehicles and DEECA use of contracted aircraft for Forest and Fire Management operations. Commercial staff air travel is also included.

## Greenhouse gas emissions

DEECA has committed to achieving net zero emissions by 2030 through a range of actions outlined in the department's net zero plan. Under FRD 24 reporting, emissions are categorised as follows:

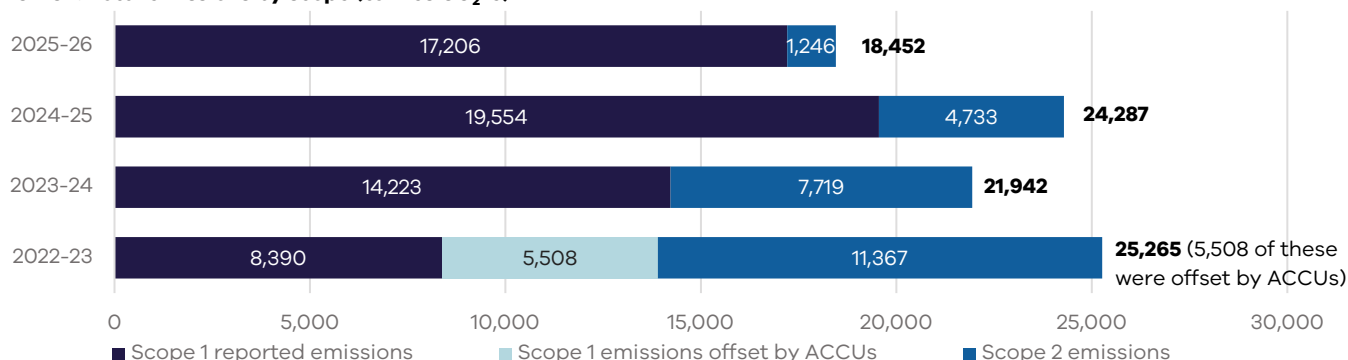
**Scope 1:** direct emissions from sources that are owned and controlled by DEECA

**Scope 2:** indirect emissions resulting from the generation of electricity that is purchased by DEECA

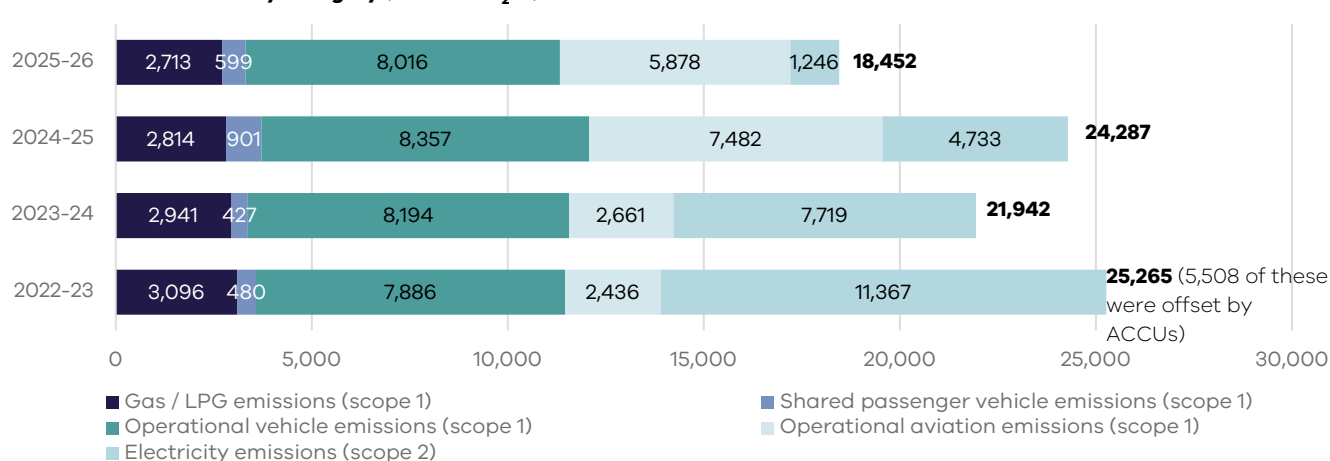
**Scope 3:** all other indirect emissions that occur in DEECA's value chain.

The DEECA 2030 net zero commitment covers scope 1 and 2 emissions. Total scope 1 and 2 greenhouse gas emissions for DEECA over the 2025-26 reporting period was 18,452 tonnes of carbon dioxide equivalent (tonnes CO<sub>2</sub>-e).

**G1-G2. Total emissions by scope (tonnes CO<sub>2</sub>-e)**



**G1-G2. Total emissions by category (tonnes CO<sub>2</sub>-e)**



**Explanatory notes:**

- The ongoing phase-out of gas assets at DEECA sites contributed to a 12% reduction in gas / LPG emissions on the DEECA baseline.
- The Australian Carbon Credit Units (ACCUs) used in 2022-23 were purchased by the former DELWP. DEECA has committed to transition to zero emissions alternatives before an annual purchase of ACCUs to ultimately achieve a net zero status.
- Purchasing zero emissions electricity across all department-controlled electricity accounts from July 2025 contributed to an 89% reduction in these emissions on the DEECA baseline.

Scope 3 emissions are also reported for staff air travel and office waste. Further information on those emissions is available under the relevant sections of this report.

| Indicator                                                                | 2025-26       | 2024-25                     | 2023-24                     | 2022-23                        |
|--------------------------------------------------------------------------|---------------|-----------------------------|-----------------------------|--------------------------------|
| <b>G1 / G2: Total greenhouse gas emissions (tonnes CO<sub>2</sub>-e)</b> | <b>18,452</b> | <b>24,287<sup>(i)</sup></b> | <b>21,942<sup>(i)</sup></b> | <b>25,265<sup>(i,ii)</sup></b> |
| <b>G1. Scope 1: Direct emissions (tonnes CO<sub>2</sub>-e)</b>           | <b>17,206</b> | <b>19,554<sup>(i)</sup></b> | <b>14,223<sup>(i)</sup></b> | <b>13,898<sup>(i)</sup></b>    |
| Gas / LPG emissions                                                      | 2,713         | 2,814 <sup>(i)</sup>        | 2,941 <sup>(i)</sup>        | 3,096 <sup>(i)</sup>           |
| Shared passenger vehicle emissions                                       | 599           | 901                         | 427                         | 480                            |
| Operational vehicle emissions <sup>(iii)</sup>                           | 8,016         | 8,357                       | 8,194                       | 7,886                          |
| Operational aviation emissions <sup>(iii)</sup>                          | 5,878         | 7,482                       | 2,661                       | 2,436                          |
| Carbon Dioxide CO <sub>2</sub>                                           | 17,086        | 19,416                      | 14,130                      | 13,809                         |
| Methane CH <sub>4</sub>                                                  | 8             | 8                           | 8                           | 8                              |
| Nitrous Oxide N <sub>2</sub> O                                           | 112           | 130                         | 85                          | 81                             |
| <b>G2. Scope 2: Electricity emissions (tonnes CO<sub>2</sub>-e)</b>      | <b>1,246</b>  | <b>4,733<sup>(i)</sup></b>  | <b>7,719<sup>(i)</sup></b>  | <b>11,367<sup>(i)</sup></b>    |

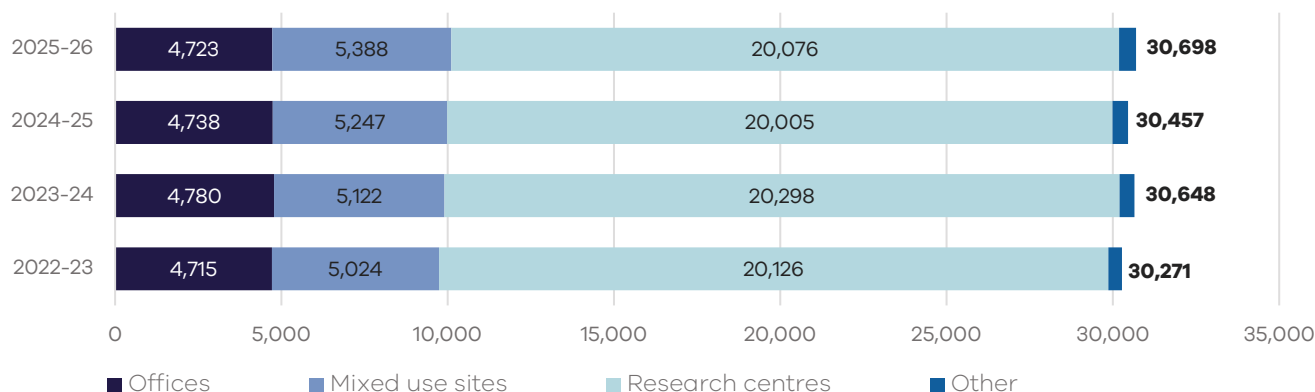
**Explanatory notes:**

- (i) Previous figures have been updated to exclude the Knowledge Resource Centre at Werribee, which is subleased to the Victorian Government Library Service
- (ii) 5,508 ACCUs were purchased by the former DELWP in 2022 and used by DEECA in 2022-23 for the baseline reporting year to offset 1,565 tonnes of gas/LPG emissions and 3,943 tonnes of operational vehicle emissions. DEECA is focusing on priorities to reduce emissions in advance of the 2030 net zero commitment, rather than purchasing ACCUs to achieve a net zero status. An ACCU is a unit issued by the Clean Energy Regulator and represents one tonne of carbon dioxide equivalent stored or avoided by a project.
- (iii) Emissions from DEECA's operational vehicles and aviation are directly linked to the level of emergency response activity required each year. Until zero emissions alternatives are available for these categories, emissions may fluctuate from year to year depending on emergency response requirements. Further details about specific events are provided under the transportation section of this report.

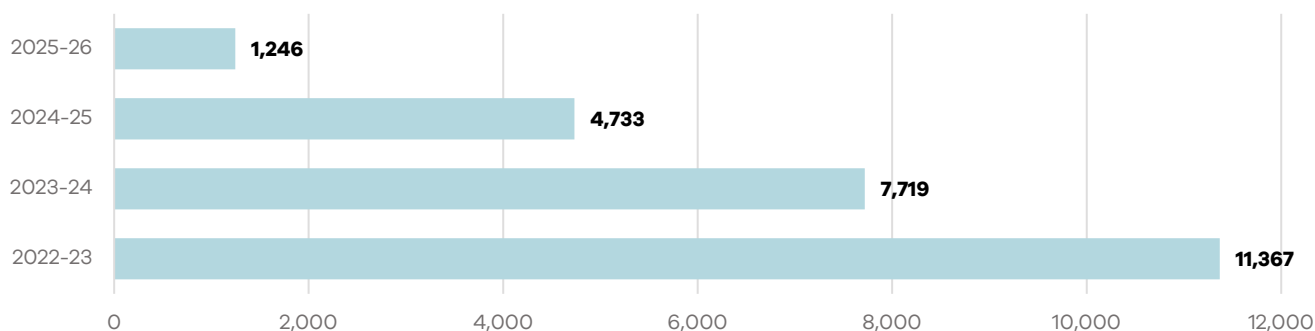
## Electricity production and consumption

DEECA's total electricity consumption for the 2025-26 reporting period was 30,698 megawatt hours (MWh), representing a 1% increase from the 2022-23 baseline. As site electrification continues, further marginal increases are anticipated in future years. All new builds and significant rebuilds have LED lighting and solar installations as a standard requirement and are built to a 6-star NABERS (National Australian Built Environment Rating System) rating. From July 2025, all electricity purchased at DEECA controlled sites is zero emissions, in accordance with the Victorian Government's commitment.

### EL1. Total electricity consumption (grid and solar) (MWh)



### G2. Reported electricity emissions (tonnes CO<sub>2</sub>-e)



| Indicator                                                                              | 2025-26       | 2024-25                      | 2023-24                      | 2022-23                      |
|----------------------------------------------------------------------------------------|---------------|------------------------------|------------------------------|------------------------------|
| <b>EL1. Total electricity consumption (MWh)</b>                                        | <b>30,698</b> | <b>30,457<sup>(i)</sup></b>  | <b>30,648<sup>(i)</sup></b>  | <b>30,271<sup>(i)</sup></b>  |
| Purchased grid electricity                                                             | 29,092        | 28,949                       | 29,262                       | 29,102                       |
| Generated electricity (consumed)                                                       | 1,606         | 1,508                        | 1,386                        | 1,169                        |
| Offices                                                                                | 4,723         | 4,738                        | 4,780                        | 4,715                        |
| Mixed use sites                                                                        | 5,388         | 5,247                        | 5,122                        | 5,024                        |
| Research centres                                                                       | 20,076        | 20,005                       | 20,298                       | 20,126                       |
| Other                                                                                  | 511           | 467                          | 448                          | 406                          |
| <b>EL2. On-site electricity generated (MWh)<sup>(ii)</sup></b>                         | <b>2,206</b>  | <b>2,109<sup>(i)</sup></b>   | <b>1,903<sup>(i)</sup></b>   | <b>1,664<sup>(i)</sup></b>   |
| Generated electricity (consumed)                                                       | 1,606         | 1,508                        | 1,386                        | 1,169                        |
| Generated electricity (exported)                                                       | 600           | 601                          | 517                          | 495                          |
| <b>EL3. On site Solar Photo-Voltaic (PV) installed generation capacity (Megawatts)</b> | <b>2.128</b>  | <b>1.859<sup>(iii)</sup></b> | <b>1.660<sup>(iii)</sup></b> | <b>1.565<sup>(iii)</sup></b> |



|                                                                                               |        |                       |                       |                       |
|-----------------------------------------------------------------------------------------------|--------|-----------------------|-----------------------|-----------------------|
| EL4. Zero emissions electricity purchased (MWh)                                               | 26,180 | 17,757 <sup>(i)</sup> | 14,184 <sup>(i)</sup> | 9,644 <sup>(i)</sup>  |
| G2. Scope 2 greenhouse gas emissions from electricity consumption (tonnes CO <sub>2</sub> -e) | 1,246  | 4,733 <sup>(i)</sup>  | 7,719 <sup>(i)</sup>  | 11,367 <sup>(i)</sup> |

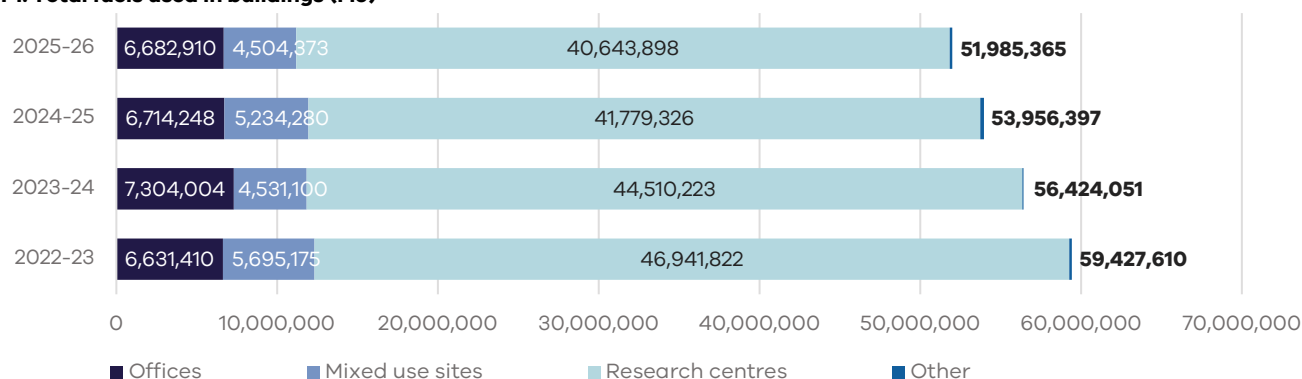
**Explanatory notes:**

- (i) Previous figures have been updated to exclude the Knowledge Resource Centre at Werribee, which is subleased to the Victorian Government Library Service.
- (ii) Some older solar installations do not have the capability to be tracked. Estimations are included where actual data is unavailable.
- (iii) The figures have been corrected with updated information for Nowa Nowa, Warrnambool and the floating solar array at Horsham.

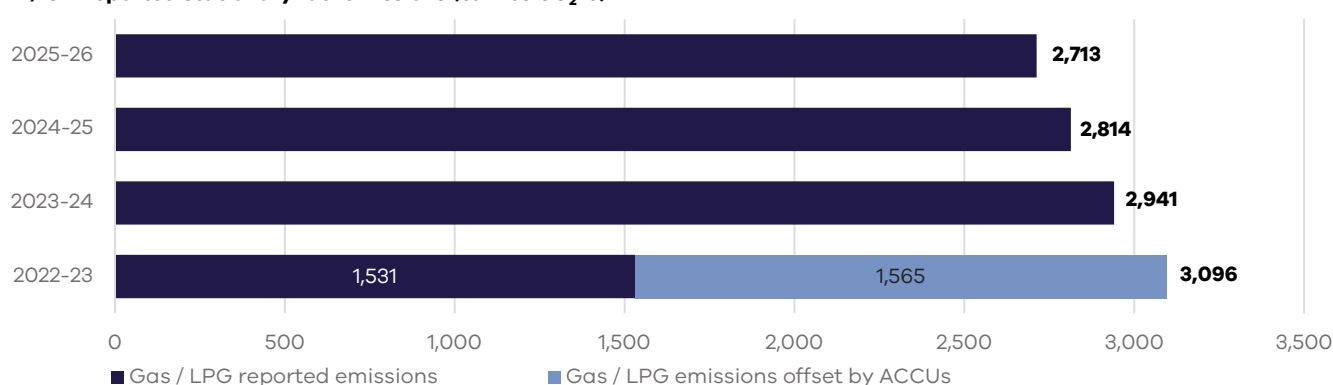
## Stationary fuel use

Total natural gas and LPG use in DEECA buildings during the 2025-26 reporting period was 51,985,365 megajoules (MJ), representing a 13% reduction from the 2022-23 baseline. Under DEECA's 2030 net zero commitment, DEECA-owned gas assets are being phased out as they reach end of life to support full building electrification in line with the Victorian Government Gas Substitution Roadmap.

### F1. Total fuels used in buildings (MJ)



### F2 / G1 Reported stationary fuel emissions (tonnes CO<sub>2</sub>-e)



| Indicator                                                                                                   | 2025-26           | 2024-25                         | 2023-24                         | 2022-23                         |
|-------------------------------------------------------------------------------------------------------------|-------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>F1. Total fuels used in buildings (MJ)</b>                                                               | <b>51,985,365</b> | <b>53,956,397<sup>(i)</sup></b> | <b>56,424,051<sup>(i)</sup></b> | <b>59,427,610<sup>(i)</sup></b> |
| Natural Gas                                                                                                 | 48,253,260        | 50,276,229                      | 52,748,162                      | 55,738,771                      |
| Liquid Petroleum Gas (LPG) <sup>(ii)</sup>                                                                  | 3,732,105         | 3,680,168                       | 3,675,889                       | 3,688,839                       |
| Offices                                                                                                     | 6,682,910         | 6,714,248                       | 7,304,004                       | 6,631,410                       |
| Mixed use sites                                                                                             | 4,504,373         | 5,234,280                       | 4,531,100                       | 5,695,175                       |
| Research centres                                                                                            | 40,643,898        | 41,779,326                      | 44,510,223                      | 46,941,822                      |
| Other                                                                                                       | 154,184           | 228,543                         | 78,724                          | 159,203                         |
| Natural Gas emissions                                                                                       | 2,486             | 2,591                           | 2,718                           | 2,872                           |
| Liquid Petroleum Gas (LPG) emissions                                                                        | 227               | 223                             | 223                             | 224                             |
| <b>F2 / G1. Scope 1 greenhouse gas emissions from stationary fuel consumption (tonnes CO<sub>2</sub>-e)</b> | <b>2,713</b>      | <b>2,814<sup>(i)</sup></b>      | <b>2,941<sup>(i)</sup></b>      | <b>3,096<sup>(i)</sup></b>      |
| Emissions from above offset by ACCUs                                                                        | 0                 | 0                               | 0                               | 1,565 <sup>(iii)</sup>          |
| Reported stationary fuel emissions                                                                          | 2,713             | 2,814                           | 2,941                           | 1,531                           |

**Explanatory notes:**

- (i) Previous figures have been updated to exclude the Knowledge Resource Centre at Werribee, which is subleased to the Victorian Government Library Service. This also resulted in minor changes to the associated emissions reporting.
- (ii) These figures are for LPG purchased by sites (either as canisters or refilled into site LPG storage tanks) rather than actual LPG consumption. Canisters and tanks can remain unused for long periods of time.
- (iii) ACCUs were purchased by the former DELWP and used by DEECA to reduce stationary fuel emissions, with one ACCU offsetting one tonne of carbon dioxide equivalent stored or avoided by a project. In 2022-23, total emissions were 3,096 tonnes, with ACCUs purchased to offset 1,565 tonnes of emissions, leaving 1,531 tonnes of greenhouse gas emissions to report. DEECA will prioritise the transition to zero emissions alternatives to support its 2030 net zero commitment, rather than purchasing ACCUs to reduce emissions.

## Transportation

DEECA's total transport energy use during the 2025-26 reporting period was 206,338,546 megajoules (MJ), representing a 34% increase on the 2022-23 baseline year. This increase, and the associated emissions, was primarily due to increased use of operational aviation and vehicles to support emergency response activity. Operational aviation and vehicles accounted for 96% of DEECA's total transport emissions.

The 2025-26 fire season was significant, although not as substantial as 2024-25, resulting in a slight reduction in aerial activity. DEECA's total flying hours decreased by approximately 20% compared with the previous year despite large-scale campaign fires across the state. Transitioning aviation away from fossil fuels remains challenging due to the limited availability of sustainable aviation fuels (SAF) that provide zero emissions alternatives.

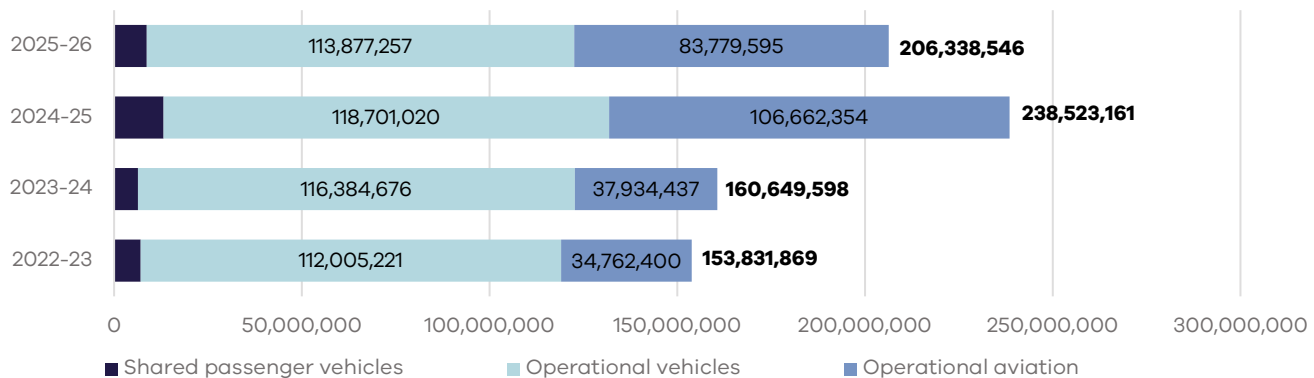
DEECA obtained its drone operating licence in 2024-25, enabling the deployment of Remotely Piloted Aircraft Systems (RPAS) across its operations. As a low-emission technology, RPAS produce minimal direct carbon emissions during operation, while enhancing situational awareness, safety and operational efficiency. The next phase of the program will expand RPAS applications across DEECA to drive innovation, improve service delivery and further reduce emissions. DEECA will also collaborate with industry and research institutions to advance RPAS capability, including exploring emerging technologies and innovative approaches for early fire detection and monitoring.

DEECA will undertake future planning to define DEECA's fire fleet and heavy equipment capability requirements, supported by a comprehensive review of asset classes, operational needs and capability gaps. This work will assess optimal asset management approaches, including owned and leased, and inform future asset investment and replacement schedules based on whole of life costing. It will also identify future fleet types aligned with industry standards, supporting a transition to low and zero emissions vehicles, while maintaining operational readiness for forest and fire management activities.

Electrification of Agriculture Victoria Smart Farm vehicles continues to be explored. While there are currently limited zero emissions alternatives suitable for most of the operational fleet (high Horsepower tractors are not yet available), Agriculture Victoria has 17 ZEVs in the operational farm vehicle fleet as at 30 June 2026. Most of these are electric all-terrain vehicles used to transport staff and small materials across the SmartFarms, as well as electric buggies used to autonomously move sensors and cameras for data collection.

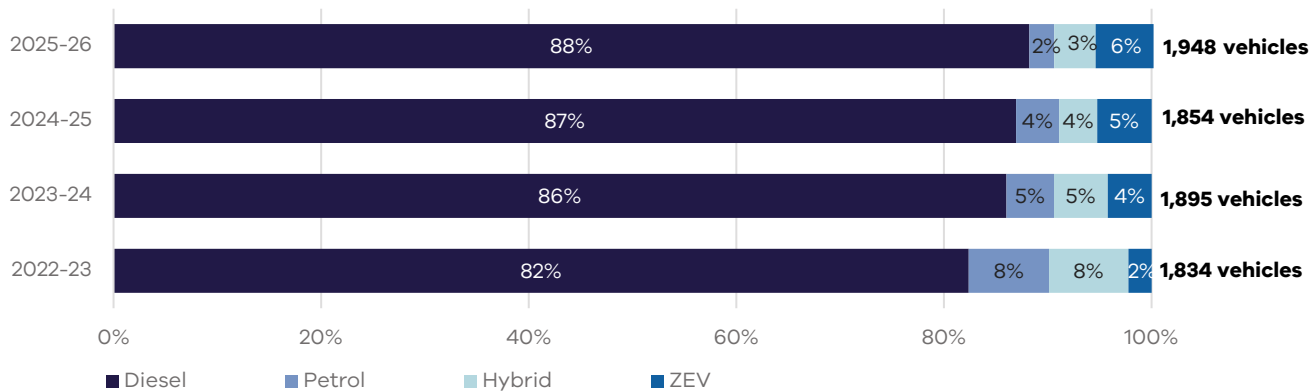
DEECA has adopted a ZEV first position for the shared passenger vehicle fleet. As of 30 June 2026, there were 97 ZEVs in the shared passenger vehicle fleet. The shared passenger vehicle fleet accounts for 4% of DEECA transport emissions. The DEECA fleet will continue to transition to ZEVs as current leases expire, along with the installation of charging infrastructure to support the transition.

#### T1. Total energy used in transportation (MJ)



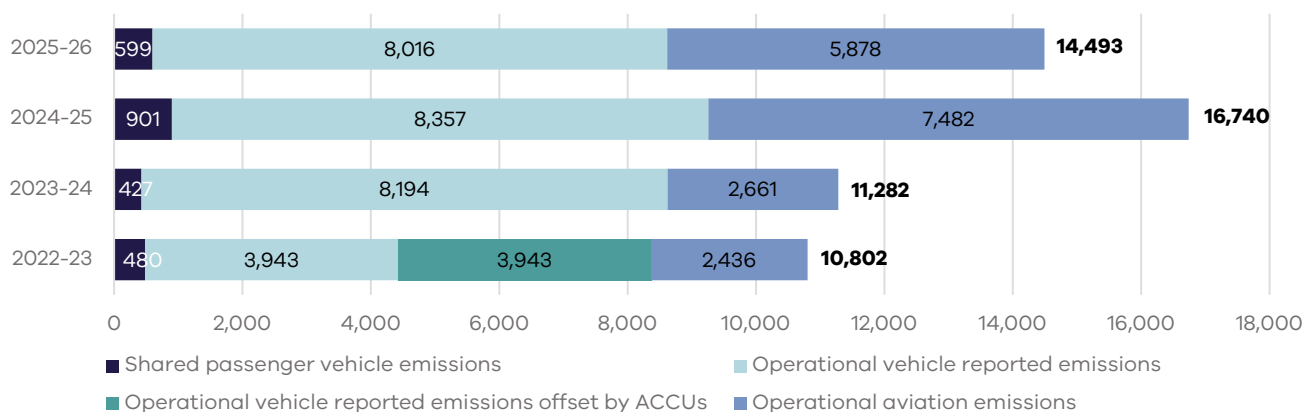
| Indicator                                           | 2025-26            | 2024-25            | 2023-24            | 2022-23            |
|-----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>T1: Total energy used in transportation (MJ)</b> | <b>206,338,546</b> | <b>238,523,161</b> | <b>160,649,598</b> | <b>153,831,869</b> |
| <b>Shared passenger vehicles<sup>(i)</sup></b>      | <b>8,681,694</b>   | <b>13,159,787</b>  | <b>6,330,485</b>   | <b>7,064,248</b>   |
| Diesel                                              | 5,089,077          | 5,324,478          | 1,506,855          | 1,412,714          |
| Unleaded                                            | 1,692,450          | 5,926,352          | 2,197,586          | 2,735,923          |
| Hybrid                                              | 1,869,113          | 1,852,849          | 2,544,951          | 2,883,478          |
| ZEV <sup>(ii)</sup>                                 | 31,054             | 56,108             | 81,093             | 32,133             |
| <b>Operational vehicles<sup>(iii)</sup></b>         | <b>113,877,257</b> | <b>118,701,020</b> | <b>116,384,676</b> | <b>112,005,221</b> |
| Diesel                                              | 113,221,097        | 118,314,694        | 116,085,444        | 111,712,847        |
| Unleaded                                            | 656,160            | 386,326            | 299,232            | 292,374            |
| <b>Operational aviation<sup>(iv)</sup></b>          | <b>83,779,595</b>  | <b>106,662,354</b> | <b>37,934,437</b>  | <b>34,762,400</b>  |
| Kerosene                                            | 81,990,015         | 104,160,097        | 36,912,854         | 33,109,308         |
| Gasoline                                            | 1,789,580          | 2,502,257          | 1,021,583          | 1,653,092          |

## T2. Breakdown of the DEECA vehicle fleet



| Indicator                                 | 2025-26 | 2024-25 | 2023-24 | 2022-23 |
|-------------------------------------------|---------|---------|---------|---------|
| T2: Number of vehicles in the DEECA fleet | 1,948   | 1,854   | 1,895   | 1,834   |
| Shared passenger vehicles <sup>(i)</sup>  | 225     | 240     | 270     | 365     |
| Diesel                                    | 30      | 33      | 36      | 68      |
| Unleaded                                  | 31      | 57      | 62      | 119     |
| Hybrid                                    | 67      | 68      | 98      | 140     |
| ZEV                                       | 97      | 82      | 74      | 38      |
| Operational vehicles <sup>(iii)</sup>     | 1,723   | 1,614   | 1,625   | 1,469   |
| Diesel                                    | 1,691   | 1,579   | 1,594   | 1,443   |
| Unleaded                                  | 15      | 20      | 25      | 23      |
| ZEV                                       | 17      | 15      | 6       | 3       |

## T3. Reported transport emissions (tonnes CO<sub>2</sub>-e)



| Indicator                                                                            | 2025-26       | 2024-25       | 2023-24       | 2022-23              |
|--------------------------------------------------------------------------------------|---------------|---------------|---------------|----------------------|
| <b>T3: Scope 1 greenhouse gas emissions from transport (tonnes CO<sub>2</sub>-e)</b> | <b>14,493</b> | <b>16,740</b> | <b>11,282</b> | <b>10,802</b>        |
| <b>Shared passenger vehicle emissions<sup>(i)</sup></b>                              | <b>599</b>    | <b>901</b>    | <b>427</b>    | <b>480</b>           |
| Diesel emissions                                                                     | 358           | 375           | 106           | 99                   |
| Unleaded emissions                                                                   | 241           | 526           | 321           | 381                  |
| Diesel emissions                                                                     | 7,972         | 8,331         | 8,174         | 7,866                |
| Unleaded emissions                                                                   | 44            | 26            | 20            | 20                   |
| <b>Operational vehicle emissions<sup>(iii)</sup></b>                                 | <b>8,016</b>  | <b>8,357</b>  | <b>8,194</b>  | <b>7,886</b>         |
| Emissions from above offset by ACCUs                                                 | 0             | 0             | 0             | 3,943 <sup>(v)</sup> |
| Reported operational vehicle emissions                                               | 8,016         | 8,357         | 8,194         | 3,943                |
| <b>Operational aviation emissions<sup>(iv)</sup></b>                                 | <b>5,878</b>  | <b>7,482</b>  | <b>2,661</b>  | <b>2,436</b>         |
| Kerosene emissions                                                                   | 5,757         | 7,313         | 2,592         | 2,325                |
| Gasoline emissions                                                                   | 121           | 169           | 69            | 111                  |

**Explanatory notes:**

- (i) The shared passenger vehicle fleet includes leased vehicles and departmental use of the vehicle fleet managed through the Department of Government Services. DEECA has adopted a ZEV first position for the shared passenger vehicle fleet. As current vehicle leases expire, vehicles are automatically replaced with ZEVs, unless a ZEV is unable to meet business requirements. Executive vehicles are not included in the shared passenger vehicle fleet and are not covered under FRD 24 reporting.
- (ii) These figures include ZEV charging taking place at public charging infrastructure. As no details are available from fleet services for public infrastructure electricity procurement, electricity emissions from public charging infrastructure are estimated to be a maximum of 20 tonnes per year. The charging of ZEVs using infrastructure installed at DEECA sites is captured under building energy.
- (iii) The operational vehicle fleet includes all of DEECA's Bushfire and Forest Services group owned and leased utility vehicles, ultralight tankers, heavy tankers, dozers, heavy-duty vehicles, as well as Agriculture Victoria farm vehicles. In addition, the Bushfire and Forest Services group has access to vehicles and equipment under 'wet hire' arrangements, where the machine, operator and fuel are provided by the contractor. Use of the 'wet hire' fleet is not currently tracked or reported.
- (iv) Operational aviation data includes DEECA's use of a contracted aircraft for DEECA forest and fire management operations. Non-chargeable flying activity has been included in the emissions calculations, reflecting that most of this activity occurs while aircraft are under contract to DEECA and therefore contributes to the department's overall environmental footprint. Non-chargeable activity may include system test flights, maintenance flights or company flights not undertaken for DEECA.
- (v) ACCUs purchased by the former DELWP were used by DEECA to reduce reported operational vehicle emissions. One ACCU represents one tonne of carbon dioxide equivalent emissions stored or avoided by a project. In 2022-23, total operational vehicle emissions were 7,886 tonnes. ACCUs were used to offset 3,943 tonnes of these emissions, leaving 3,943 tonnes of greenhouse gas emissions to be reported. DEECA will no longer purchase ACCUs to reduce reported emissions and will instead focus on transitioning to zero emissions alternatives to support its 2030 net zero commitment.

**Commercial air travel**

| Indicator                                                                                        | 2025-26          | 2024-25          | 2023-24          | 2022-23          |
|--------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| <b>T4. Total distance travelled by commercial air travel (km)</b>                                | <b>3,567,971</b> | <b>3,568,469</b> | <b>3,804,551</b> | <b>2,967,028</b> |
| <b>G3. Scope 3 greenhouse gas emissions from commercial air travel (tonnes CO<sub>2</sub>-e)</b> | <b>497</b>       | <b>739</b>       | <b>760</b>       | <b>556</b>       |
| Emissions from above offset by the State Purchasing Contract <sup>(i)</sup>                      | 0                | 688              | 760              | 225              |
| Reported commercial air travel emissions                                                         | 497              | 51               | 0                | 331              |

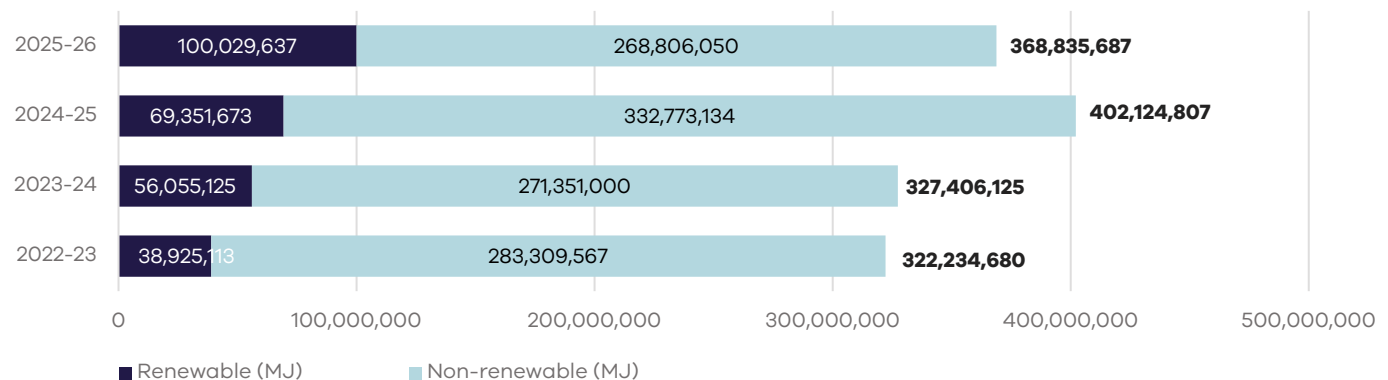
**Explanatory notes:**

- (i) From April 2023, emissions from DEECA staff air travel were offset through the State Purchasing Contract (SPC) for travel management services. Following renewal of the SPC in March 2025, offsetting scope 3 emissions from staff air travel is no longer available under this service.

## Total energy use

DEECA's total energy use, including all energy used in buildings and transportation, during the 2025-26 reporting period was 368,835,687 MJ. This represents a 14% increase on the 2022-23 baseline and is primarily due to the increased requirements of operational emergency management activities. From July 2025, all electricity purchased at DEECA controlled sites is zero emissions, supporting the broader Victorian Government commitment.

### E3. Total energy used (MJ)



| Indicator                                                                            | 2025-26            | 2024-25                          | 2023-24                          | 2022-23                          |
|--------------------------------------------------------------------------------------|--------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>E1. Total energy used from fuels (MJ)</b>                                         | <b>258,323,911</b> | <b>292,479,558<sup>(i)</sup></b> | <b>217,073,649<sup>(i)</sup></b> | <b>213,259,479<sup>(i)</sup></b> |
| Stationary                                                                           | 51,985,365         | 53,956,397                       | 56,424,051                       | 59,427,610                       |
| Transportation                                                                       | 206,338,546        | 238,523,161                      | 160,649,598                      | 153,831,869                      |
| <b>E2. Total energy used from electricity (MJ)</b>                                   | <b>110,511,776</b> | <b>109,645,249<sup>(i)</sup></b> | <b>110,332,476<sup>(i)</sup></b> | <b>108,975,201<sup>(i)</sup></b> |
| <b>E3. Total energy used segmented into renewable and non-renewable sources (MJ)</b> | <b>368,835,687</b> | <b>402,124,807<sup>(i)</sup></b> | <b>327,406,125<sup>(i)</sup></b> | <b>322,234,680<sup>(i)</sup></b> |
| Renewable                                                                            | 100,029,637        | 69,351,673                       | 56,055,125                       | 38,925,113                       |
| Non-renewable                                                                        | 268,806,050        | 332,773,134                      | 271,351,000                      | 283,309,567                      |
| <b>E4. Units of energy used normalised by FTE (MJ/FTE)</b>                           | <b>67,533</b>      | <b>70,118<sup>(i)</sup></b>      | <b>56,360<sup>(i)</sup></b>      | <b>57,214<sup>(i)</sup></b>      |
| DEECA FTE                                                                            | 5,462              | 5,735                            | 5,809                            | 5,632                            |

**Explanatory notes:**

- (i) Previous figures have been updated to exclude the Knowledge Resource Centre at Werribee, which is subleased to the Victorian Government Library Service.



## Sustainable buildings and infrastructure

DEECA uses best practice sustainable building principles to ensure the design and delivery of construction incorporate resource efficient features. All DEECA new builds and significant rebuilds are constructed to 6-star NABERS energy rating standards and include LED lighting and solar installation as a standard requirement.

The Department of Government Services (DGS) manages leases on behalf of DEECA and is responsible for the implementation of Green Lease Schedules for both new leases and lease renewals. The Green Lease Schedules provide minimum performance expectations between landlord and tenant, compelling the landlord to regularly rate buildings and improve building efficiency. All new DGS managed government office buildings and tenancy fit-outs are required to have a 6-star NABERS energy rating.

The table below summarises all Green Lease Schedules and NABERS ratings that have been undertaken by landlords through DGS lease requirements during the current reporting period.

| Name of building                       | Green Lease Schedule | NABERS - Energy Rating |
|----------------------------------------|----------------------|------------------------|
| Ballarat: Mair Street                  | N/A <sup>(i)</sup>   | 5                      |
| East Melbourne: 8 Nicholson Street     | In place             | 5.0                    |
| Melbourne: 2 Lonsdale Street           | In place             | 4.5                    |
| Melbourne: 150 Lonsdale Street         | In place             | None                   |
| Morwell: Latrobe Valley Government Hub | In place             | 5.0                    |
| Orbost: Nicholson Street               | In place             | None                   |
| Traralgon: Seymour Street              | In place             | None                   |

### Explanatory notes:

(i) This DEECA lease is within a government owned building.

## Sustainable procurement

DEECA considers sustainable procurement objectives through its implementation of Victoria's Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction.

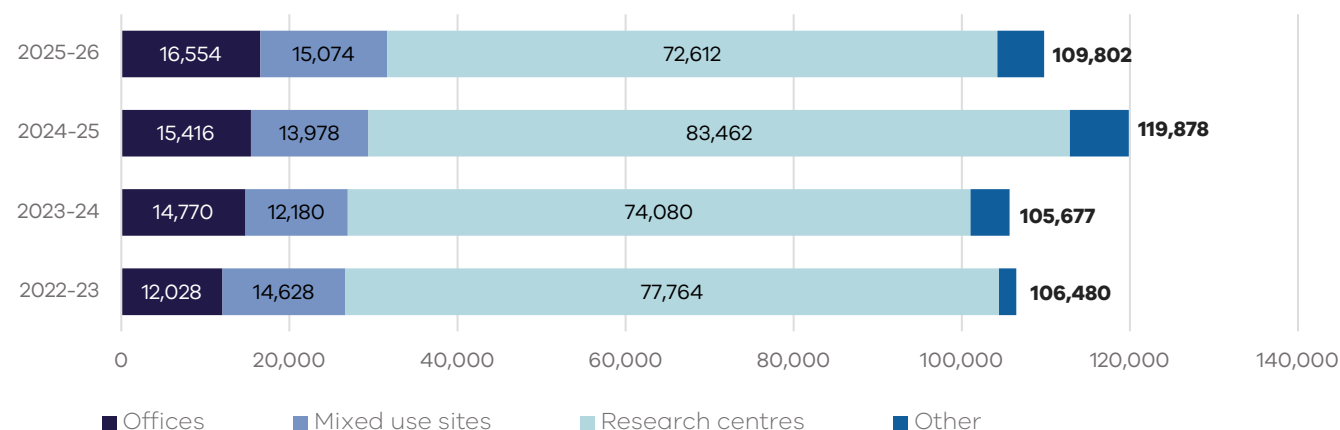
Procurement guidance to support and strengthen environmental procurement practices is embedded within DEECA's procurement documentation. Departmental Invitation to Supply and Approval to Contract templates include specific sections for tenderers to consider environmental sustainability benefits and impacts in their response where relevant.

Staff are expected to consider environmental and sustainability factors when planning procurement activities. DEECA's procurement approval template includes specific prompts for staff to demonstrate how sustainability has informed the evaluation process.

## Water consumption

DEECA's total water consumption during the 2025-26 reporting period was 109,802 kilolitres (kl), representing a 3% increase on the 2022-23 baseline. All new builds and significant rebuilds have water efficient fixtures, water efficient appliances and rainwater systems as a standard requirement and are built to 6-star NABERS efficiency ratings. DEECA tracks water consumption across a range of sites through the VicFacilities portal. This has enabled any water leaks at these sites to be identified in advance of billing data becoming available.

### W1. Total water consumption (kl)



| Indicator                                               | 2025-26                 | 2024-25                       | 2023-24                        | 2022-23                       |
|---------------------------------------------------------|-------------------------|-------------------------------|--------------------------------|-------------------------------|
| <b>W1. Total water consumption (kl)<sup>(i)</sup></b>   | <b>109,802</b>          | <b>119,878<sup>(ii)</sup></b> | <b>105,677<sup>(iii)</sup></b> | <b>106,480<sup>(ii)</sup></b> |
| Offices                                                 | 16,554 <sup>(iii)</sup> | 15,416                        | 14,770                         | 12,028                        |
| Mixed use sites                                         | 15,074 <sup>(iv)</sup>  | 13,978                        | 12,180                         | 14,628                        |
| Research centres                                        | 72,612                  | 83,462                        | 74,080                         | 77,764                        |
| Other                                                   | 5,562                   | 7,022                         | 4,647                          | 2,060                         |
| <b>W2. Units of office water used per FTE (kl /FTE)</b> | <b>20.1</b>             | <b>20.9<sup>(iii)</sup></b>   | <b>18.2<sup>(ii)</sup></b>     | <b>18.9<sup>(ii)</sup></b>    |
| DEECA FTE                                               | 5,462                   | 5,735                         | 5,809                          | 5,632                         |

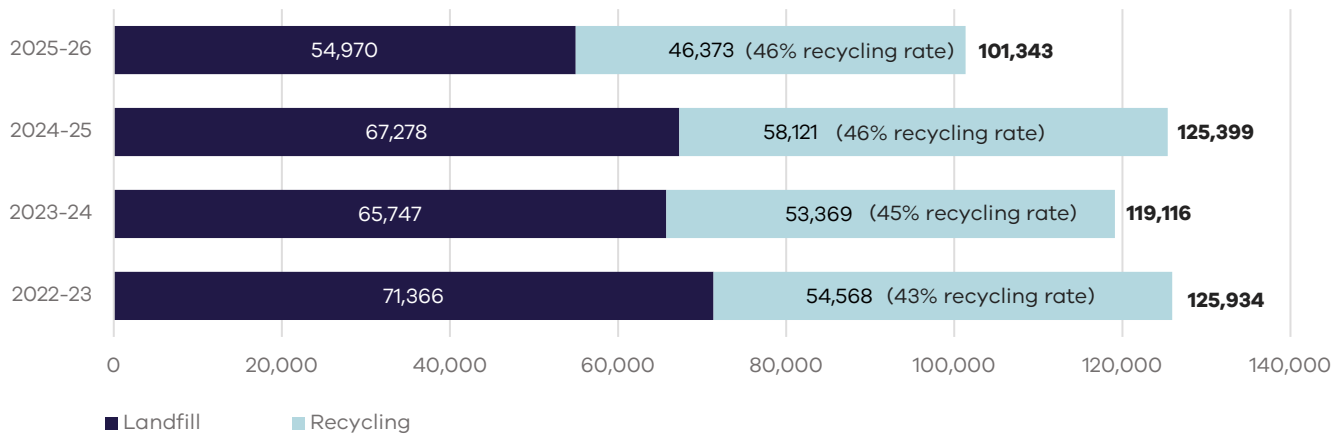
#### Explanatory notes:

- (i) Potable water data is sourced directly from water corporations, building managers, or estimated where data is unavailable. Water consumption for multi-tenant central business district (CBD) sites, and some regional offices, is taken as a proportion of the total building water consumption.
- (ii) The previous figures have been updated to include improved data for 8 Nicholson Street East Melbourne, taken directly from the building management system by facility management,
- (iii) The increase in office water consumption is linked to consumption at 8 Nicholson Street through increased building occupancy.
- (iv) The increased water use in Benalla is due to the Regional Control Centre being activated as part of the incident management response for the Longwood and Walwa fires, resulting in additional staff working at the site throughout January and February 2026.

## Waste and recycling

Total waste generated by DEECA during the 2025-26 reporting period was 101,343 kilograms (kg), representing a 20% reduction from the 2022-23 baseline. DEECA also collected an additional 2,093 kg of redundant stationery generated from office moves through the Green Collect recycling scheme, and 7,763 used coffee cups through the recycling scheme established at 8 Nicholson Street. Soft plastics collections in the CBD and at sites throughout metropolitan Melbourne resulted in 348 kg of soft plastic being collected for this reporting period.

### WR1/WR4. Waste and recycling (kg)



| Indicator                                                                                                    | 2025-26        | 2024-25        | 2023-24        | 2022-23        |
|--------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| <b>WR1. Total units of waste disposed of (kilograms)<sup>(i)</sup></b>                                       | <b>101,343</b> | <b>125,399</b> | <b>119,116</b> | <b>125,934</b> |
| Landfill                                                                                                     | 54,970         | 67,278         | 65,747         | 71,366         |
| Recycling - comingled                                                                                        | 9,494          | 12,564         | 14,950         | 20,186         |
| Recycling – paper and card                                                                                   | 21,407         | 21,919         | 18,727         | 9,759          |
| Recycling – secure documents                                                                                 | 5,848          | 12,130         | 12,567         | 17,262         |
| Recycling – food and garden organics                                                                         | 9,624          | 11,508         | 7,125          | 7,361          |
| <b>WR2. Percentage of office sites which are covered by dedicated collection services for<sup>(ii)</sup></b> |                |                |                |                |
| E-waste                                                                                                      | 43%            | 49%            | 23%            | 12%            |
| Printer cartridges                                                                                           | 60%            | 64%            | 43%            | 41%            |
| Batteries                                                                                                    | 46%            | 59%            | 32%            | 31%            |
| Soft plastics                                                                                                | 10%            | 1%             | 0%             | 0%             |
| <b>WR3. Total units of waste disposed of normalised by FTE</b>                                               | <b>18.6</b>    | <b>21.9</b>    | <b>20.5</b>    | <b>22.4</b>    |
| DEECA FTE                                                                                                    | 5,462          | 5,735          | 5,809          | 5,632          |
| <b>WR4. Recycling rate percentage<sup>(iii)</sup></b>                                                        | <b>46%</b>     | <b>46%</b>     | <b>45%</b>     | <b>43%</b>     |
| <b>WR5 / G3. Scope 3 greenhouse gas emissions from waste disposal (tonnes CO<sub>2</sub>-e)</b>              | <b>96</b>      | <b>111</b>     | <b>119</b>     | <b>131</b>     |

#### Explanatory notes:

- (i) DEECA waste and recycling data is calculated from annual one-day waste audits at 15 locations where 62% of total staff are located (using FTE data for each location rather than actual occupation rates). Results for this indicator are

extrapolated to cover all DEECA FTEs, which can lead to data fluctuations from year to year. DEECA has limited influence over kitchen waste and recycling captured through the one-day waste audits, as most kitchen waste and recycling largely comprise items bought into the workplace by staff.

- (ii) This indicator includes offices, mixed use sites and research centres. DEECA e-waste is a serviced collection managed by the department. Outside of the CBD, battery and printer cartridge collections are managed by staff volunteers. This waste and recycling data is measured for kitchens and stationery rooms only. The availability of soft plastics collections is limited to CBD sites and metropolitan Melbourne.
- (iii) This is averaged out from data collected across the 15 sites, ranging from a 66% recycling rate at Benalla to a 13% recycling rate at Horsham for the 2025-26 reporting period.

## Legislative and other information

### Acts administered in 2025-26

#### Minister for Agriculture

*Agricultural and Veterinary Chemicals (Control of Use) Act 1992*

*Agricultural and Veterinary Chemicals (Victoria) Act 1994*

*Agricultural Industry Development Act 1990*

*Biological Control Act 1986*

*Conservation, Forests and Lands Act 1987*

Certain provisions are jointly and severally administered with the Minister for Environment and Minister for Outdoor Recreation and, in so far as they relate to the exercise of powers for the purposes of the *Catchment and Land Protection Act 1994*, these powers are jointly and severally administered with the Minister for Water, or certain provisions solely administered by the Minister for Agriculture (such as certain provisions of the *Forests Act 1958*) or the Minister for Outdoor Recreation (such as certain provisions of the *Fisheries Act 1995*). The Act is otherwise administered by the Minister for Environment, the Minister for Outdoor Recreation and the Minister for Water.

*Control of Genetically Modified Crops Act 2004*

*Dairy Act 2000*

*Domestic Animals Act 1994*

*Drugs, Poisons and Controlled Substances Act 1981*

Parts IVA and IVB. Part XI (this Part is jointly and severally administered with the Minister for Health and the Minister for Mental Health). The Act is otherwise administered by the Minister for Health and the Minister for Mental Health.

*Farm Debt Mediation Act 2011*

*Flora and Fauna Guarantee Act 1988*

Certain provisions are jointly administered with the Minister for Environment. The Act is otherwise administered by the Minister for Environment.

*Food Act 1984*

Section 63 in so far as it relates to the making of regulations related to primary production and processing standards (in so far as it relates to those matters this section is jointly and severally administered with the Minister for Health). The Act

is otherwise administered by the Minister for Health.

*Forests Act 1958*

Certain provisions jointly and severally administered with the Minister for Environment and 2 provisions (sections 40 and 52AA) which are solely administered by the Minister for Agriculture. The Act is otherwise administered by the Minister for Environment.

*Forests (Wood Pulp Agreement) Act 1974*

*Forests (Wood Pulp Agreement) Act 1996*

*Grain Handling and Storage Act 1995*

Part 3. The Act is otherwise administered by the Treasurer.

*Impounding of Livestock Act 1994*

*Land Conservation (Vehicle Control) Act 1972*

Section 3 is jointly administered with the Minister for Environment. The Act is otherwise administered by the Minister for Environment.

*Livestock Disease Control Act 1994*

*Livestock Management Act 2010*

*Meat Industry Act 1993*

*Melbourne Market Authority Act 1977*

*Plant Biosecurity Act 2010*

*Prevention of Cruelty to Animals Act 1986*

*Rain-making Control Act 1967*

*Rural Assistance Schemes Act 2016*

*Safe Food Victoria Act 2026*

*Seafood Safety Act 2003*

*Stock (Seller Liability and Declarations) Act 1993*

*Veterinary Practice Act 1997*

*Wildlife Act 1975*

Section 7A in so far as it relates to game (this section is jointly administered with the Minister for Environment and the Minister for Outdoor Recreation).

Section 7A except in so far as it relates to game (this section is jointly administered with the Minister for Environment). The Act is otherwise

administered by the Minister for Environment and the Minister for Outdoor Recreation.

## Minister for Climate Action

### *Climate Action Act 2017*

Except certain provisions jointly administered with the Premier and except certain provisions jointly and severally administered with the Minister for the State Electricity Commission in so far as those provisions relate to the Solar Homes program.

## Minister for Energy and Resources

### *Electricity Industry Act 2000*

The Act is jointly and severally administered with the Minister for the State Electricity Commission.

### *Electricity Safety Act 1998*

### *Energy Safe Victoria Act 2005*

### *Extractive Industries (Lysterfield) Act 1986*

### *Fuel Emergency Act 1977*

### *Gas Industry Act 2001*

### *Gas Safety Act 1997*

### *Geothermal Energy Resources Act 2005*

### *Greenhouse Gas Geological Sequestration Act 2008*

### *Mineral Resources (Sustainable Development) Act 1990*

### *Mines (Aluminium Agreement) Act 1961*

### *National Electricity (Victoria) Act 2005*

### *National Energy Retail Law (Victoria) Act 2024*

### *National Gas (Victoria) Act 2008*

### *Nuclear Activities (Prohibitions) Act 1983*

### *Offshore Petroleum and Greenhouse Gas Storage Act 2010*

### *Petroleum Act 1998*

### *Pipelines Act 2005*

### *Renewable Energy (Jobs and Investment) Act 2017*

Except sections 8 and 10, which are jointly and severally administered with the Minister for the State Electricity Commission in so far as these provisions relate to the Solar Homes program.

### *State Owned Enterprises Act 1992*

Division 2 of Part 2 and Part 3 in so far as they relate to appointments to the board of the VicGrid

Body Corporate. The Act is otherwise administered by the Minister for Environment, the Minister for Government Services, the Minister for Multicultural and Multifaith Victoria, the Minister for Water and the Treasurer.

### *Underseas Mineral Resources Act 1963*

### *Victorian Energy Efficiency Target Act 2007*

### *Victorian Renewable Energy Act 2006*

## Minister for Environment

### *Aboriginal Lands Act 1991*

The Act is jointly and severally administered with the Minister for First Peoples.

### *Alpine Resorts Act 1983*

### *Alpine Resorts (Management) Act 1997*

### *Catchment and Land Protection Act 1994*

The Act is jointly and severally administered with the Minister for Water.

### *Caulfield Racecourse Reserve Act 2017*

### *Circular Economy (Waste Reduction and Recycling) Act 2021*

### *Commissioner for Environmental Sustainability Act 2003*

### *Conservation, Forests and Lands Act 1987*

Certain provisions are jointly and severally administered with the Minister for Agriculture and the Minister for Outdoor Recreation and, in so far as they relate to the exercise of powers for the purposes of the *Catchment and Land Protection Act 1994*, these powers are jointly and severally administered with the Minister for Water, or certain provisions solely administered by the Minister for Agriculture (such as certain provisions of the *Forests Act 1958*) or the Minister for Outdoor Recreation (such as certain provisions of the *Fisheries Act 1995*). The Act is otherwise administered by the Minister for Environment.

### *Crown Land (Reserves) Act 1978*

Except certain provisions administered by the Premier, the Minister for Finance, the Minister for Planning, the Minister for Ports and Freight, the Minister for Sport and Major Events, the Minister for Corrections and the Minister for Health.

### *Cultural and Recreational Lands Act 1963*

### *Dental Hospital Land Act 2011*

### *Environment Protection Act 2017*



*Flora and Fauna Guarantee Act 1988*

Except certain provisions jointly administered with the Minister for Agriculture.

*Forests Act 1958*

Except certain provisions jointly and severally administered with the Minister for Agriculture or 2 provisions (sections 40 and 52AA) which are solely administered by the Minister for Agriculture.

*Geelong Lands (Steampacket Place) Act 1996*

*Geelong Market Site Act 1983*

*Great Ocean Road and Environs Protection Act 2020*

*Heritage Rivers Act 1992*

*Land Act 1958*

Except certain provisions for Crown Allotments jointly administered with the Minister for Finance, or administered by the Minister for Finance, the Attorney-General, the Minister for Corrections, the Minister for Health, the Minister for Health Infrastructure, the Minister for Government Services, the Minister for Ports and Freight, the Minister for Roads and Road Safety and the Minister for Creative Industries.

*Land Conservation (Vehicle Control) Act 1972*

Except section 3 which is jointly administered with the Minister for Agriculture.

*Land (Goonawarra Golf Course) Act 1988*

*Land (Reservations and other Matters) Act 1997*

*Land (Reservations and other Matters) Act 1999*

*Land (Revocation of Reservations – Metropolitan Land) Act 2016*

*Land (Revocation of Reservations – Regional Victoria Land) Act 2016*

*Land (Revocation of Reservations) Act 2008*

*Land (Revocation of Reservations) Act 2012*

*Land (Revocation of Reservations) Act 2016*

*Land (Revocation of Reservations) Act 2019*

*Land (Revocation of Reservations) Act 2024*

*Land (Revocation of Reservations and Other Matters) Act 2009*

*Land (Revocation of Reservations) (Convention Centre Land) Act 2008*

*Land (St. Kilda Sea Baths) Act 2000*

*Land (St Kilda Triangle) Act 2006*

*Marine and Coastal Act 2018*

*Melbourne and Olympic Parks Act 1985*

Sections 24–28 only. The Act is otherwise administered by the Premier, the Minister for Planning and the Minister for Sport and Major Events.

*Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020*

*Melbourne (Yarra Park) Land Act 1980*

Except sections 8 and 18 which are jointly and severally administered with the Minister for Planning.

*National Environment Protection Council (Victoria) Act 1995*

*National Parks Act 1975*

*Parks and Crown Land Legislation (Mount Buffalo) Act 2010*

*Parks Victoria Act 2018*

*Pollution of Waters by Oil and Noxious Substances Act 1986*

Sections 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 23, 23B, 23D, 23E, 23G, 23J, 23K, 23L and 24E. Sections 30 and 47 are jointly administered with the Minister for Ports and Freight. The Act is otherwise administered by the Minister for Ports and Freight.

*Queen Victoria Market Lands Act 1996*

*Reference Areas Act 1978*

*Royal Agricultural Show-grounds Act 1931*

*Royal Agricultural Showgrounds Act 2003*

*Royal Botanic Gardens Act 1991*

*Royal Children's Hospital (Land) Act 2007*

*Royal Women's Hospital Land Act 2012*

*Safety on Public Land Act 2004*

*South Melbourne Land Act 1986*

*Southgate Project Act 1994*

#### *State Owned Enterprises Act 1992*

Division 2 of Part 2 in so far as it relates to the Victorian Plantations Corporation. The Act is otherwise administered by the Minister for Energy and Resources, the Minister for Government Services, the Minister for Multicultural and Multifaith Victoria, the Minister for Water and the Treasurer.

#### *Sustainable Forests (Timber) Repeal Act 2004*

#### *Sustainability Victoria Act 2005*

#### *Swan Hill Pioneer Settlement Authority (Repeal) Act 1994*

#### *Temperance Halls Act 1958*

#### *University of Melbourne Land Act 2000*

#### *Victorian Conservation Trust Act 1972*

#### *Victorian Environmental Assessment Council Act 2001*

#### *Victorian Plantations Corporation Act 1993*

#### *Water Industry Act 1994*

Parts 4, 4A, 7 and 8. Section 184 is administered jointly and severally with the Minister for Water and the Act is otherwise administered by the Minister for Water.

#### *Wildlife Act 1975*

Except certain provisions, in so far as it relates to the effective management of hunting, including preserving good order among hunters of game are jointly administered with the Minister for Agriculture and the Minister for Outdoor Recreation. Certain provisions, in so far as it relates to the hunting of game, are jointly administered with the Minister for Agriculture and the Minister for Outdoor Recreation.

#### *Zoological Parks and Gardens Act 1995*

### **Minister for the State Electricity Commission**

#### *Climate Action Act 2017*

Part 4, Division 1 of Part 5 and section 97 in so far as these provisions relate to the Solar Homes program (these provisions are jointly and severally administered with the Minister for Climate Action). The Act is otherwise administered by the Minister for Climate Action and the Premier.

#### *Electricity Industry Act 2000*

The Act is jointly and severally administered with the Minister for Energy and Resources.

#### *Former SEC (Residual Provisions) Act 1958*

The Act is jointly and severally administered with the Treasurer.

#### *Renewable Energy (Jobs and Investment) Act 2017*

Sections 8 and 10 (these provisions are jointly and severally administered with the Minister for Energy and Resources in so far as these provisions relate to the Solar Homes program). The Act is otherwise administered by the Minister for Energy and Resources.

### **Minister for Water**

#### *Catchment and Land Protection Act 1994*

The Act is jointly and severally administered with the Minister for Environment.

#### *Conservation, Forests and Lands Act 1987*

In so far as it relates to the exercise of powers for the purposes of the *Catchment and Land Protection Act 1994*, the powers are jointly and severally administered with the Minister for Environment. The Act is otherwise administered by the Minister for Agriculture, the Minister for Environment and the Minister for Outdoor Recreation.

#### *Groundwater (Border Agreement) Act 1985*

#### *Murray-Darling Basin Act 1993*

#### *State Owned Enterprises Act 1992*

Division 2 of Part 2 in so far as it relates to the Water Training Centre. The Act is otherwise administered by the Minister for Government Services, the Minister for Environment, the Minister for Multicultural and Multifaith Victoria and the Treasurer.

#### *Water Act 1989*

Except section 324 (this section is jointly and severally administered with the Minister for Outdoor Recreation in so far as it relates to the making of regulations for houseboats).

#### *Water (Commonwealth Powers) Act 2008*

#### *Water Efficiency Labelling and Standards Act 2005*

#### *Water Industry Act 1994*

Except Parts 4, 4A, 7 and 8 (these Parts are administered by the Minister for Environment) and section 184 (this section is jointly and severally administered with the Minister for Environment).

#### *Yarra River Protection (Wilip-gin Birrarung murrn) Act 2017*

### **Implementation of the Local Jobs First Policy**

The *Local Jobs First Act 2003* (the Act) establishes the Local Jobs First scheme, which is set out in the Act, the regulations and the Local Jobs First Policy. The Local Jobs First Policy comprises the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG).

Departments and public bodies within the meaning of the *Financial Management Act 1994* must apply Local Jobs First as required to: regional projects worth more than \$1 million; statewide or metropolitan Melbourne projects worth at least \$3 million; or other projects with a lower budget declared by the relevant Minister as a standard or strategic project.

The MPSG and VIPP guidelines will continue to apply to MPSG and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

### **Projects commenced – Local Jobs First Standard**

During 2025-26, the department commenced 7 Local Jobs First Standard projects totalling \$49.70 million. Of those projects, all 7 were in regional Victoria with an average local content commitment of 93%. The MPSG applied to 2 of these projects.

The commitments made as part of the Local Jobs First policy for these 7 projects are as follows:

- an average local content commitment of 93%
- a total of 189 jobs (Annualised Employee Equivalent (AEE)), including the creation of 32 new jobs and the retention of 157 existing jobs (AEE)
- a total of 32.5 positions (AEE) for apprentices, trainees and cadets, including the creation of 17.5 new apprenticeships, traineeships and cadetships, and the retention of 15 existing apprenticeships, traineeships, and cadetships
- engagement of 599 small to medium-sized businesses through the supply chain on commenced standard projects.

### **Projects completed – Local Jobs First Standard**

During 2025-26, the department completed 4 Local Jobs First Standard projects, totalling \$13.48 million. Of those projects, 3 were in regional Victoria with an average local content commitment of 99.4% and 1 occurred statewide with an average local content commitment of 95.9%. The MPSG did not apply to any of these projects.

The commitments made and outcomes expected from these 4 projects are as follows:

- a total of 15.9 jobs (AEE), including the creation of 1.9 new jobs (AEE) and the retention of 14 existing jobs (AEE)
- a total of 0.9 positions (AEE) for apprentices, trainees and cadets, including the creation of 0.36 new apprenticeships, traineeships and cadetships, and the retention of 0.57 apprenticeships, traineeships and cadetships
- engagement of 74 small to medium-sized businesses through the supply chain on completed standard projects.

Of the 4 completed standard projects, 2 post-contract reviews have been submitted, and the remaining 2 are due to be submitted.

### **Projects commenced – Local Jobs First Strategic**

During 2025-26, the department commenced one Local Jobs First Strategic project valued at \$63.86 million, to which a Local Industry Development Plan (LIDP) was required. The project occurred regionally with an average local content commitment of 90.48%. The MPSG applied to this project.

The commitments made as part of the Local Jobs First policy for this project are as follows:

- a total of 58.4 (AEE) positions were committed, including the creation of 34.9 new jobs and the retention of 23.5 existing jobs (AEE)
- a total of 6.9 positions for apprenticeships, trainees and cadets, including the creation of 3.2 new apprenticeships, traineeships and cadetships, and the retention of 3.7 existing apprenticeships, trainees and cadets
- engagement of 88 small to medium-sized businesses through the supply chain.

### **Projects completed – Local Jobs First Strategic**

During 2025-26, the department did not complete any Local Jobs First Strategic projects.

## Reporting on grants provided

For grants provided during 2025-26, a total of 7 interaction reference numbers were required, which entailed a conversation with the Industry Capability Network (Victoria) Ltd.

## Disclosure of social procurement activities under the Social Procurement Framework

The Social Procurement Framework governs how the Victorian Government undertakes social procurement. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the Standing Directions 2018 under the *Financial Management Act 1994*.

Through its procurement activities, DEECA leverages its buying power to achieve broader social, economic and environmental outcomes, delivering lasting benefits to the Victorian community, economy and environment in addition to the goods, services and construction works procured.

### Social Procurement Framework

DEECA's Social Procurement Strategy prioritises the following objectives set in the Social Procurement Framework:

- sustainable Victorian social enterprise and Aboriginal businesses sectors
- environmentally sustainable outputs
- environmentally sustainable business practices
- opportunities for Victorian priority jobseekers (formerly opportunities for disadvantaged Victorians)
- women's equality and safety.

These objectives are predominantly influenced by department-specific initiatives, and support the delivery of outcomes in departmental strategies, policies, and plans, namely:

- Pupangarli Marnmarnepu (Owning our Future) Aboriginal Self-Determination Reform Strategy 2020-2025 (extended to June 2026)
- Environment policy: DEECA's own commitment to 2030 net zero emissions for the department
- Gender Equality Action Plan 2026-2030
- Access and Inclusion Plan 2026-2029.

Importantly, while DEECA's Social Procurement Strategy focuses on these 5 priority objectives, buyers may also apply additional or alternative social procurement objectives where appropriate. This is

particularly relevant where a specific procurement activity is better suited to achieving a different social or sustainable outcome.

## Social procurement achievements

In 2025-26, DEECA:

- engaged 73 social benefit suppliers with a total spend of \$6.2 million<sup>1</sup> with certified social enterprises, Aboriginal businesses and disability enterprises
- increased the proportion of suppliers that are Victorian Aboriginal businesses from 0.74% in 2024-25 to 0.83% in 2025-26, with 44 Aboriginal businesses engaged
- released the DEECA Social Procurement Strategy 2026-2028.

DEECA also implemented several initiatives to support its Social Procurement Strategy, including:

- establishing a dedicated Social Procurement page on a new Procurement intranet site to promote social procurement objectives, resources and outcomes
- developing practical buyer guidance to improve understanding of the processes and available options for engaging Aboriginal-owned businesses.

## Disclosure of procurement complaints

The department received one procurement complaint through its procurement complaints management system in 2025-26. This related to a procurement in which the supplier queried the department's adherence to its advertised evaluation. A departmental review remains underway.

## Disclosure of emergency procurement

In 2025-26, DEECA did not activate emergency procurement, in accordance with the requirements of Victorian Government policy and associated guidelines.

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<sup>1</sup> Spend is exclusive of GST. Excludes corporate card purchases. DEECA follows the Department of Government Services Social Procurement Framework Measurement and Reporting Guidelines.

## Disclosure of major contracts

During 2025–26, the department entered into 5 contracts greater than \$10 million in value (inclusive of GST).<sup>2</sup>

The department has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered during the financial year ending 30 June 2026.

Details of the contracts are published on the Victorian Government Contract Publishing System and can be viewed online at [Buying for Victoria](#).

## Consultancies

In 2025–26, there were 174 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2025–26 in relation to these consultancies was \$48.90 million (exclusive of GST).

Of the consultancies with \$10,000 or more expenditure in 2025–26, 7 were undertaken by VicGrid totalling \$29.21 million, with the remainder undertaken by other DEECA groups.

In 2025–26, there were 58 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2025–26 in relation to these consultancies was \$0.25 million (exclusive of GST).

All consultancies under \$10,000 were undertaken by DEECA groups and none by VicGrid.

Details of individual consultancies where the total fees payable were \$10,000 or greater are listed below. The full list of all consultancies is available on request (subject to the provisions of the *Freedom of Information Act 1982*) via the DEECA Customer Contact Centre on 136 186, on DEECA's [website](#), or email [customer.service@deeca.vic.gov.au](mailto:customer.service@deeca.vic.gov.au).

### Details of consultancies (valued at \$10,000 or greater)

| Consultant                          | Purpose of consultancy                                         | Total approved project fee (excl. GST) | Expenditure 2025–26 (excl. GST) | Future expenditure (excl. GST) |
|-------------------------------------|----------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| EY                                  | Commercial advisory services – VicGrid                         | \$45,545,455                           | \$10,585,757                    | \$0                            |
| AECOM Australia Pty Ltd             | Technical advisory services – VicGrid                          | \$85,000,000                           | \$8,387,301                     | \$0                            |
| KPMG Australia                      | Commercial and financial advisory services – VicGrid           | \$37,840,000                           | \$6,690,644                     | \$0                            |
| MBB Group Pty Ltd                   | Transaction advisory services – VicGrid                        | \$21,818,182                           | \$2,844,280                     | \$0                            |
| GHD Pty Ltd                         | Technical advisory services – Offshore Wind program            | \$5,193,384                            | \$2,002,716                     | \$602,752                      |
| KPMG Australia                      | Financial advisory services – Offshore Wind program            | \$3,450,033                            | \$1,324,237                     | \$1,712,054                    |
| The Boston Consulting Group Pty Ltd | Commercial advisory services – Offshore Wind program           | \$3,720,000                            | \$1,200,000                     | \$440,000                      |
| BDO Services Pty Ltd                | Advisory services – Rare earth elements metallisation facility | \$825,000                              | \$824,486                       | \$514                          |
| Create Advisory Pty Ltd             | Commercial advisory services – Offshore Wind program           | \$942,440                              | \$759,850                       | \$182,589                      |
| The Boston Consulting Group Pty Ltd | Commercial advisory services – Offshore Wind program           | \$8,174,091                            | \$706,000                       | \$2,592,854                    |

<sup>2</sup> Includes contracts that were amended in 2025–26, resulting in a total contract value exceeding \$10 million (inclusive of GST).

| Consultant                           | Purpose of consultancy                                                                                                                                 | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| WSP Australia Pty Ltd                | Technical advisory services - Offshore Wind program                                                                                                    | \$1,131,423                            | \$573,145                       | \$32,726                       |
| Corrs Chambers Westgarth             | Legal advisory services - Victorian Desalination Plant                                                                                                 | \$4,935,939                            | \$572,876                       | \$2,490,510                    |
| Coughlin Advisory Pty Ltd            | Advisory services - VicGrid operational readiness                                                                                                      | \$545,000                              | \$543,750                       | \$0                            |
| Scyne Advisory Pty Ltd               | Advisory services - Energy Innovation Fund                                                                                                             | \$721,500                              | \$528,598                       | \$162,902                      |
| KPMG Australia                       | Advisory services - Research and Innovation Strategy development and operating model review                                                            | \$362,000                              | \$362,000                       | \$0                            |
| Nous Group                           | Advisory services - <i>Mineral Resources (Sustainable Development) Amendment Act 2023</i> regulatory framework implementation                          | \$572,727                              | \$357,675                       | \$54,052                       |
| Mott MacDonald Australia Pty Limited | Professional advisory services - Network Outage Review                                                                                                 | \$328,880                              | \$328,426                       | \$455                          |
| Nous Group                           | Technical advisory services - Waste and recycling infrastructure modelling                                                                             | \$295,333                              | \$243,733                       | \$0                            |
| Oliver Wyman                         | Professional advisory services - Victorian Energy Sector                                                                                               | \$276,279                              | \$234,837                       | \$41,442                       |
| Frontier Economics                   | Professional advisory services - Murray Darling Basin Plan                                                                                             | \$291,947                              | \$227,588                       | \$0                            |
| KPMG Australia                       | Independent review of the Regulatory Operations team in Resources Victoria to support the implementation of a new general duty model from 1 July 2027. | \$226,257                              | \$226,257                       | \$0                            |
| G-tek Australia Pty Limited          | Technical services - Western Grassland Reserve site safety assessment                                                                                  | \$847,700                              | \$209,837                       | \$637,863                      |
| Scyne Advisory Pty Ltd               | Commercial and financial advisory services - Victorian Desalination Plant                                                                              | \$1,998,323                            | \$202,642                       | \$749,189                      |
| Zenith Consulting Pty Ltd            | Commercial advisory services - Energy Safety Review                                                                                                    | \$904,000                              | \$191,090                       | \$145,225                      |
| Water Technology Pty Ltd             | Technical advisory services - Inverloch Surf Beach                                                                                                     | \$331,909                              | \$180,097                       | \$20,761                       |
| EY                                   | Economic advisory services - Energy projects                                                                                                           | \$284,175                              | \$178,037                       | \$0                            |
| Alluvium                             | Technical advisory services - Contaminated Land and Coastal Hazard Review                                                                              | \$252,042                              | \$167,058                       | \$67,483                       |
| Country Fire Authority               | Advisory services - Coordinated After-Action CFA Review                                                                                                | \$200,000                              | \$166,455                       | \$33,545                       |



| Consultant                                           | Purpose of consultancy                                                                           | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| Engage Squared Pty Ltd                               | Advisory services - SharePoint Security Review                                                   | \$433,510                              | \$163,600                       | \$269,910                      |
| First Person Consulting                              | Advisory services - Energy programs                                                              | \$181,350                              | \$163,215                       | \$18,135                       |
| HARC Services Pty Ltd                                | Advisory services - Rainfall-Runoff Model Uncertainty Analysis for Victorian Valleys             | \$199,315                              | \$160,890                       | \$38,425                       |
| Forest Solutions                                     | Technical advisory services - Floral monitoring to locate Alpine Ash and Mountain Ash seed crops | \$171,890                              | \$155,290                       | \$16,600                       |
| Clear Horizon Consulting Pty Ltd                     | Advisory services - Forestry Transition program                                                  | \$445,186                              | \$153,120                       | \$189,397                      |
| Oakley Greenwood Pty Ltd                             | Advisory services - Industrial Renewable Gas Guarantee                                           | \$151,787                              | \$151,378                       | \$0                            |
| GHD Pty Ltd                                          | Technical advisory services - Victorian Desalination Plant                                       | \$635,315                              | \$141,958                       | \$0                            |
| Deloitte Touche Tohmatsu                             | Technical advisory services - Melbourne Strategic Assessment                                     | \$562,631                              | \$138,961                       | \$117,630                      |
| Deloitte Touche Tohmatsu                             | Advisory services - Victorian Energy Upgrades Program                                            | \$134,919                              | \$134,919                       | \$0                            |
| Avlaw Aviation Consulting                            | Audit services - Audit of aircraft operators                                                     | \$180,909                              | \$134,526                       | \$46,383                       |
| Bremar Automotion Australia Pty Ltd                  | Technical advisory services - Firefighting Fleet Specialist Engineering Services                 | \$318,182                              | \$132,067                       | \$186,115                      |
| EY                                                   | Advisory services - Melbourne Strategic Assessment                                               | \$130,000                              | \$130,000                       | \$0                            |
| Karabena Consulting                                  | Advisory services - First Peoples-led strategy evaluation                                        | \$144,702                              | \$127,050                       | \$0                            |
| Cube Group Management Consulting (Australia) Pty Ltd | Regulatory advisory services - Compliance and Enforcement Framework                              | \$430,909                              | \$123,672                       | \$307,237                      |
| Urbis Pty Ltd                                        | Regulatory advisory services - Resources Victoria general duty model implementation              | \$122,012                              | \$122,012                       | \$0                            |
| Scyne Advisory Pty Ltd                               | Advisory services - Energy Safety                                                                | \$537,144                              | \$120,344                       | \$0                            |
| GHD Pty Ltd                                          | Technical advisory services - antimony downstream industry in Victoria                           | \$135,000                              | \$119,846                       | \$15,154                       |
| Tonkin & Taylor Pty Ltd                              | Technical advisory services - Coastal Cliff Hazard Assessment                                    | \$117,500                              | \$117,500                       | \$0                            |
| Arup Australia Pty Limited                           | Advisory services - Victorian Murray Floodplain Restoration Project                              | \$125,510                              | \$112,960                       | \$12,550                       |

| Consultant                         | Purpose of consultancy                                                                   | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| Marsden Jacob Associates Pty Ltd   | Economic advisory services - Water and Catchments                                        | \$182,288                              | \$108,432                       | \$73,856                       |
| EY                                 | Commercial and strategic advice to inform a review of mine rehabilitation.               | \$307,939                              | \$108,022                       | \$22,974                       |
| RMCG                               | Advisory services - emergency water supply points                                        | \$105,760                              | \$105,760                       | \$0                            |
| Scyne Advisory Pty Ltd             | Advisory services - showerhead program                                                   | \$219,000                              | \$102,000                       | \$0                            |
| Interchange                        | Advisory services - VicGrid cultural assessment and advice                               | \$287,052                              | \$95,635                        | \$0                            |
| Scyne Advisory Pty Ltd             | Financial and commercial advisory services - energy projects                             | \$410,637                              | \$93,085                        | \$15,000                       |
| Deloitte Touche Tohmatsu           | Advisory services - Electrification, efficiency and safety                               | \$135,587                              | \$92,497                        | \$43,090                       |
| GHD Pty Ltd                        | Advisory services - Specialist Land Use Planning                                         | \$92,436                               | \$92,436                        | \$0                            |
| Nous Group                         | Commercial advisory services - Circular economy                                          | \$530,084                              | \$92,000                        | \$0                            |
| Marsden Jacob Associates Pty Ltd   | Advisory services - reuse and recycling of renewable energy technologies                 | \$177,880                              | \$90,909                        | \$86,971                       |
| FSC Range                          | Technical advisory services - Coastal Processes                                          | \$274,181                              | \$85,328                        | \$113,370                      |
| Clear Horizon Consulting Pty Ltd   | Evaluation services - Regional Drought Resilience Planning program grants implementation | \$79,079                               | \$79,079                        | \$0                            |
| KPMG Australia                     | Advisory services - Long duration storage                                                | \$260,000                              | \$78,000                        | \$182,000                      |
| Jacobs Group (Australia) Pty Ltd   | Technical advisory services - Groundwater management decision support                    | \$183,926                              | \$77,977                        | \$105,948                      |
| Frontier Economics                 | Advisory services - intervalley trade                                                    | \$77,974                               | \$77,974                        | \$0                            |
| Oakley Greenwood Pty Ltd           | Professional advisory services - energy projects                                         | \$129,485                              | \$77,691                        | \$51,794                       |
| FTI Consulting (Australia) Pty Ltd | Economic advisory services - Victorian Energy Jobs Program                               | \$181,415                              | \$77,000                        | \$0                            |
| Marsden Jacob Associates Pty Ltd   | Economic evaluation - physical urban waterway improvement                                | \$114,792                              | \$76,820                        | \$37,972                       |
| Bridging Policy & Practice         | Advisory services - Bushfire fleet                                                       | \$75,000                               | \$75,000                        | \$0                            |
| Mosaic Insights Pty Ltd            | Technical advisory services - Metropolitan Tree Canopy and Heat Mapping                  | \$118,190                              | \$74,257                        | \$43,933                       |
| Aither Pty Ltd                     | Advisory services - Latrobe Valley mines                                                 | \$239,349                              | \$73,563                        | \$34,677                       |

| Consultant                              | Purpose of consultancy                                                                                      | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| Oakley Greenwood Pty Ltd                | Technical advisory services - Energy projects                                                               | \$129,510                              | \$73,195                        | \$56,315                       |
| DG Consulting (Aus) Pty Ltd             | Advisory services - Victorian Environmental Water Holder                                                    | \$113,884                              | \$71,467                        | \$42,417                       |
| Jacobs Group (Australia) Pty Ltd        | Advisory services - Groundwater Condition Reporting Platform                                                | \$730,100                              | \$70,000                        | \$660,100                      |
| Sapere Research Group Ltd               | Advisory services - Lapsing program evaluation for the Protecting Victoria from Biosecurity Threats program | \$67,652                               | \$67,652                        | \$0                            |
| Jacobs Group (Australia) Pty Ltd        | Technical advisory services - VicGrid                                                                       | \$7,428,318                            | \$67,259                        | \$0                            |
| Jacobs Group (Australia) Pty Ltd        | Commercial advisory services - VRET2 program                                                                | \$214,591                              | \$66,900                        | \$0                            |
| Cassinia Environmental Pty Ltd          | Technical advisory services - DEECA Delivery Standards for Water                                            | \$65,700                               | \$65,700                        | \$0                            |
| Deloitte Consulting Pty Limited         | Technical advisory services - Victorian Water Register                                                      | \$18,054,221                           | \$65,500                        | \$5,659,015                    |
| Freeform Strategy Pty Ltd               | Advisory services - Victorian Energy Compare                                                                | \$66,429                               | \$65,175                        | \$1,254                        |
| Delcerra                                | Commercial advisory services - Victorian Desalination Project                                               | \$227,273                              | \$64,162                        | \$84,137                       |
| Grosvenor Management Consulting Pty Ltd | Advisory services - urban water security assurance framework                                                | \$61,155                               | \$61,155                        | \$0                            |
| Scyne Advisory Pty Ltd                  | Financial advisory services to support the financial assessment of a Resources licence application          | \$60,614                               | \$60,614                        | \$0                            |
| First Person Consulting                 | Evaluation services - Sustainability Fund                                                                   | \$60,182                               | \$60,182                        | \$0                            |
| KPMG Australia                          | Finance and accounting services - Managing Additional Superannuation Payments                               | \$165,455                              | \$60,000                        | \$105,455                      |
| EY                                      | Advisory services - Victorian Energy Upgrades Program - Insulation Activity                                 | \$59,556                               | \$59,556                        | \$0                            |
| Baringa Partners LLP                    | Financial advisory services - Energy Market                                                                 | \$59,436                               | \$59,436                        | \$0                            |
| Frontier Economics                      | Economic advice - Murray Darling Basin Plan                                                                 | \$95,527                               | \$59,026                        | \$23,588                       |
| Marsden Jacob Associates Pty Ltd        | Impact analysis of policy options for improved circular economy outcomes                                    | \$58,760                               | \$58,760                        | \$0                            |

| Consultant                                     | Purpose of consultancy                                                                                                   | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| Industry Capability Network (Victoria) Limited | Advisory services - Victorian Energy Upgrades Program - Insulation Activity                                              | \$58,664                               | \$58,664                        | \$0                            |
| DG Consulting (Aus) Pty Ltd                    | Advisory services - Water estimation procedures                                                                          | \$57,860                               | \$57,860                        | \$0                            |
| Utilities Regulation Advisory Pty Ltd          | Advisory services - pricing submissions for water corporations                                                           | \$119,840                              | \$56,924                        | \$0                            |
| EY                                             | Commercial advisory services - VRET2 program                                                                             | \$612,812                              | \$55,428                        | \$0                            |
| Ampere Labs Pty Ltd                            | Advisory services - Victoria's Minimum AMI Functionality Specification and Metering Framework                            | \$55,000                               | \$55,000                        | \$0                            |
| RMCG                                           | Advisory services - Victorian Rural Drainage Strategy                                                                    | \$72,580                               | \$54,435                        | \$18,145                       |
| Seed Advisory                                  | Advisory services - Energy Innovation Fund                                                                               | \$63,636                               | \$53,350                        | \$10,286                       |
| GHD Pty Ltd                                    | Review of DEECA's Annual Water Outlook guidance materials                                                                | \$49,768                               | \$49,768                        | \$0                            |
| First Person Consulting                        | Program evaluation - Protecting Biodiversity program                                                                     | \$49,650                               | \$49,650                        | \$0                            |
| BDO Services Pty Ltd                           | Strategic analysis - Infrastructure and Resources Division Operating Model                                               | \$47,619                               | \$46,940                        | \$680                          |
| Genderworks Australia                          | Advisory services - Gender Equality Action Plans                                                                         | \$45,900                               | \$45,900                        | \$0                            |
| RMCG                                           | Advisory services - Yarra River Action Plan                                                                              | \$45,432                               | \$45,432                        | \$0                            |
| BMT Commercial Australia Pty Ltd               | Technical advisory services - Coastal Protection Structures                                                              | \$101,125                              | \$44,135                        | \$56,991                       |
| Quantum Market Research (Aust) Pty Ltd         | Research services - Wave 6 Marine and Coastal Community Attitudes and Behaviours                                         | \$89,091                               | \$85,644                        | \$3,447                        |
| Alluvium                                       | Economic advisory services - Adapt West: Shaping Our Shores project                                                      | \$88,375                               | \$41,660                        | \$46,715                       |
| Regulatory Impact Solutions Pty Ltd            | Regulatory advisory services - Wildlife licensing regulations                                                            | \$41,495                               | \$41,495                        | \$0                            |
| EY                                             | Commercial advisory services - Portland Aluminium Smelter                                                                | \$224,027                              | \$40,982                        | \$183,045                      |
| RMCG                                           | Evaluation and developmental review - Waterways of the West and the Rivers of the Barwon/Barre Warre Yulluk Action Plans | \$54,540                               | \$40,905                        | \$13,635                       |

| Consultant                                   | Purpose of consultancy                                                                           | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|----------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| DeltaQ Pty Ltd                               | Advisory services - National Construction Code 2025 reforms                                      | \$40,682                               | \$40,682                        | \$0                            |
| FSC Group Pty Ltd                            | Technical advisory services - Coastal Hazard Assessment                                          | \$38,305                               | \$38,305                        | \$0                            |
| Alluvium                                     | Technical advisory services - Streamflow gauge records                                           | \$100,000                              | \$38,182                        | \$61,818                       |
| Dja Dja Wurrung Clans Aboriginal Corporation | Traditional Owner Consultancy Services - storm recovery                                          | \$37,720                               | \$37,720                        | \$0                            |
| GHD Pty Ltd                                  | Engineering advice - Desalination Project                                                        | \$1,500,000                            | \$37,241                        | \$1,462,759                    |
| AW Maritime Pty Ltd                          | Technical advisory services - Coastal Protection Structures                                      | \$40,958                               | \$36,478                        | \$4,480                        |
| University Of Technology Sydney              | Review works - Victorian Energy Jobs Plan Workforce Projections                                  | \$40,000                               | \$35,032                        | \$4,968                        |
| Minter Ellison                               | Legal advisory services - EV Charge Points                                                       | \$36,364                               | \$35,000                        | \$0                            |
| Olszak Advisory Pty Ltd                      | Advisory services - Basin Plan Review                                                            | \$65,550                               | \$34,960                        | \$30,590                       |
| Stefanie Maree Bradley                       | Advisory services - Bushfire and Forest Services learning and development review                 | \$105,000                              | \$33,000                        | \$480                          |
| Price Waterhouse Coopers                     | Commercial advisory services - Independent Monitor Portland Smelter                              | \$484,800                              | \$32,800                        | \$0                            |
| GHD Pty Ltd                                  | Engineering advice - Bushfire and Forest Services                                                | \$36,116                               | \$31,571                        | \$4,545                        |
| Energy Analysis & Engineering Pty Ltd        | Technical advisory services - Solar Victoria                                                     | \$77,500                               | \$31,000                        | \$46,500                       |
| FTI Consulting (Australia) Pty Ltd           | Economic advisory services - Victorian Energy Jobs Program                                       | \$76,000                               | \$30,158                        | \$45,842                       |
| Urbis Pty Ltd                                | Advisory services - Eastern Victorian Bushfire Recovery Rebates Program                          | \$68,098                               | \$29,647                        | \$0                            |
| BDO Services Pty Ltd                         | Financial advisory services - introduction of separate glass collection services                 | \$120,000                              | \$29,394                        | \$90,606                       |
| Guardian Consultant Services                 | Advisory services - Site Assessments                                                             | \$29,364                               | \$29,364                        | \$0                            |
| Sapere Research Group Ltd                    | Advisory services - Legislative Impact Assessment for biosecurity enhancement legislative reform | \$106,359                              | \$29,249                        | \$0                            |
| Alluvium                                     | Technical advisory services - index of stream condition                                          | \$28,243                               | \$28,243                        | \$0                            |
| Sequana Partners Pty Ltd (Company)           | Advisory services - Bendigo Mine Water Project                                                   | \$2,975,437                            | \$27,310                        | \$1,038,221                    |

| Consultant                            | Purpose of consultancy                                                                                      | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| Heritage Futures                      | Heritage advisory services - Aboriginal Cultural Heritage Land Management Agreement                         | \$27,273                               | \$27,273                        | \$0                            |
| Sapere Research Group Ltd             | Advisory services - Regulatory Impact Statement for Domestic Animal Regulations 2025                        | \$94,956                               | \$26,874                        | \$0                            |
| Aither Pty Ltd                        | Economic advisory services - Murray-Darling Basin Plan implementation                                       | \$69,245                               | \$25,000                        | \$24,245                       |
| Scyne Advisory Pty Ltd                | Heritage advisory services - Aboriginal Cultural Heritage Land Management Agreement (Energy Safety Roadmap) | \$25,000                               | \$25,000                        | \$0                            |
| University Of Technology Sydney       | Advisory services - Schools Water Efficiency Program                                                        | \$24,945                               | \$24,945                        | \$0                            |
| Regulatory Impact Solutions Pty Ltd   | Legal advisory services - Energy projects                                                                   | \$45,000                               | \$24,863                        | \$20,138                       |
| Extent Heritage                       | Planning advisory services - Cultural Heritage Assessments and Applications                                 | \$38,826                               | \$24,755                        | \$14,071                       |
| AG Coombs Advisory Pty Ltd            | Technical advisory services - Victorian Energy Upgrades Program                                             | \$24,158                               | \$24,158                        | \$0                            |
| Cesar Consultants Pty Ltd             | Advisory services - Brush Tailed Rock Wallaby assessment                                                    | \$23,920                               | \$23,920                        | \$0                            |
| Regulatory Impact Solutions Pty Ltd   | Advisory services - Victorian Energy Upgrades Program                                                       | \$39,473                               | \$23,684                        | \$15,789                       |
| Arup Australia Pty Limited            | Advisory services - Water and catchments projects                                                           | \$171,201                              | \$23,491                        | \$511                          |
| Heritage Insight Pty Ltd              | Heritage advisory services - Everard Park                                                                   | \$54,545                               | \$22,585                        | \$31,960                       |
| BDO Services Pty Ltd                  | Advisory services - Victoria Earth Resources Royalty Analysis                                               | \$22,000                               | \$22,000                        | \$0                            |
| Echelon Leadership Psychology Pty Ltd | Advisory services - Changes in Regions, Environment, Climate Action and First People's Group                | \$134,000                              | \$21,875                        | \$112,125                      |
| Worley Consulting Pty Ltd             | Commercial advisory services - major energy projects                                                        | \$574,280                              | \$21,198                        | \$206,738                      |
| Gemma Varley                          | Advisory services - Wildlife Regulations review and drafting                                                | \$31,818                               | \$21,000                        | \$10,818                       |
| Coastal Planning                      | Advisory services - <i>Marine and Coastal Act 2018</i> consent forms                                        | \$20,000                               | \$20,000                        | \$0                            |
| Campbell Fitzpatrick                  | Advisory services - Victorian Murray Floodplain Restoration Project                                         | \$227,273                              | \$19,875                        | \$65,465                       |



| Consultant                          | Purpose of consultancy                                                         | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|-------------------------------------|--------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| Heritage Futures                    | Heritage advisory services - Forest Contractor Program                         | \$19,802                               | \$19,802                        | \$0                            |
| LitePC Technologies Pty Ltd         | Technical advisory services - Statewide Stream Condition Assessment            | \$89,000                               | \$19,000                        | \$0                            |
| Pets Behaving Badly                 | Advisory services - Domestic animal rehoming suitability guidelines            | \$18,727                               | \$18,727                        | \$0                            |
| Mind Tribes Pty Ltd                 | Advisory services - Diversity and Inclusion Framework                          | \$18,375                               | \$18,375                        | \$0                            |
| Derwent Search Pty Ltd              | Advisory services - forest and fire assets and resources                       | \$55,000                               | \$18,333                        | \$36,667                       |
| KordaMentha Pty Ltd                 | Advisory services - Review of Statutory Entities                               | \$659,109                              | \$18,014                        | \$24,720                       |
| Riverness                           | Technical advisory services - virtual fencing in riparian areas                | \$23,250                               | \$17,438                        | \$5,813                        |
| Jacobs Group (Australia) Pty Ltd    | Technical advisory services - VRET2 program                                    | \$135,773                              | \$17,175                        | \$82,958                       |
| Alluvium                            | Technical advisory services - Coastal Hazard Advice                            | \$26,500                               | \$16,881                        | \$9,619                        |
| Lockton Companies Australia Pty Ltd | Insurance advisory services - Victorian Desalination Project                   | \$109,091                              | \$16,500                        | \$59,591                       |
| Jeff Hammond Consulting             | Advisory services - Foot and Mouth disease                                     | \$66,000                               | \$16,500                        | \$19,200                       |
| Sententia Consulting Pty Ltd        | Advisory services - support the Advancing Antimony grants program              | \$45,455                               | \$16,320                        | \$29,135                       |
| Clear Horizon Consulting Pty Ltd    | Advisory services - Evaluation Marine and Coastal Strategy                     | \$45,315                               | \$16,157                        | \$0                            |
| Worley Services Pty Ltd             | Technical and engineering advisory services - energy projects                  | \$189,841                              | \$16,129                        | \$173,712                      |
| Jenny Scovell                       | Advisory services - Water Licensing Guidelines                                 | \$27,273                               | \$16,064                        | \$11,209                       |
| Ken Kanofski Advisory Pty Ltd       | Advisory services - Offshore Wind program                                      | \$252,000                              | \$15,881                        | \$124,587                      |
| Pinion Advisory Pty Ltd             | Advisory services - evaluation of waste and development of remediation options | \$22,727                               | \$15,200                        | \$7,527                        |
| SLR Consulting Australia Pty Ltd    | Technical advisory services - Mine tailings storage facilities                 | \$55,560                               | \$14,647                        | \$4,799                        |
| Urbis Pty Ltd                       | Planning advisory services - Great Ocean Road Strategic Framework Plan         | \$45,898                               | \$14,000                        | \$31,898                       |
| 8020Green Pty Ltd                   | Technical advisory services - Victorian Energy Upgrades Program                | \$13,760                               | \$13,760                        | \$0                            |

| Consultant                            | Purpose of consultancy                                                                                    | Total approved project fee (excl. GST) | Expenditure 2025-26 (excl. GST) | Future expenditure (excl. GST) |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|--------------------------------|
| RSM Australia Pty Ltd                 | Advisory services - Internal Controls                                                                     | \$88,602                               | \$13,290                        | \$75,312                       |
| Deloitte Touche Tohmatsu              | Financial advisory services – G-wagen Remediation project end of lease costs                              | \$54,580                               | \$12,670                        | \$41,910                       |
| Greens List Clerking Services Pty Ltd | Legal opinion regarding interpretation of <i>Domestic Animals Act 1994</i> .                              | \$12,657                               | \$12,657                        | \$0                            |
| Unearthed Heritage Australia Pty Ltd  | Technical advisory services - Cultural Heritage Assessments and Applications                              | \$104,741                              | \$12,003                        | \$92,738                       |
| Biosis Pty Ltd                        | Technical advisory services - Melbourne Strategic Assessment Western Grassland Reserve fuel break network | \$71,182                               | \$11,809                        | \$59,373                       |
| Australian Marine Ecology             | Review of Victoria's Marine and Coastal Habitats Classification Guidance                                  | \$18,150                               | \$11,550                        | \$6,600                        |
| Platypus Environmental Services       | Technical advisory services - Upper Yarra River Reserve project                                           | \$11,000                               | \$11,000                        | \$0                            |
| Stantec Australia Pty Ltd             | Technical advisory services - Upper Yarra River Reserve project                                           | \$10,660                               | \$10,660                        | \$0                            |
| Barengi Gadjin Land Council           | Technical advisory services - Fire rehabilitation works                                                   | \$10,649                               | \$10,649                        | \$0                            |
| Ian David Rutherford                  | Advisory services - Goulburn to Murray Trade Review Scientific Advisory Panel                             | \$20,332                               | \$10,335                        | \$9,997                        |
| Biosis Pty Ltd                        | Heritage advisory services - Melbourne Strategic Assessment Western Grasslands Reserve                    | \$123,124                              | \$10,309                        | \$112,815                      |
| Frontier Economics                    | Advisory services - salinity impact changes                                                               | \$68,847                               | \$10,000                        | \$0                            |

## Government advertising expenditure

In 2025–26, there were 3 advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST). Details of these campaigns are outlined below.

### Details of government advertising expenditure (campaigns with a media spend of \$100,000 or greater)

| Name of campaign                  | Start/end date | Advertising (media) expenditure (excl. GST) | Creative and campaign development expenditure (excl. GST) | Research expenditure (excl. GST) | Post-campaign evaluation expenditure (excl. GST) | Print and collateral expenditure (excl. GST) | Other campaign expenditure (excl. GST) | Total                |
|-----------------------------------|----------------|---------------------------------------------|-----------------------------------------------------------|----------------------------------|--------------------------------------------------|----------------------------------------------|----------------------------------------|----------------------|
| Victorian Energy Upgrades Program | March 2026     | Approved: \$100,000                         | Planned: \$50,000                                         | Planned: \$20,000                | Planned: \$0                                     | Planned: \$0                                 | Planned: \$0                           | Planned: \$170,000   |
| 'Upgrade and Save'                | June 2026      | Actual: \$454,544.30                        | Actual: \$56,105.50                                       | Actual: \$31,740                 | Actual: \$0                                      | Actual: \$0                                  | Actual: \$8,854                        | Actual: \$551,243.80 |

The Victorian Energy Upgrades Upgrade and Save campaign ran from 30 March to 25 June 2026 to raise awareness of discounts available to help Victorian households upgrade to more energy-efficient appliances, reducing energy bills and emissions. The campaign targeted homeowners, renters and rental providers, promoting upgrades such as reverse-cycle air conditioners, hot water systems and induction cooktops. Activity was delivered through social media, search, radio, print and digital display advertising. The campaign also adopted the whole-of-government Real Help, Right Now branding to align with broader Victorian Government cost-of-living support messaging. The campaign was approved with an allocation of \$100,000 in DEECA's 2025–26 Annual Advertising Plan to expand the campaign's reach.

|                                           |                      |                                          |                                       |                                  |                             |                             |                             |                                                  |
|-------------------------------------------|----------------------|------------------------------------------|---------------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------------------------|
| Put the Sun to Work – Solar Homes Program | Oct 2025 – June 2026 | Approved: \$500,000<br>Actual: \$375,000 | Planned: \$35,000<br>Actual: \$13,943 | Planned: \$50,000<br>Actual: \$0 | Planned: \$0<br>Actual: \$0 | Planned: \$0<br>Actual: \$0 | Planned: \$0<br>Actual: \$0 | Planned/Approved: \$585,000<br>Actual: \$388,943 |
|-------------------------------------------|----------------------|------------------------------------------|---------------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------------------------|

Following an initial campaign in 2024–25, phase 2 of the Put the Sun to Work advertising campaign ran from 27 October 2025 to 30 June 2026 to raise awareness of rebates and interest-free loans available through the Solar Homes Program. The campaign promoted the installation of solar panels, batteries and energy-efficient hot water systems at Victorian homes and rental properties to help reduce household energy costs and emissions. It used a range of channels including online video, radio, print media, social media and advertising in public places, and targeted homeowners and households in-line with program eligibility requirements. The campaign was supplemented by a program of events, community engagement and distribution of campaign collateral through local government and Victorian Government channels.

|                                                                 |                        |                                            |                                  |                             |                             |                             |                             |                                                    |
|-----------------------------------------------------------------|------------------------|--------------------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------------------------------|
| Real Help, Right Now campaign – Energy affordability assistance | Sept 2025 – March 2026 | Approved: \$1,000,000<br>Actual: \$818,181 | Planned: \$0<br>Actual: \$60,337 | Planned: \$0<br>Actual: \$0 | Planned: \$0<br>Actual: \$0 | Planned: \$0<br>Actual: \$0 | Planned: \$0<br>Actual: \$0 | Planned/Approved: \$1,000,000<br>Actual: \$878,518 |
|-----------------------------------------------------------------|------------------------|--------------------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------------------------------|

The Real Help, Right Now – Energy Affordability campaign ran in 2 phases from 1 September to 1 November 2025 and from 16 February to 30 March 2026, to raise awareness of programs and services available to help Victorian households manage energy costs. The campaign promoted the \$100 Power Saving Bonus, Victorian Energy Compare, the Energy Assistance Program, and savings available through appliance upgrades supported by the Victorian Energy Upgrades and Solar Homes programs. The campaign prioritised concession card holders and low-income households, while also reaching the broader Victorian community. Activity was delivered across radio, social media, digital display, internet search and advertising in public places, using the whole-of-government Real Help, Right Now branding to align with broader cost-of-living support messaging and increase recognition and trust.

#### Notes:

**Approved** 'Advertising (media) expenditure' is the amount approved for each campaign by the Advertising Approval Group (AAG).

**Planned** campaign expenditure amounts are the amounts included in the Campaign Strategy form submitted to the AAG for review.

## Information and communication technology expenditure

Information and communication technology (ICT) expenditure refers to the department's costs in providing business-enabling ICT services. It comprises Business as Usual (BAU) ICT expenditure and Non-BAU ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing the department's current ICT capabilities.

BAU ICT expenditure comprises all remaining ICT expenditure, primarily related to ongoing activities to operate and maintain the current ICT capability.

For 2025-26, the department incurred a total ICT expenditure of \$165.2 million (exclusive of GST), as shown below.

|                                         | \$'000         |
|-----------------------------------------|----------------|
| <b>Non-Business as Usual (Non-BAU):</b> |                |
| Operational expenditure                 | 19,763         |
| Capital expenditure                     | 11,716         |
| Total Non-BAU                           | 31,478         |
| Total Business as Usual (BAU)           | 133,762        |
| <b>Total ICT expenditure</b>            | <b>165,240</b> |

## Reviews and studies expenditure

During 2025-26, there were 2 major reviews and studies undertaken (outside of the department's business as usual functions) totalling \$0.79 million in 2025-26 and \$1.17 million when including expenditure from previous years. Major reviews and studies have been defined as those that have been completed, exceeded \$100,000 (exclusive of GST) and have resulted in or will result in a published report.

The department's enduring research responsibilities in the scientific disciplines of agriculture, ecology and biodiversity, hydrology, geoscience, forest management and bushfire science are part of its regular service delivery and are therefore excluded from this disclosure. Details of these research and development activities are listed in the 'Additional departmental information' document, published on the [DEECA Annual Report website](#).

Details of the 2 reviews and studies are outlined below.

| Name of review<br>(portfolio;<br>output)                                                | Reasons for<br>review/study                                                                                                                                                                                                                                               | Terms of reference/<br>scope                                                                                                                                                                                                                                              | Timeline                       | Anticipated/<br>actual outcomes                                                                | Costs<br>(excl. GST)                                                                                                             | Publicly<br>available<br>(Y/N) and<br>URL |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Energy Safety<br>Roadmap<br>(Energy and<br>Resources<br>portfolio;<br>Energy<br>output) | To examine the<br>adequacy of<br>Victoria's regulatory<br>and licensing<br>frameworks for<br>renewable energy<br>systems and related<br>technologies to<br>ensure safety<br>settings keep pace<br>with emerging and<br>evolving risks to<br>workers and the<br>community. | To examine the<br>adequacy of<br>Victoria's regulatory<br>and licensing<br>frameworks for<br>renewable energy<br>systems and related<br>technologies to<br>ensure safety<br>settings keep pace<br>with emerging and<br>evolving risks to<br>workers and the<br>community. | July<br>2024 to<br>Dec<br>2025 | This Roadmap sets<br>out a path for<br>keeping people safe<br>as the energy<br>system changes. | Estimated cost<br>for the year:<br>\$416,800<br><br>Final cost if<br>completed<br>including with<br>previous years:<br>\$416,800 | <b>Y - DEECA<br/>website</b>              |

| Name of review<br>(portfolio;<br>output)                                                                                                                           | Reasons for<br>review/study                                                                                                                                           | Terms of reference/<br>scope                                                                                                                          | Timeline                       | Anticipated/<br>actual outcomes                                                                                                                                                                                                                                                                                                              | Costs<br>(excl. GST)                                                                                                                                                                           | Publicly<br>available<br>(Y/N) and<br>URL     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Rare Earth<br>Elements<br>Metallisation<br>Common-User<br>Facility –<br>Pre-Feasibility<br>Study (Energy<br>and<br>Resources<br>portfolio;<br>Resources<br>output) | To assess the<br>feasibility and<br>strategic case for<br>establishing a rare<br>earth element<br>metallisation<br>common-user<br>processing facility in<br>Victoria. | A comprehensive<br>pre-feasibility study<br>examining the<br>development of a<br>Rare Earth<br>Elements<br>processing<br>(metallisation)<br>facility. | Dec<br>2025 to<br>June<br>2026 | The study provides<br>a pre-feasibility<br>assessment of a<br>metallisation facility,<br>including<br>recommended<br>processing<br>pathways,<br>commercial models<br>and staging options,<br>to support<br>government<br>decision-making on<br>future investment,<br>policy settings and<br>development of a<br>public-facing<br>prospectus. | Estimated cost<br>for the year:<br>\$375,000<br><br>Final cost if<br>completed<br>including with<br>previous years:<br>\$750,000<br>(\$375,000<br>Victoria;<br>\$375,000<br>Common-<br>wealth) | N (To be<br>published<br>after<br>completion) |

## Freedom of Information

The *Freedom of Information Act 1982* (Vic) (the Act) allows the public a right of access to documents held by the department. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by a department. This comprises documents both created by the department or supplied to the department by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the department is available on the department's website under its **Freedom of Information (FOI) Statement 2**.

The department receives FOI requests for a wide range of documents relating to the many different functions that it performs. The Act allows a department to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to a department in-confidence and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15-day automatic extension applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by DEECA, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

## Making a request

FOI requests can be lodged online at **OVIC's website** or by email to **foi.unit@deeca.vic.gov.au**.

An application fee of \$33.60 applied in 2025-26. Access charges may also be payable for the search or creation of documents.

When making an FOI request, applicants should ensure requests are in writing, clearly identify what types of material/documents are being sought and be accompanied by the application fee to be a valid request.

If you are unable to make a request online, you can request documents in the possession of DEECA by writing to:

Freedom of Information  
Department of Energy, Environment and Climate Action  
PO Box 500  
East Melbourne Victoria 8002

The department's Information Access Unit can be contacted at **foi.unit@deeca.vic.gov.au**.

FOI requests relating to a portfolio agency should be made directly to that agency. Contact details for portfolio agencies are available on the **OVIC website**.

## FOI statistics and timeliness

For the period from 1 July 2025 to 30 June 2026, the department received 178 new (valid) FOI requests. They came from:

|                       | Number     | Per cent (%) |
|-----------------------|------------|--------------|
| Individuals           | 93         | 53           |
| Members of Parliament | 32         | 18           |
| Community groups      | 28         | 15           |
| Lawyers               | 15         | 8            |
| Journalists           | 5          | 3            |
| Companies             | 5          | 3            |
| <b>Total</b>          | <b>178</b> | <b>100</b>   |

For the same period, the department made decisions on 130 requests. Forty-eight of these requests were received during the prior financial year. The outcomes were:

|                              | Number     | Per cent (%) |
|------------------------------|------------|--------------|
| Full access granted          | 31         | 24           |
| Partial access granted       | 73         | 56           |
| Access denied <sup>(i)</sup> | 26         | 20           |
| <b>Total</b>                 | <b>130</b> | <b>100</b>   |

Note:

- (i) Access denied includes decisions to refuse access under section 25A(1) of the FOI Act due to an unreasonable diversion of resources.



The table below shows the time taken to process FOI requests, with an average processing time of 80 days.

During 2025–26, the department allocated additional resources to its Information Access Unit to respond to a sustained increase in the volume and complexity of FOI requests.

|                            | Number     | Per cent (%) |
|----------------------------|------------|--------------|
| Within statutory timelines | 36         | 28           |
| 1–45 days overdue          | 28         | 21           |
| 46 days or more overdue    | 66         | 51           |
| <b>Total</b>               | <b>130</b> | <b>100</b>   |

The department closed 37 FOI requests during the reporting period. The outcomes are shown below.

|                             | Number    |
|-----------------------------|-----------|
| Request not processed(ii)   | 14        |
| No relevant documents found | 23        |
| <b>Total</b>                | <b>37</b> |

Note:

- (ii) Request not processed includes: all requested documents released outside the Act; request withdrawn by applicant; deposit not paid and where the Act does not apply.

In addition to requests processed or closed, the department also responded as follows to 47 FOI requests:

|                      | Number    |
|----------------------|-----------|
| Invalid request(iii) | 28        |
| Transferred          | 19        |
| <b>Total</b>         | <b>47</b> |

Note:

- (iii) Application fee not paid or request terms unclear and applicant did not provide clarification.

## Further Information

Further information about the FOI Act is available in the Act, the associated regulations and from the (OVIC) website.

## Office of the Victorian Information Commissioner

### Reviews

During 2025–26, OVIC received 26 applications to review FOI decisions made by the department.

### Complaints

During 2025–26, OVIC notified the department of 23 complaints about the handling of FOI requests.

## Victorian Civil and Administrative Tribunal

During 2025–26, 11 applications for review were lodged with the Victorian Civil and Administrative Tribunal, in relation to FOI decisions concerning the department.

## Competitive neutrality policy

The department is compliant with the requirements of the Intergovernmental Agreement on National Competition Policy and the Victorian Government's Competitive Neutrality Policy, and any subsequent reforms.

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest.

Government businesses are required to set a competitively neutral price, which accounts for any net advantage that comes from public ownership. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The competitive neutrality policy is integrated into the department's pricing policy and applied to relevant policy changes, with expertise sought from Better Regulation Victoria as needed.

In 2025–26, there were nil competitive neutrality complaints made against the department.

## Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* (the Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated.

DEECA does not tolerate improper or corrupt conduct by employees, nor reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures. The department has a public interest disclosures management policy and procedure, as well as integrity training and communications in place to support compliance with the Act.

DEECA will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### Reporting procedures

Disclosures of improper conduct or detrimental action by departmental employees or contractors can be made to the Secretary, Public Interest Disclosure Coordinator or a manager.

Reports can be made via:  
Department of Energy, Environment and Climate Action,  
PO Box 500, EAST MELBOURNE VIC 8002  
Telephone: 1800 903 877  
email: [disclosures@deeca.vic.gov.au](mailto:disclosures@deeca.vic.gov.au)

Alternatively, disclosures can be made directly to the Independent Broad-based Anti-corruption Commission (IBAC).

GPO Box 24234  
MELBOURNE VIC 3001  
Telephone: 1800 422 284

Website: [IBAC](http://ibac.vic.gov.au)

Further information about making a public interest disclosure is available on [DEECA's website](http://deeca.vic.gov.au).

| Public interest disclosures                                                                                                              | 2025–26 number | 2024–25 number |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| The number of disclosures made by an individual to the department and notified to the Independent Broad-based Anti-corruption Commission | 2              | 2              |

## Compliance with the *Building Act 1993*

### Mechanisms for inspection, reporting, scheduling and carrying out of maintenance works on existing buildings

The Department of Government Services manages, maintains and reports on the leased and owned accommodation portfolio occupied by DEECA under the **Centralised Accommodation Management** program. These include buildings within Melbourne's CBD and selected owned and leased accommodation in regional areas.

In addition, DEECA also has responsibility for the management of its owned and directly leased portfolio assets via a dedicated in-house facilities team and through an outsourced facilities management service provider, Jones Lang LaSalle (JLL). The owned and directly leased portfolio

includes offices, combined office/work centre sites, work centres, residences, airbases, fire lookout towers, farms, research facilities and sites identified for land sales no longer required by the department. The role of DEECA's facility management teams and JLL is supported by a range of independent audits and regulatory compliance inspections to ensure the building portfolio, depots and sites remain safe, functional and compliant.

### Mechanisms to ensure that buildings conform to the building standards

DEECA engages suitably qualified organisations with relevant experience to support compliance with the National Construction Code, Annual Essential Safety Measures Reports (AESMR), Occupational Health and Safety Regulations, and environmental audit obligations relating to building condition and hazardous material in the workplace. AESMRs are undertaken by facilities providers, with certificates issued and displayed at each site. Depending on the building category, an occupancy permit or Certificate of Final Inspection is issued following completion of construction, including for new buildings and upgrades to existing facilities.

### Major Works Projects

Major works projects (over \$50,000) commenced or completed in 2025–26 include:

#### Projects commenced:

- Bendoc, Yarram and Cavendish wash bay upgrades
- Daylesford office roof replacement
- Ellinbank office building management system installation, office generator and switchboard upgrade, and solar and battery installation
- Frankston office and depot redevelopment
- Mildura, Ellinbank and Horsham fuel store compliance upgrades
- Wodonga EV charging installation
- Horsham Australian Grains Genebank (AGG) glasshouse refurbishment
- Horsham plant breeding centre irrigation upgrade
- Benalla office refurbishment Stage 3
- Hamilton supply and installation of agrivoltaics in field.

#### Projects completed:

- Beaufort office extension and driveway
- Ellinbank main office water filtration system installation
- Hamilton farm supply and installation of agrivoltaics
- Heywood fencing and office refurbishment
- Hopetoun depot refurbishment
- Horsham chiller and gas boiler replacement

- Horsham farm security infrastructure upgrades
- Horsham solar installation
- Horsham heavy vehicle shed and solar installation
- Horsham seed storage and processing shed
- Horsham floating solar and battery installation
- Knoxfield office CCTV server replacement
- LED lighting upgrades at Agriculture Victoria regional offices
- Mildura office security infrastructure upgrade
- Noojee WorkCentre fuel store compliance, perimeter fencing and, burn mix and diesel storage shed
- Office upgrades at Traralgon and Knox
- Tallangatta office and depot gate replacement
- Tatura security fencing and compound gates upgrade.

#### **Number of building permits, occupancy permits or certificates of final inspection issued in relation to buildings owned by the department**

During 2025-26, there were 23 building and occupancy permits, including certificates of final inspection, issued to the department for capital infrastructure projects completed.

#### **Number of emergency orders and building orders issued in relation to buildings**

During 2025-26, there were no emergency orders and building orders issued in relation to buildings.

#### **Number of buildings that have been brought into conformity with building standards**

During 2025-26, there were no buildings brought into conformity with building standards.

### **Compliance with the *Carers Recognition Act 2012***

DEECA has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012* (the Act). Its program of work to support carers is informed by the carer relationship principles set out in the Act and the [Victorian Carer Strategy 2025-2035](#). The department works to reduce the barriers to workforce participation for carers and support them to balance work and caring responsibilities, participate socially and economically, and maintain their health and wellbeing.

DEECA's flexible work settings are set out in the [VPS Flexible Work Policy](#) and DEECA's Flexible Work Implementation Guide. Flexible work arrangements are also available as one of the ways that employees can balance their caring responsibilities, in the context of their role.

DEECA provides a range of support for carers through programs such as the Employee Assistance Program, Peer Support Network and independent

workplace conciliation services. The Employee Assistance Program includes access to specialist helplines, including a dedicated service for carers and those supporting someone with disability.

DEECA also supports staff through several staff-led networks, including the All Abilities Network (which connects staff with disability, and disability allies).

### **Compliance with the *Disability Act 2006***

The *Disability Act 2006* (VIC) (the Act) reaffirms and strengthens the rights of people with a disability and recognises that support is required across the government sector and within the community.

DEECA complied with its obligations under the Act through the development and implementation of its [Access and Inclusion Plan 2026-2029](#) (AIP), which fulfils the department's requirement to prepare a disability action plan. The AIP was developed in partnership with the Australian Network on Disability and the All Abilities Staff Led Network. It sets out DEECA's vision to be a disability confident, accessible, inclusive and empowering organisation for people with disability. The AIP includes 11 actions across 4 pillars focused on accountability, accessibility, disability confidence and employee support. The AIP is supported by a governance framework that includes oversight by the Diversity and Inclusion Council, regular monitoring and annual reporting.

In 2025-26, DEECA launched the Neurodiverse Confident Services Panel, enabling the department to engage suitably qualified and experienced suppliers to support neurodiverse staff and their managers in the workplace. The department also supports the Hidden Disabilities Sunflower program, which aims to increase awareness and provide support for individuals with hidden disabilities.

## Compliance with the *Caulfield Racecourse Reserve Act 2017*

Section 32 of the *Caulfield Racecourse Reserve Act 2017* requires DEECA to include in its annual report of operations for each financial year, details regarding the use of the Caulfield Racecourse Reserve (the Reserve) for the purposes of recreation and for public park purposes during that year.

During 2025-26, the **Caulfield Racecourse Reserve Trust** continued to improve the Reserve's accessibility, amenity and visitor experience through a range of projects and community initiatives.

Key achievements included:

- continuing work with Melbourne Racing Club to ensure the Reserve successfully accommodates both its historic racing function and growing community use
- supporting community use of the Reserve for recreation and public park purposes through regular market days, local school and cross-country events, school holiday activities, organised walking and running groups, hot air balloon activities, State Emergency Service emergency training exercises, film production and providing new opportunities for recreation and community engagement
- completing the new Commons Trail in December 2025, delivering an approximately 1.8-kilometre multi-purpose granitic path to improve community connectivity and encourage passive and active recreation
- opening the southern edge of the Reserve in October 2025 by removing perimeter fencing between Glen Huntly Park and the Neerim Stables, creating a safer, more accessible and welcoming southern gateway entry into Caulfield Commons
- relocating the Glen Huntly Park access gate and constructing a new accessible ramp which was officially opened in December 2025 to improve community access to Caulfield Commons
- upgrading entry gates from August 2025 to January 2026 to automatic operation, improving accessibility, safety and visitor convenience
- upgrading traffic management infrastructure within the Reserve including resurfacing the Glen Eira Tunnel, line marking and placement of speed humps and bollards in December 2025
- continuing to maintain Caulfield Commons parks, gardens and recreational spaces, ensuring they remain safe, attractive and accessible for the community
- ongoing engagement with the community through an upgraded social media activation, website publications and Community Reference Panel.

## Compliance with the *Circular Economy (Waste Reduction and Recycling) Act 2021*

The *Circular Economy (Waste Reduction and Recycling) Act 2021* (CE Act) established a range of schemes and the powers and functions of the Head of Recycling Victoria, including:

- overseeing and regulating Victoria's **Container Deposit Scheme**
- developing and regulating waste, recycling and resource recovery service standards
- developing the **Victorian Recycling Infrastructure Plan**
- leading **risk, consequence and contingency planning** for waste, recycling and resource recovery services
- administering and regulating the **Waste to Energy Scheme**
- establishing and supporting advisory committees
- centralising **data collection and sector insights**.

The Head of Recycling Victoria was established within the former Department of Environment, Land, Water and Planning in July 2022 and remained within DEECA following a Machinery of Government change in January 2023.

In March 2026, the *Entities Legislation Amendment (Consolidation and Other Matters) Act 2026* made the following changes relevant to this disclosure:

- abolished the Head of Recycling Victoria effective on 30 June 2026
- transferred the Head of Recycling Victoria's schemes, powers and functions to the Environment Protection Authority (EPA Victoria) on 30 June 2026
- repealed section 22 of the CE Act requiring the Head of Recycling Victoria to submit to the Minister for Environment an annual report on the operations of the CE Act on or before 30 September each year
- enacted section 375A of the *Environment Protection Act 2017* (EP Act) requiring EPA Victoria to include information on the operations of the CE Act in its annual report of operations under Part 7 of the *Financial Management Act 1994*. This replaces but maintains the intent of section 22 of the CE Act.

This disclosure reflects the Head of Recycling Victoria's reporting requirements under section 22(2) of the CE Act from 1 July 2025 to 29 June 2026.

Future reporting of these requirements will be included in EPA Victoria's annual reports, in accordance with section 375A of the EP Act.

| CE Act    | Reporting requirement                                                                                                                                                          | Outcome               | Comment                                                                                                                                                                                                                                                 |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| S22(2)(a) | The total number of written directions given by the Minister under the CE Act                                                                                                  | No written directions | No written directions were given under the CE Act in 2025-26.                                                                                                                                                                                           |
| S22(2)(b) | The total number of written directions given by the Head, Recycling Victoria under the CE Act                                                                                  | No written directions | No written directions were given under the CE Act in 2025-26.                                                                                                                                                                                           |
| S22(2)(c) | A description or summary of each written direction                                                                                                                             | Not applicable        | No written directions were given under the CE Act in 2025-26.                                                                                                                                                                                           |
| S22(2)(d) | A copy of each written direction as published in accordance with the CE Act                                                                                                    | Not applicable        | No written directions were given under the CE Act in 2025-26.                                                                                                                                                                                           |
| S22(2)(e) | Details of the community engagement activities undertaken by the Head, Recycling Victoria in accordance with any existing community engagement strategy                        | Community engagement  | Details of community engagement activities undertaken in 2025-26 are included below this table.                                                                                                                                                         |
| S22(2)(f) | A description or summary of the key risks, consequences and measures identified in the Circular Economy Risk, Consequence and Contingency Plan (CERCC Plan)                    | CERCC Plan            | Waste, recycling and resource recovery sector risks, consequences and measures are contained in the approved <b><u>CERCC Plan 2026-2028</u></b> . A summary is included below this table.                                                               |
| S22(2)(g) | The total number of responsible entities that are required to prepare a Responsible Entity Risk, Consequence and Contingency Plan (RERCC Plan) under section 74F of the CE Act | 26                    | 26 entities self-assessed as responsible entities in 2025-26 and were required to prepare a RERCC Plan under section 74F of the CE Act by 30 September 2025. Details of the notifications for 2025-26 until 29 June 2026 are included below this table. |
| S22(2)(h) | The total number of statements of assurance submitted to the Head, Recycling Victoria under section 74G of the CE Act                                                          | 25                    | 25 Statements of assurance accompanying RERCC Plans were provided by 30 September 2025 and one statement of assurance was provided on 5 May 2026.                                                                                                       |
| S22(2)(i) | The total number of written reports (in relation to RERCC Plans) prepared by the Head, Recycling Victoria (as directed by the Minister) under section 74I of the CE Act        | Not applicable        | The Minister for Environment did not direct preparation of any written reports relating to RERCC Plans during 2025-26.                                                                                                                                  |
| S22(2)(j) | A description or summary of each written report prepared under section 74I of the CE Act                                                                                       | Not applicable        | The Minister for Environment did not direct preparation of any written reports relating to RERCC Plans during 2025-26.                                                                                                                                  |
| S22(2)(k) | Details of any actions that the Head, Recycling Victoria has carried out or proposes to carry out in response to a written report prepared under section 74I of the CE Act     | Not applicable        | The Minister for Environment did not direct preparation of any written reports relating to RERCC Plans during 2025-26.                                                                                                                                  |



### Community engagement activities undertaken by the Head, Recycling Victoria

Recycling Victoria regularly engaged with key stakeholders during 2025-26 in accordance with the **Community Engagement Strategy 2023-2026**.

Examples included:

- initiatives that connected leaders in local government and industry through the Recycling Victoria Advisory Committee, Local Government Forum, and Recycling, Resource Recovery and Waste Industry Group
- Victorian Government presence at the Waste Expo in October 2025 featuring Recycling Victoria, Sustainability Victoria and EPA Victoria
- risk, consequence and contingency planning and sessions regarding the **Victorian Recycling Infrastructure Plan**, **Waste to Energy Scheme** and Victoria's **Container Deposit Scheme**
- site visits to explore improvements and new methodologies in recycling including to Ecocycle Battery-In-Device Shredding (BIDS), Australian Soft Plastic Recycling, Paintback Paint Circular Economy Headquarters, Planet Protector Group and Australian Paper Recycling
- stakeholder-targeted consultation on the draft Circular Economy Risk, Consequence and Contingency Plan 2026-2028 (CERCC Plan 2026-2028) from 3 October to 9 November 2025 through Engage Victoria
- digital communications including the Recycling Victoria website, LinkedIn and electronic direct mail channels.

### Key risks, consequences and measures identified in the Circular Economy Risk, Consequence and Contingency Plan

Recycling Victoria published the **Circular Economy Risk, Consequence and Contingency Plan** (CERCC Plan) on 24 June 2026.

The CERCC Plan 2026-2028 identifies 9 serious risks to waste, recycling and resource recovery service continuity or progress towards a circular economy:

- contamination – such as physical and chemical contamination of waste streams that compromise resource recovery outcomes and/or present serious risks to infrastructure or work health and safety
- external threats – such as a major emergency or security issue impacting a facility or entity
- planning – this risk has been revised to focus on effective planning for regulatory approvals by sector entities and regulators, including understanding and applying legislative requirements

- land use competition and encroachment – a new risk, reflecting the competition for and excessive encroachment upon a limited supply of industrial and commercial land, which may lead to an inability of the sector to meet service demand and to effectively support transition to a circular economy
- social acceptance – such as fostering trust in the sector as part of a shared responsibility to delivering quality and better practice
- internal threats – such as mishandling of hazardous materials, equipment failure, insufficient capability and capacity or poor risk culture/control regimes
- economic shocks and stressors – such as a loss of markets (loss of major supply contracts) or adjustments required to respond to increased regulation
- commercial viability in the market – such as challenges directly and indirectly affecting affordability in the sector and a reflection of material streams that may not currently be commercially viable
- data – a new risk, reflecting the importance of having accurate and up to date data on the production, processing and disposal of materials to enable entities to better manage for service continuity and ensure effective planning for the sector.

Recycling Victoria included responsible entity measures in the CERCC Plan 2026-2028, to address risks and gaps in controls identified in 2025 Responsible Entity Risk, Consequence and Contingency Plans (RERCC Plans).

### Responsible entities and Responsible Entity Risk, Consequence and Contingency Plans

Responsibility for the management of risks to waste, recycling and resource recovery services is shared between industry and all tiers of government.

Responsible entities manage essential waste, recycling and resource recovery services that, if disrupted, present a serious risk to service continuity or progressing to a more circular economy. They must self-assess whether they are a responsible entity and notify Recycling Victoria (EPA Victoria from 30 June 2026) within 60 calendar days of publication of the CERCC Plan or at any time based on a change of their circumstances.

The notification period following publication of the **CERCC Plan 2025** in May 2025 closed on 30 July 2025. Twenty-six responsible entities notified of their status in 2025-26, with 5 new entities notifying and 3 existing entities notifying they had ceased to be a responsible entity.



The 26 responsible entities were required to identify in their RERCC Plans serious risks to their provision of essential waste, recycling or resource recovery services, specify how they would prevent or minimise serious risks outlined in the CERCC Plan 2025, and submit their RERCC Plans to Recycling Victoria by 30 September 2025.

Recycling Victoria conducted preliminary and comprehensive assessments of RERCC Plans to inform the CERCC Plan 2026–2028, and to monitor how successfully RERCC Plans were managing sector disruption risks. Recycling Victoria included responsible entity measures in the CERCC Plan 2026–2028, to address all risks and gaps in controls identified in 2025 RERCC Plans.

### **Compliance with the *Flora and Fauna Guarantee Act 1988***

The *Flora and Fauna Guarantee Act 1988* (the Act) establishes the legal and administrative structure to enable and promote the conservation of Victoria's native flora and fauna. The Act, including its objectives, was amended in 2019 to strengthen it and improve its effectiveness.

Under the Act, a Biodiversity Strategy must be prepared that outlines the proposals for achieving the targets for measuring and the framework for monitoring the objectives under section 4 of the Act.

**Protecting Victoria's Environment – Biodiversity 2037** is the current Biodiversity Strategy. The most recent assessment on the implementation of Biodiversity 2037 is available on [DEECA's website](#).

The Act also requires DEECA to prepare Action Statements for all listed taxa and communities of flora and fauna on the Threatened List and for all potentially threatening processes on the Processes List. DEECA has prepared and published Action Statements for 1,502 of the 2,106 items currently listed under the Act. New Action Statements for 109 items were published in 2025–26. Action Statements for the remaining 604 items listed under the Act are planned to be prepared and published over coming years subject to available resources. As new items are listed under the Act, Action Statements will also be prepared for these items and published on the [DEECA action statement web page](#).

In addition, the following departmental initiatives, grouped according to broad theme, contribute toward delivering the objectives of the Act:

#### **Grants and community programs**

- BushBank \*
- Coastcare Victoria program
- Environmental Volunteering Plan
- Icon Species program \*

- Nature Fund program \*
- Peri-urban Weed Management Partnership program \*
- Port Phillip Bay Fund
- Victorian Landcare program \*
- Victoria's resilient coast – Adapting to 2100+ program
- Wildlife Rehabilitator Grants and Rebate program

#### **Biodiversity data and knowledge**

- Research undertaken by the Arthur Rylah Institute for Environmental Research
- Biodiversity 2037 Monitoring, Evaluation and Reporting Framework
- *Flora and Fauna Guarantee Act 1988* Scientific Advisory Committee
- Feature Activity Sensitivity Tool (FeAST)
- Habitat distribution models
- Native vegetation extent and condition maps including Ecological Vegetation Classes
- Marine and Coastal Knowledge Framework
- NatureKit
- Specific needs assessments
- Strategic Management Prospects
- Translocation Assessment Panel
- Victorian Biodiversity Atlas
- Victorian Bushfire Monitoring program
- Victorian Coastal Monitoring program
- Victorian Forest Monitoring program

#### **Programs and regulation**

- Basin Salinity Management 2030
- Biodiversity Recovery program
- Melbourne Strategic Assessment program
- Conservation Regulator \*
- Future Forests program \*
- On-ground regulation – Wildlife and Protected Flora
- On-ground regulation – Public land
- Protecting Biodiversity program \*
- Regulatory approvals – Native vegetation clearing
- Sustainable Irrigation program
- Strengthening Country program \*
- Victorian Deer Control Strategy and program \*
- Victorian Murray Floodplain Restoration project
- Weeds and Pests on Public Land program \*
- Wildlife care and protection
- Wildlife emergency management

#### **Policy and legislation**

- Review and updates to the [Threatened and Processes Lists](#)
- Declared Protected Flora Guidelines
- Critical Habitat Guidelines
- Biodiversity Policy

- Marine and Coastal Knowledge Framework
- Marine and Coastal Strategy
- Our Catchments Our Communities
- Port Phillip Bay Environmental Management Plan 2017–2027
- Sustainable Water Strategies
- Victorian Koala Management Strategy
- Victorian Waterway Management Strategy
- Wildlife Welfare

#### Infrastructure planning

- New information, tools and guidance to facilitate renewable energy projects while mitigating biodiversity impacts
- Marine Spatial Planning Framework
- Victorian Transmission Investment Framework
- Victorian Planning Provisions Clause 52.17 (Native Vegetation)

\* These initiatives are included in the DEECA Corporate Plan 2025–2029. Progress against these initiatives is reported in this Annual Report's Departmental Objectives, Indicators and Outputs section.

### Compliance with the *Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020*

The Melbourne Strategic Assessment (MSA) Program delivers conservation outcomes for matters of national environmental significance prescribed under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* and gazetted under section 93 of the *Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020* (the Act).

The Act provides the legislative framework for the MSA Program. It imposes a levy to fund mitigation measures for impacts on biodiversity caused by the development of Melbourne's growth corridors. The levy is paid into the MSA Fund and goes towards delivering the program's conservation outcomes. Pursuant to section 91 of the Act, the department is required to include in its annual report, details of the income and expenditure of the MSA Fund and the balance of the fund.

Details for the 2025–26 financial year (ending 30 June 2026) are set out in the table below:

| Melbourne Strategic Assessment Fund | (\$ million) |
|-------------------------------------|--------------|
| Opening balance                     | 69.51        |
| Income                              | 45.53        |
| Expenditure                         | 47.18        |
| <b>Closing balance</b>              | <b>67.86</b> |

Through the MSA Program, DEECA continues to progress land acquisitions and undertake land management actions that contribute towards the program's overall target of creating more than 20,000 hectares of conservation reserves and areas around Melbourne including the establishment of:

- the Western Grassland Reserve (15,000 hectares)
- the Grassy Eucalypt Woodland Protected Area (1,200 hectares)
- a network of 36 conservation areas (5,000 hectares).

The MSA Program works closely with partners including local government authorities, Parks Victoria, Melbourne Water, Royal Botanic Gardens Victoria (Cranbourne Gardens) and Traditional Owners, Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation, Bunurong Land Council Aboriginal Council, and Wadawurrung Traditional Owners Aboriginal Corporation, to deliver these conservation outcomes.

### Compliance with the *Marine and Coastal Act 2018*

The *Marine and Coastal Act 2018* (the Act) sets objectives and guiding principles for planning and managing Victoria's marine and coastal environment. Pursuant to section 40 of the Act, the department is required to include in its annual report: a summary of the implementation of a Marine and Coastal Strategy; a summary of any product made under a regional and strategic partnership; a summary of the implementation of any environmental management plans; a summary of any consents.

The Marine and Coastal Strategy 2022 (the Strategy) addresses the objectives of the Act through 6 actions to improve marine and coastal management and planning 2022 to 2027. The Strategy puts into practice the Marine and Coastal Policy 2020. Year 4 of the Strategy was implemented in 2025–26.

### Implementation of the Marine and Coastal Strategy in 2025–26

In 2025–26, significant progress was made in delivering activities in the Strategy across the 6 priority actions by DEECA and external partners. Multiple organisations throughout Victoria are leading implementation of these activities, including coastal Registered Aboriginal Parties, committees of management, coastal local governments, coastal catchment management authorities, Parks Victoria, Department of Transport and Planning, EPA, Trust for Nature, Better Boating Victoria, Victorian Fisheries Authority, the Victorian Marine and Coastal Council, and DEECA.

DEECA provides oversight and coordination for the implementation of priority actions in the Strategy, and leads key activities within each action. The following section presents highlights from a range of DEECA led or funded activities. Other activities progressed by external partners are not included in DEECA's annual reporting.

### **Action 1 – Traditional Owners determine how their rights and obligations are embedded into the planning and management of the marine and coastal environment**

DEECA supported the Sea Country grants program (amongst other programs and initiatives) through:

- (i) continuing the Sea Ranger and Sea Guardian programs (Eastern Maar Aboriginal Corporation, Bunurong Land Council Aboriginal Corporation, Gunaikurnai Land and Water Aboriginal Corporation and Gunditj Mirring Traditional Owners Aboriginal Corporation)
- (ii) engaging Traditional Owners via the Sea Country Partnership and Saltwater Council to support the implementation of Parks Australia's South-east Marine Network Parks Management Plan and the development of the South-East First Nations Strategy
- (iii) documenting and sharing cultural knowledge and asserting bio-cultural values through participation in research and monitoring activities on marine ecosystems (Wadawurrung Traditional Owners Aboriginal Corporation, Eastern Maar Aboriginal Corporation, Bunurong Land Council Aboriginal Corporation)
- (iv) incorporating marine and coastal knowledge in Traditional Owner authored strategies (Wadawurrung Traditional Owners Aboriginal Corporation, Bunurong Land Council Aboriginal Corporation, Gunditj Mirring Traditional Owners Aboriginal Corporation, Eastern Maar Aboriginal Corporation and Gunaikurnai Land and Waters Aboriginal Corporation)
- (v) providing funding to Deakin University through the Port Phillip Bay Fund to train and certify Bunurong Land Council Aboriginal Corporation rangers in environmental DNA sampling methods, enabling Traditional Owner led biodiversity mapping at priority locations around Port Phillip Bay
- (vi) engaging Traditional Owners in the development of the next Port Phillip Bay Environmental Management Plan (Bunurong Land Council Aboriginal Corporation, Wadawurrung Traditional Owners Aboriginal Corporation, and Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation).

### **Action 2 – Improve the condition and ecological connectivity of habitats and respect and care for our marine and coastal areas**

Activities that progressed the delivery of this action in 2025–26 included:

- (i) developing a draft Blue Carbon Statement, setting the direction and approach for leveraging blue carbon opportunities in Victoria
- (ii) supporting community stewardship activities through Coastcare by building volunteer capability to respond to climate change and protect and rehabilitate marine and coastal sites and values
- (iii) delivering more than \$0.22 million in community-driven conservation projects through the Coastcare Victoria Community Grants Program, fostering volunteer efforts to preserve and enhance Victoria's coastal regions
- (iv) providing more than \$2.08 million through the **Port Phillip Bay Fund** to 26 projects. From 2016 to 2024, the Port Phillip Bay Fund has supported:
  - the planting of 138,330 native plants
  - weed control on 1,190 hectares
  - the rehabilitation of 267 hectares of habitat
  - the collection of 180 tonnes of litter
  - the engagement of 35,750 volunteers for the Bay and engaging 228 schools.
- (v) continuing to monitor and implement environmental improvements through onground works by staff and volunteers, supported by the implementation of strategic plans including the **Port Phillip Bay Environmental Management Plan** and multiple conservation action plans across Parks Victoria managed sites.

### **Action 3 – Adapt to Climate Change**

Activities that progressed to further the delivery of this action in 2025–26 included:

- (i) progressing the **Victorian Coastal Monitoring Program** and ongoing use and promotion of the **Victorian Climate Science Report 2024**, increasing our understanding of coastal hazards and risks
- (ii) providing a series of training courses to state government employees across various departments and agencies on **Victoria's Future Climate Tool** (VFCT) that was released in May 2025, to help staff understand how to use the hazard information in the VFCT to inform decision making
- (iii) continuing to identify research opportunities and gaps and sharing emerging climate change science and cultural knowledge
- (iv) Coastal Registered Aboriginal Parties partnering with research groups to monitor native species and understand changes as a result of climate

- change; Wadawurrung Traditional Owners Aboriginal Corporation completed work with Deakin University to tag and monitor the movements and activities of fiddler rays in Queenscliff. Bunurong Land Council Aboriginal Corporation continues seagrass seed collection as an ongoing collaboration with Deakin University
- (v) continuing to consolidate the latest science, stakeholder-informed evidence and other knowledge needed to support decision-making for our marine and coastal environments
  - (vi) continuing to embed climate adaptation as a core component of planning in the marine and coastal environment, including through the implementation of the **Victoria's Resilient Coast (VRC) adaptation framework and guidelines**. Application of the VRC framework and guidelines is actively occurring for more than 40% of the state including more than 30 adaptation planning projects led by land managers and supported by DEECA. A growing library of guidance material has included development of a **Coastal Hazard Assessment Technical Guideline** funded through the **Emergency Management Victoria Risk and Resilience Grants**
  - (vii) commencing development of policy guidance and tools for applying the managed retreat adaptation option for property and assets impacted by coastal hazards and sea level rise; funded through the Australian Government's **Disaster Ready Fund**, the project will invest \$1.53 million over 3 years to support the practical implementation of planned retreat, and will build on the VRC framework and help integrate managed transition into local adaptation planning while ensuring consistent, fair and transparent decision-making across Victoria.

#### **Action 4 – Support sustainable use and development of the marine and coastal environment.**

Delivery of this action included:

- (i) continuing to use the strategic coastal protection asset framework to identify high-risk priority protection assets for maintenance, replacement, or removal, in line with the **Victorian Asset Management Accountability Framework**. DEECA commissioned 5 technical reports in 2025-26 for high-risk coastal protection assets to determine appropriate risk mitigation options, and delivered construction works at 5 sites.
- (ii) continuing to pilot on-ground nature-based treatment projects to reduce erosion and inundation risks, funded via the Australian Government's **Coastal and Estuarine Risk Mitigation Program**.

#### **Action 5 – Implement the Marine Spatial Planning Framework**

Activities progressed in 2025-26, included:

- (i) updating the CoastKit platform to better support strategic planning and decision-making in Victoria's marine and coastal ecosystems. This update included the identification and incorporation of irreplaceable marine biotopes and key ecological features to strengthen biodiversity prioritisation and risk assessment. In parallel, Victoria's marine bioregional settings were reviewed and updated to ensure alignment with current ecological understanding, spatial datasets, and management frameworks, improving the platform's relevance for planning, impact assessment, and policy development.
- (ii) publishing the **high-level synthesis** of available information on the values, uses and activities in Victoria's southwest marine environment to support marine spatial planning, environmental assessment and evidence-based decision-making in March 2026.

#### **Action 6 – Identify resource needs for sustainable marine and coastal management.**

DEECA continues to progress long-term investment planning for implementation of the Strategy as outlined in Action 6 and based on the principles outlined in the Marine and Coastal Policy 2020.

#### **Regional and Strategic Partnerships**

Under the Act, the Inverloch Regional and Strategic Partnership (RASP) was created to address ongoing and future erosion and inundation impacts. The partnership oversaw the development of the **Cape to Cape Resilience Plan** (the Plan), which was released on 23 December 2025.

The Plan provides long-term coastal hazard resilience and strategic adaptation planning to enable the Cape-to-Cape community (between Cape Paterson and Cape Liptrap) to respond and adapt to climate change impacts on the coast. The first on-ground actions of the Plan include major dune reconstruction and beach nourishment at Inverloch surf beach. The RASP adaptation work enabled funding for on-ground works to be secured through the Australian Government **Coastal Estuarine and Risk Mitigation Program**. Designs were completed in 2025-26, with implementation of the works to be completed in early 2026-27.

The **Adapt West – Shaping our Shores Project**, which commenced in February 2024, is being led by the Port Phillip Bay Western Shoreline RASP. The project aims to respond to climate change and coastal hazard impacts on marine and coastal values of Port Phillip Bay's western shoreline. The project is following



Victoria's Resilient Coast 7-stage framework. To date the Partnership has delivered a community engagement plan, community and social values assessment, ecological values assessment, vulnerability and risk assessment, an economic base case and Stage 2 and 3 summary reports (following Victoria's Resilient Coast 7-stage framework). In progress are cultural values assessments on Bunurong and Wadawurrung Country. These reports and assessments will inform the completion of a strategic coastal hazard adaptation plan in 2026-27.

## Environmental Management Plans

The Act states that DEECA, in collaboration with Melbourne Water and EPA, is responsible for implementing the Port Phillip Bay Environmental Management Plan 2017-2027 (PPB EMP). The PPB EMP represents the Victorian Government's ongoing commitment to the vision of a healthy Port Phillip Bay that is valued and cared for by all Victorians.

DEECA released the interactive [\*\*2023-24 PPB EMP Annual Report and Delivery Plan Update online\*\*](#) in October 2025. This publication includes report cards for the priority areas of the PPB EMP providing an update on the health of the Bay.

The PPB EMP Delivery Plan Update comprises 355 projects delivered by Victorian Government agencies, key environmental organisations and other stakeholder groups to achieve the 3 goals of the PPB EMP:

- stewardship of Port Phillip Bay is fostered across community, industry and government
- water quality is improved to ensure environmental health and community enjoyment of the Bay and
- the Bay's habitats and marine life are thriving.

These 355 projects will be progressively completed, and their status reported in the PPB EMP Annual Report, with new activities identified and added during the PPB EMP's 10-year implementation.

Progress was made to deliver the next Annual Report and Delivery Plan update (for 2024-25) with public release expected by mid-2026-27.

The renewal of the PPB EMP has commenced.

## Coastal and Marine Management Plans

A Coastal and Marine Management Plan (CMMP) is prepared under the Act to establish an agreement between the Victorian Government, the relevant land manager and the community about how to manage an area/s of marine and coastal Crown land in Victoria. As at 30 June 2026, Victoria had 15 approved CMMPs, with one approved by DEECA in 2025-26:

- East Gippsland Coastal and Marine Management Plan.

## Consents

All use, development or works on marine and coastal Crown land by any party, including committees of management and local government, requires consent under the Act. Up to January 2026, there were 3 DEECA regions that managed consents under the Act for Victoria's marine and coastal environment: Gippsland, Port Phillip and Barwon South West. From January 2026, management of consents became part of the statewide coastal portfolio under the Coastal Adaptation and Planning team reporting through the Barwon South West region. The figures below represent consents processed by regional location. In 2025-26:

- Barwon South West region approved 62 consents valued at \$100.2 million. Types of use and development included maintenance and upgrades, coastal protection structures, dredging works, clubs and facilities and other community infrastructure, investigative works, utilities, foreshore rehabilitation and on water construction.
- Port Phillip region approved 117 consents valued at \$69 million. Types of use and development included maintenance and upgrades, events, boatsheds and bathing boxes, facilities, paths and stairs, construction, surf lifesaving and sporting clubs.
- Gippsland region approved 50 consents valued at \$3.7 billion. Types of approved use and development include maintenance and upgrades, paths and stairs, renewable energy and other commercial works, on water construction and dredging work.

## Compliance with DataVic Access Policy

In line with the Victorian Government's 2012 DataVic Access Policy, DEECA published 1,266 datasets in various formats on the [\*\*DataVic website\*\*](#) in 2025-26. Information contained in this annual report will also be made available on DataVic in machine-readable electronic format. DEECA provides routine access to a broad range of data holdings through the DataVic portal, including information on:

- biodiversity, including species, locations across Victoria and bioregions
- water and catchments, including hydrography, waterways, stream condition, wetland models, landscape profiles, salinity and groundwater sites
- climate change, including rainfall, temperature and other climate-related datasets
- fire mapping, including bushfire extents and fire operations
- energy, including renewable energy storage and feed-in tariff data

- land, including Crown land tenure, forest cover, public land management, heritage rivers, wilderness zones, remote and natural areas, natural catchment areas, state forest recreation sites, hunting areas and historic recreation relics
- government-funded public electric vehicle chargers
- marine assets.

Researchers, educators and policymakers use this data to better understand Victoria's natural and built environments.

DEECA's spatial data is also available through the [DataShare](#) search and discovery portal.

In 2025–26, DEECA updated its data management framework to support the continued release of datasets for open data users, including businesses, researchers and other government agencies. Rollout activities will continue in 2026–27.

### Compliance with the *Victorian Conservation Trust Act 1972*

The *Victorian Conservation Trust Act 1972* (the Act) requires the department to include in its annual report details of amounts credited to and applied from the Vacant Land Conservation Covenants (VLCC) account in that year, and the number of covenants entered into in that year that were funded from the VLCC account.

The Act was amended in June 2024 to establish the VLCC trust account to support [Trust for Nature](#) in funding conservation covenants on up to 50 properties in metropolitan Melbourne that may be impacted as part of the expansion of the vacant residential land tax to metropolitan Melbourne.

Vacant land is defined by the State Revenue Office as land that has 'remained undeveloped for a continuous period of 5 years or more and is capable of residential development'. Land that is protected by a conservation covenant registered with Trust for Nature is exempt from the vacant residential land tax. Initial funding of \$2 million was allocated in 2024–25 to the VLCC trust account to cover the costs and expenses incurred by Trust for Nature in establishing these conservation covenants.

In June 2025, the Act was amended to allow VLCCA funds to be allocated to any new Trust for Nature covenants, regardless of their location in Victoria or whether they were classified as 'vacant land'.

During 2025–26, there were nil payments credited to and applied from the VLCC account and 2 covenants entered into that were funded to a total of \$80,000 from the VLCC account.

### Water Resource Assessment Program

Under Section 22 (1) of the *Water Act 1989* (the Act), the Minister for Water is required to ensure that a continuous program of assessment of the water resources of the state is undertaken. Under Section 22 (2) of the Act, the water resource assessment program must provide for the collection, collation, analysis and publication of information about:

- a) the availability of water, including surface water and groundwater
  - ab) the use of one water source as a substitute for another water source
  - ac) the environmental water reserve
- b) the disposal of wastewater (including trade waste, sewage and saline water)
- c) the use and re-use of water resources
- d) floodwaters
- e) drainage and waterway management
- f) water quality (including salinity)
- g) in-stream uses of water
  - ga) current and historic levels of allocation and use of surface water and groundwater
  - gb) current and historic condition of waterways and aquifers
- h) anything else that the minister decides is appropriate.

Section 26 of the Act requires DEECA to report annually on these areas.

DEECA provides information on Victoria's water resources through a range of comprehensive reporting mechanisms, including a weekly update on the state's water resources published on the [DEECA Water and Catchments](#) website, along with more comprehensive information published on the [Water Measurement Information System](#) and [Victorian Water Register](#) websites and on the [Victorian Water Accounts](#) (VWA) website.

The VWA is an annual statewide summary of Victoria's water resources. It documents water availability and provides assessments of rainfall, streamflow and groundwater levels, as well as information on the water storages and re-use of treated wastewater. Information on water taken for consumptive use, water set aside for environmental purposes and water for Traditional Owners is provided within the context of the Victorian water allocation framework, which sets out entitlements to water.

The VWA sources data from the state's surface water and groundwater monitoring networks, and draws on



information from water corporations, DEECA, the Essential Services Commission, the Murray-Darling Basin Authority (MDBA), catchment management authorities (CMAs), the Bureau of Meteorology, the Victorian Environmental Water Holder (VEWH), Alpine Resorts Victoria, power generators, major water users and Traditional Owners. Since 2021–22, the VWA have been delivered digitally, with interactive data visualisations and download options across multiple years. Accounts from 2003 to 2020–21 remain available as PDFs via [VWA: Previous Victorian water accounts](#).

The Victorian Water Register is a public register of water entitlement ownership in Victoria. It holds water shares that are recorded by the Victorian Water Registrar, as well as water licences and delivery shares recorded by rural water corporations. It records and enables seasonal determinations against water shares, and supports trading and other dealings with water entitlements. The register captures information on water availability and price and makes this publicly and freely available via the water register website. The website can also generate statistics and reports on levels of use, directions of trade and prices paid for water. All water monitoring data collected by DEECA and its partners is made accessible on [Victoria's Water Measurement Information System](#).

Research undertaken through the Victorian [Water and Climate Initiative](#) is helping to build an understanding of how the water cycle has changed and how water resource availability may change in the future. This research provides the water-sector and the broader community with evidence to support robust policy, planning and investment decisions for a more resilient and climate ready future. A [report](#) summarising the research findings from the second phase of the initiative was published in September 2025. The findings from the research have informed updated DEECA [Guidelines for Assessing the Impact of Climate Change on Water Availability in Victoria](#), also published in November 2025. Several new research projects commenced during 2025–26, including projects to improve hydroclimate projections and to understand how weather systems influence wet and dry spells in Victoria. The research program remains user focused, supporting application of the best available science to water management in Victoria.

## **a) Availability of water**

### **Surface water**

The state's surface water resources assessment network includes 985 sites that were monitored in 2025–26 through the [Regional Water Monitoring Partnerships](#) (RWMPs). The partnership comprises

more than 55 public and private organisations that procure their monitoring requirements under this program. The partnerships include state government departments, water corporations, CMAs, local councils (with a flood management function), the Bureau of Meteorology and the MDBA.

Surface water monitoring services are procured by DEECA on behalf of the RWMPs to ensure efficiency and statewide consistency in data quality.

All surface water data collected through the partnership, summary reports on historical longer-term trends of surface water and the status of water quantity are available on the [Water Measurement Information System](#) and the [Current Water Snapshot](#).

### **Groundwater**

Victoria's [State Observation Bore Network](#) is underpinned by a program that involves the monitoring of 1,500 bores. This monitoring program is jointly managed by DEECA and the rural water corporations and can include quarterly monitoring or real time daily monitoring of water level. Salinity is the most common water quality parameter measured at groundwater bores.

Groundwater monitoring services are procured by DEECA on behalf of the RWMP to ensure efficiency and statewide consistency in data quality.

All State Observation Bore Network data is available via the [Water Measurement Information System](#). Summary reports on historical longer-term trends in groundwater levels across the state are available on the [DEECA website](#). Information on groundwater use and trends is provided on the [Victorian Water Accounts](#) website.

Accurate monitoring data is crucial for the sustainable management of groundwater resources and can help resolve management issues, questions or disputes raised by groundwater users.

In 2025–26, DEECA completed and published the [Statewide Groundwater Sustainable Yield Assessment](#), providing a consistent, statewide evaluation of sustainable extraction limits across all groundwater management areas. The assessment establishes baseline yield estimates, identifies areas of potential risk, and provides a transparent framework for ongoing refinement. It draws on best-available data and incorporates input from stakeholders and independent technical reviewers. The outputs provide a key evidence base to support groundwater policy, management responses and stakeholder engagement, and will be updated over time as new data and system-specific studies become available.

### ab) Use of one water source as a substitute for another water source

Under *Ministerial Reporting Direction 03*, pursuant to Section 51 of the *Financial Management Act 1994* water corporations are required to provide information in their annual reports on how they are promoting the integrated and sustainable use of water resources in their region. This includes projects undertaken in line with targets set in their corporate plan to deliver water recycling, water conservation, sustainable and resilient water services systems, and sustainable water strategies. Water corporations' annual reports are tabled in Parliament and are available on the water corporations' websites.

### ac) Environmental Water Reserve

DEECA oversees the management of water for the environment as part of the **Victorian Waterway Management Program** (see section (e)) to maintain or improve the condition of Victoria's rivers, estuaries and wetlands at priority management areas. The program is delivering actions from the Victorian Government's water plan, **Water for Victoria**, including responding to climate change, improved management of environmental water, partnering with Traditional Owners and strong governance. The provision and protection of water for the environment is a partnership between DEECA, CMAs, VEWH, Traditional Owners, water corporations, public land managers and other delivery partners. The Environmental Water Reserve (EWR) is the legal term for water set aside for the environment under the *Water Act 1989*. The EWR comprises, or is contributed to, by:

- entitlements for the environment that are called either bulk entitlements or environmental entitlements
- the operation of caps on licensed consumptive water use (such as sustainable diversion limits or permissible consumptive volumes)
- conditions on consumptive bulk entitlements, licences and permits, and as set out in management plans.

In regulated systems, the EWR consists of environmental entitlements, environmental bulk entitlements and various operational conditions on consumptive water use (noting that under some of these conditions, the water is not exclusively for the environment – for example, passing flow requirements). The environmental entitlements and environmental bulk entitlements refer to water usually held in and released from storages. The VEWH holds these entitlements on behalf of the Minister for Water. The VEWH is an independent statutory body responsible for making decisions on

the most efficient and effective use of Victoria's environmental water entitlements.

Potential watering actions are documented by VEWH in its annual seasonal watering plan, which is informed by seasonal watering proposals prepared by each of the CMAs and Melbourne Water. Traditional Owner groups may also submit seasonal watering proposals. The VEWH then commits water to these actions throughout the year via seasonal watering statements, which authorise waterway managers to use environmental water.

The VEWH is established under Part 3AA of the *Water Act 1989*. Further details about the VEWH, including its annual report and water holdings, can be found on the [VEWH website](#). As at 30 June 2026, the VEWH water holdings comprised 26 entitlements and 107 water shares. During 2025–26, the VEWH worked with CMAs and Melbourne Water to manage this water to meet environmental objectives at 121 river reaches and 4 wetlands, including:

- **Gippsland:** Latrobe, Thomson and Macalister rivers, and the lower Latrobe wetlands (Sale Common, Dowd Morass and Heart Morass).
- **Central Victoria:** Yarra, Tarago, Maribyrnong, Werribee, Moorabool and Upper Barwon rivers, Pyrites Creek, the lower Barwon wetlands (Hospital Swamps and Reedy Lake) and two wetlands in the Yarra system (Yering Backswamp and Bolin Boin billabong).
- **Western Victoria:** Glenelg, Wimmera and Mackenzie rivers and the Burnt and Mount William creeks, as well as 46 wetland sites via the Wimmera-Mallee Pipeline.
- **Northern Victoria:** Ovens, Goulburn, Broken, Campaspe and Loddon rivers, and the upper and lower Broken Creek, 3 Living Murray icon sites (Barmah Forest, Lindsay–Wallpolla–Mulcra Islands and Gunbower Forest) and 15 wetlands in the central and lower Murray systems.

Highlights from 2025–26 include:

- West Gippsland CMA detected the movement of threatened species in the Thomson and Macalister rivers including Flinders Pygmy Perch and Dwarf Galaxias, through environmental DNA surveys following the delivery of environmental water.
- In spring 2025, the North East CMA worked with partners, including Duduroa Dhargal Aboriginal Corporation, North East Water, VEWH, MDBA and the Commonwealth Environmental Water Holder, to deliver 210 megalitres of water to Ryans Lagoon. Follow up surveys were undertaken to monitor the response of native birds and frogs.

Victorian agencies also continued to work together to implement Murray-Darling Basin Plan environmental

watering obligations (Chapter 8, Environmental Watering Plan).

In 2025-26, the VEWH supported the delivery of 2 Traditional Owner-led seasonal waterings. Ahead of 2026-27, the VEWH received 2 Traditional Owner-led seasonal watering proposals and a joint seasonal watering proposal for the Coliban supply system from the North Central CMA and DJAARA. Each of these have been included in the [VEWH's 2026-27 seasonal watering plan](#) released in late June 2026.

In unregulated rivers, environmental water is protected through conditions on licences and bulk entitlements, caps or through statutory water management plans. Water corporations are responsible for ensuring that these conditions are met. New data that became available in 2024-25 regarding the potential impacts of climate change on unregulated rivers will inform future management decisions and be an important input to [Regional Waterway Strategies](#).

### **b) Disposal of wastewater (including trade waste, sewage and saline water)**

All urban water corporations are required to report on wastewater disposals as part of the report of operations in their annual reports. These performance reports include indicators related to financial, service delivery and environmental performance. Specific indicators are prepared for reliability of wastewater collection services, quality of disposal and management. The annual reports are tabled in Parliament and available on water corporations' websites.

### **c) Use and re-use of water resources**

See section (ab) above, 'The use of one water source as a substitute for another water source'. All urban water corporations are required to report on total use of alternative water sources such as recycled wastewater and stormwater re-use as part of the report of operations in their annual reports. The performance report includes indicators related to environmental performance for effluent re-use and greenhouse gas emissions. The annual reports are tabled in Parliament and available on water corporations' websites.

### **d) Floodwaters**

The [Victorian Floodplain Management Strategy 2016](#) (VFMS) is the principal government policy for continuously building Victoria's flood risk resilience. The strategy outlines floodplain policy and government agency accountabilities and actions across the floodplain management sector, including DEECA, local councils, CMAs and the Victoria State Emergency Service (VICSES). The Victorian Government committed to reviewing the strategy to

ensure it is fit-for-purpose in its response to the Parliamentary Inquiry into the 2022 Flood Event in Victoria. Priority planning and building changes to flood risk management were announced in October 2025 consistent with [Plan for Victoria](#).

[Regional Floodplain Management Strategies](#) (RFMSs) are coordinated by CMAs and Melbourne Water in partnership with local councils, VICSES and other agencies. The RFMSs support communities to identify, prioritise and implement flood mitigation activities, reduce existing flood risks, and manage residual risk. The RFMSs have identified more than 400 locally prioritised and led actions for mitigating the effects of flooding for Victorian communities. Work to deliver the RFMSs' implementation plans typically includes detailed flood studies, flood mitigation works, flood warning system upgrades and planning scheme amendments.

In 2025-26, CMAs worked with local governments, VICSES and others to prepare applications for the Victorian Government's Regional Flood Risk Reduction Grants program, administered by Emergency Management Victoria in partnership with DEECA. Applications were open from 10 March to 28 April 2026 and attracted submissions from across regional Victoria. Funded projects will align with RFMS priority investment plans and require applicants to contribute local funding equal to at least one third of the proposed project budget, consistent with government policy on flood mitigation investment.

FloodZoom is a web-based tool that incorporates current flood spatial data, live rainfall and stream level data to support consequence planning and flood readiness and response. It is the single source of riverine flood information in Victoria. The program continues to update flood data and intelligence products as flood studies are completed and delivered by local councils and CMAs. Through its partnership with the [Digital Twin Victoria](#), FloodZoom provides public access to regional flood maps from completed flood studies and shares flood maps with the Victoria Government's [Know your risk](#) internet page to help homeowners understand their flood risk and insurance needs.

In addition to its role as a key decision support tool for core emergency functions during flood events, FloodZoom also hosts a planning system module used by CMAs to streamline the management of regional planning permit referrals from local councils for proposed use and development of flood-prone areas. DEECA completed a detailed business needs review and analysis in 2025-26, to support continuous improvement and ensure the platform remains relevant, contemporary and cost effective.

## e) Waterway management and drainage

DEECA oversees the [Victorian Waterway Management](#) program that aims to maintain or improve the condition of Victoria's waterways (rivers, estuaries and wetlands). The program is a partnership between state government, Traditional Owners, regional agencies and authorities, other management partners and local communities.

As part of the program, DEECA is responsible for establishing the state policy framework for waterway management. Regional implementation is led by waterway managers (CMAs and Melbourne Water in the Port Phillip and Westernport region), via the [Regional Waterway Strategies](#).

The 2024-25 State Budget provided \$248 million over 4 years (2024 to 2028) to improve the health of waterways and catchments. This included:

- significant on-ground works across regional Victoria to implement Regional Waterway Strategies and [Regional Catchment Strategies](#)
- management of environmental water entitlements and projects
- funding to maintain and improve Ramsar sites (including the Gippsland Lakes)
- advice to the public regarding flood risks and processing of thousands of permits and licenses related to works and developments along waterways
- development of a new Victorian Waterway Management Strategy.

Funding of approximately \$40.8 million provided by the Victorian Government in 2025-26 was invested by CMAs to improve the health of Victoria's waterways and catchments. The delivery of CMA programs is tracked and reported annually.

During 2025-26, CMAs:

- delivered on-ground programs, including woody weed removal in locations including Box Creek, Upper Mitta Mitta River and Mitchell River; riparian protection and vegetation at locations including the Barwon River, Goulburn River and Mid-Thomson River, and a fishway construction on Broken Creek
- led 18 Catchment Stewardship projects delivering 15,768 hectares of improved catchment stewardship, including significant areas of pest animal control on the Lower Murray Floodplain and new and renewed Management Agreements on large properties along the Murray River below Mildura
- delivered more than 260,000 hectares of strategic catchment and local whole farm planning with partners, private landholders and Traditional

Owners in preparation for active stewardship in future years

- continued targeted monitoring programs to assess and improve the value and success of the program
- continued the delivery of citizen science programs focusing on waterway health, including [EstuaryWatch and Waterwatch Victoria](#), school-based programs including [River Detectives](#), and a range of other programs monitoring frogs, waterbirds and litter.

More information on these programs and achievements can be found on the [DEECA's waterways and catchments website](#).

Major drainage systems in the Melbourne region are the responsibility of Melbourne Water, managed under its Waterways and Drainage Strategy and reported against in the Melbourne Water Annual Report.

## f) Water quality (including salinity)

Water quality monitoring was conducted at 459 Surface Water and 101 Groundwater partnership sites across Victoria in 2025-26. Water quality parameters cover a range of physical, chemical, nutrient, metal, anion, cation, organic load and algal analyses which are either continuously monitored or sampled at regular intervals from these sites. Data from the monitoring network is made publicly available through the [Water Measurement Information System](#). Water quality information is also available via the [Victorian Water Quality Analysis 2022](#), Victoria's 5-yearly water quality analysis. Water quality can vary depending on location, weather conditions, extreme events and land use practices.

Salinity management obligations in northern Victoria continue to be met under [Basin Salinity Management 2030](#). Through improved on-farm practices and salt interceptions schemes, large volumes of salt are prevented from entering waterways.

## g) In-stream uses of water

Refer to section (ac) above, 'Environmental Water Reserve', for details regarding the in-stream uses of water.

## ga) Current and historic levels of allocation and use of surface water and groundwater

The Victorian Water Accounts (VWA) provide a comprehensive annual overview of the Victoria's water resources. This includes providing an annual statewide and system picture of water availability and use for each of Victoria's 29 river basins and 20 groundwater catchments, and for each of the state's rural and urban distribution systems.



The 2023-24 VWA were published in November 2025 on the [VWA website](#). Details of Victoria's water availability and use in 2024-25 will be provided in the 2024-25 Accounts, which are expected to be released in the first half of 2026-27. The VWA have been published annually since 2006-07, with Accounts dating back to 2003-04 available as PDFs via [State Water Reports](#).

### Surface water

In 2025-26, Victoria received more rainfall than in the previous year, with close to average conditions experienced over most of the state's south-west, centre and east. Rainfall ranged from below average over most of Port Phillip, Western Port, and parts of the state's south-west, north and east to above average over most of the state's north-west, and parts of its centre.

Individuals or authorities that hold water entitlements in Victoria are allocated water according to the volume and reliability of their entitlement and the available resource. For example, if entitlement holders with high-reliability water shares in the Broken system are allocated 100% of their entitlement, they will be allocated 100 ML for every 100 ML of high-reliability entitlement they own. This is available to use or trade.

Seasonal allocations to high-reliability entitlements reached 100% in the Murray and Campaspe systems, and all southern declared systems. The Goulburn and Loddon systems received 81% allocation to high-reliability entitlements, while the Broken and Bullarook systems only reached 64%, and 48%, respectively. Allocations to low-reliability entitlements reached 100% in the Thomson/Macalister system and 10% in the Werribee system. Other declared systems did not receive a low-reliability seasonal allocation. Allocation to Wimmera-Mallee Pipeline Product entitlements reached 40%.

### Groundwater

In 2025-26, the following restrictions on groundwater use were in place:

- Barnadown zone of the Lower Campaspe Valley Water Supply Protection Area (75%)
- Blampied and Newlyn zones of the Loddon Highlands Water Supply Protection Area (50%)
- Deutgam Water Supply Protection Area (50%)
- West Wimmera Groundwater Management Area Neuarpur Sub-Zone 1 (80%).

Seasonal restrictions are announced in accordance with the groundwater management plans developed for Water Supply Protection Areas and Groundwater Management Areas. A restriction may be used to reduce the risks from falling groundwater levels; allow the resource to be shared between all users; or

recognise and reduce the social and environmental costs of lowering groundwater levels.

### gb) Current and historic condition of waterways and aquifers

Victoria's waterway health monitoring programs include a focus on monitoring changes that result from management actions. Management interventions are expected to result in improvements to overall waterway resource conditions over time. Statewide condition monitoring programs such as the Index of Stream Condition (ISC) provide information about the overall condition of Victoria's waterways and guide state policy and regional investment programs.

Three previous ISC assessments have been undertaken. The results of the most recent ISC assessment were released in 2010 and are available at [MapshareVic](#) and [DataVic](#). A key lesson from these assessments is that changes in resource condition in response to management interventions may take many decades to emerge as the benefits of management interventions accumulate and ecological systems have time to recover. Water for Victoria acknowledges that the full benefits of investments, such as [Flagship Waterway](#) projects established in 2016 to improve waterway health, may not be realised for 30 years or more. Responses to management interventions need to be measured at relevant scales and assessed against specific management targets. As such, the schedule of broad scale condition monitoring of rivers, wetland and estuaries has been revised to occur less frequently, cycling between rivers, wetlands and estuaries. Planning for the next ISC has commenced and is scheduled for completion in 2028.

The first statewide [Index of Estuary Condition \(IEC\)](#) assessment was completed in 2021. IEC results are available on [DEECA's Waterways and catchments website](#), [MapshareVic](#) and [DataVic](#). The first [Victorian Wetland Condition Assessment](#) (VWCA) was published in July 2025 to provide a consistent measurement of wetland condition at the landscape scale for Victoria, using approaches based on remote sensing. The VWCA results are available on [DEECA's Waterways and catchments website](#). Aquifer condition is monitored through Victoria's [State Observation Bore Network](#). See section (a) 'Availability of Water – Groundwater' for more information.

### h) Anything else that the minister decides is appropriate

#### Sustainable Water Strategies

[Sustainable Water Strategies](#) (SWSs) are a legislative requirement under Division 1B of the *Water Act 1989*

and fulfil Victoria's commitment under the [National Water Initiative](#) to carry out open, statutory-based water planning.

There were 4 SWSs developed between 2006 and 2011. These strategies set out long-term plans to secure each region's water future, identifying and managing threats to the supply and quality of the region's water resources and identifying ways to improve waterway health.

DEECA leads the development and implementation of SWSs in partnership with the water sector, Traditional Owners, water users and the community. The collaborative development of SWSs, including public consultation, is important to ensure a sustainable water future for each region and the waterways, communities and businesses that depend on those supplies.

There are 3 existing regional SWSs for Victoria:

- Central and Gippsland Region Sustainable Water Strategy (CGRSWS) – 2022
- Northern Region Sustainable Water Strategy – 2009
- Western Region Sustainable Water Strategy – 2011.

The Central Region SWS (2006) and Gippsland Region SWS (2011) were combined into the Central and Gippsland Region SWS in 2022 to reflect the increased connectivity of the Victorian water grid network and support sustainable water management across the combined region. The CGRSWS responds to the current and long-term water challenges, over a 50-year planning horizon, with policies and actions to sustainably manage water supplies for communities, rivers and wetlands, farmers, industries, tourism and Traditional Owners.

Development of a new Western Region SWS has begun as part of broader drought assistance measures, in response to recent drought and dry conditions across much of western Victoria. It is expected to be delivered by December 2027. [Water for Victoria](#) commits to maintaining Victoria's planning framework, including the role of SWSs.

Environmental Contribution Tranche 6 funding, collected under the *Water Industry Act 1994* to support sustainable water management and address adverse water-related environmental impacts, will continue to support implementation of the CGRSWS over 4 years from 1 July 2024 to 30 June 2028.

More information on SWSs and further details on the status of each individual SWS action is available on the [DEECA website](#).

## Additional information available

In compliance with the requirements of the Standing Directions of the Minister for Finance, details of the items listed below are available on the department's [annual report web page](#).

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c) details of publications produced by the department about the department, and how these can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by the department
- e) details of any major external reviews carried out on the department
- f) details of major research and development activities undertaken by the department
- g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- h) details of major promotional, public relations and marketing activities undertaken by the department to develop community awareness of the department and its services
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees not otherwise detailed in the report of operations
- j) general statement on industrial relations within the department and details of time lost through industrial accidents and disputes, which are not otherwise detailed in the report of operations
- k) list of major committees sponsored by the department, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of consultancies and contractors including:
  - I. consultants/contractors engaged
  - II. services provided
  - III. expenditure committed to for each engagement.

Details of all consultancies and contractors (including i. consultants/contractors engaged; ii. services provided; iii. expenditure committed to for each engagement) are available on request from the DEECA Customer Contact Centre on 136 186, or via email: [Customer Service](#), subject to the provisions of the *Freedom of Information Act 1982*.



# Financial Statements



## How this report is structured

The Department of Energy, Environment and Climate Action (DEECA) presents its audited general purpose financial statements for the financial year ended 30 June 2026 providing users with information about the department's stewardship of resources entrusted to it. The statements are presented in the following structure.

### Financial Statements 30 June 2026

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## Accountable Officer's and Chief Finance Officer's declaration

The attached financial statements for the Department of Energy, Environment and Climate Action have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and the financial position of the department as at 30 June 2026.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 21 September 2026.



**Kate Houghton PSM**

Secretary

Department of Energy, Environment  
and Climate Action

Melbourne

21 September 2026



**Etienne Gouws**

Chief Finance Officer

Department of Energy, Environment  
and Climate Action

Melbourne

21 September 2026



### Independent Auditor's Report

*To the Secretary of the Department of Energy, Environment and Climate Action*

|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Opinion</b>                                                   | <p>I have audited the financial report of the Department of Energy, Environment and Climate Action (the department) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2026</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including material accounting policy information</li><li>• accountable officer's and chief finance officer's declaration.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p> |
| <b>Basis for opinion</b>                                         | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's responsibilities for the audit of the financial report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>                     |
| <b>The Secretary's responsibilities for the financial report</b> | <p>The Secretary is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>                                                                                                                                                                                                                                                          |

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**Auditor's  
responsibilities  
for the audit  
of the financial  
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary.
- conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

---

MELBOURNE  
24 September 2026



Roberta Skliros  
*as delegate for the Auditor-General of Victoria*

## Comprehensive operating statement for the financial year ended 30 June 2026<sup>(i)</sup>

|                                                                | Notes | 2026<br>\$'000     | 2025<br>\$'000     |
|----------------------------------------------------------------|-------|--------------------|--------------------|
| <b>Revenue and income from transactions</b>                    |       |                    |                    |
| Output appropriations                                          | 2.2.1 | 2,269,792          | 2,338,862          |
| Special appropriations                                         | 2.2.2 | 2,892              | 4,423              |
| Sale of goods and services                                     | 2.3.1 | 225,732            | 158,588            |
| Municipal and Industrial Waste Levy                            | 2.3.2 | 601,429            | 461,445            |
| Metropolitan Parks Improvement Rate                            | 2.3.3 | 221,774            | 197,847            |
| Grants                                                         | 2.3.4 | 61,276             | 34,893             |
| Interest income                                                |       | 44,836             | 40,959             |
| Initial recognition income from financial instruments          | 2.3.6 | –                  | 12,184             |
| Other income                                                   | 2.3.5 | 86,253             | 54,877             |
| <b>Total revenue and income from transactions</b>              |       | <b>3,513,984</b>   | <b>3,304,078</b>   |
| <b>Expenses from transactions</b>                              |       |                    |                    |
| Employee expenses                                              | 3.1.1 | (950,646)          | (1,002,732)        |
| Grants and other transfers                                     | 3.1.2 | (1,290,239)        | (1,090,753)        |
| Supplies and services                                          | 3.1.3 | (862,708)          | (911,041)          |
| Depreciation and amortisation                                  | 5.1.2 | (114,990)          | (120,437)          |
| Interest expense                                               | 7.2.2 | (36,916)           | (41,316)           |
| Derecognition of financial instruments                         | 3.1.4 | (100,409)          | –                  |
| Loan repayments transferred to the administered entity         | 3.1.5 | (49,330)           | (56,209)           |
| <b>Total expenses from transactions</b>                        |       | <b>(3,405,238)</b> | <b>(3,222,488)</b> |
| <b>Net result from transactions (net operating balance)</b>    |       | <b>108,746</b>     | <b>81,590</b>      |
| <b>Other economic flows included in net result</b>             |       |                    |                    |
| Net gain/(loss) on non-financial assets                        | 9.2   | (233,832)          | 6,239              |
| Net gain/(loss) on financial instruments                       | 9.2   | 2,276              | 484,015            |
| Other gains/(losses) from other economic flows                 | 9.2   | 7,619              | 2,686              |
| <b>Total other economic flows included in net result</b>       |       | <b>(223,937)</b>   | <b>492,940</b>     |
| <b>Net result</b>                                              |       | <b>(115,191)</b>   | <b>574,530</b>     |
| <b>Other economic flows – other comprehensive income</b>       |       |                    |                    |
| Items that will not be classified to net result                |       |                    |                    |
| Net change in physical asset revaluation surplus               | 9.3.1 | 4,194,853          | –                  |
| <b>Total other economic flows – other comprehensive income</b> |       | <b>4,194,853</b>   | <b>–</b>           |
| <b>Comprehensive result</b>                                    |       | <b>4,079,662</b>   | <b>574,530</b>     |

The comprehensive operating statement should be read in conjunction with the accompanying notes to the financial statements.

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.



## Balance sheet as at 30 June 2026<sup>(i)</sup>

|                                                           | Notes    | 2026<br>\$'000    | 2025<br>\$'000    |
|-----------------------------------------------------------|----------|-------------------|-------------------|
| <b>Assets</b>                                             |          |                   |                   |
| <b>Financial assets</b>                                   |          |                   |                   |
| Cash and cash deposits                                    | 7.1      | 1,642,107         | 1,554,286         |
| Receivables                                               | 6.1      | 1,420,899         | 1,362,820         |
| Financial instruments at fair value through net result    | 6.2      | 15,194            | 525,145           |
| Investments and other financial assets                    |          | 1,768             | 2,355             |
| <b>Total financial assets</b>                             |          | <b>3,079,968</b>  | <b>3,444,606</b>  |
| <b>Non-financial assets</b>                               |          |                   |                   |
| Non-financial physical assets classified as held for sale |          | 874               | 12,140            |
| Property, plant and equipment                             | 5.1      | 13,823,891        | 9,889,351         |
| Intangible assets                                         |          | 9,900             | 18,582            |
| Prepayments                                               |          | 75,623            | 42,915            |
| Other non-financial assets                                |          | 38,485            | 20,009            |
| <b>Total non-financial assets</b>                         |          | <b>13,948,773</b> | <b>9,982,997</b>  |
| <b>Total assets</b>                                       |          | <b>17,028,741</b> | <b>13,427,603</b> |
| <b>Liabilities</b>                                        |          |                   |                   |
| Payables                                                  | 6.3      | 223,080           | 258,868           |
| Other financial liabilities                               | 6.5      | 217,860           | 214,409           |
| Borrowings                                                | 7.2      | 375,493           | 397,823           |
| Employee related provisions                               | 3.1.1(a) | 232,070           | 247,624           |
| Other provisions                                          | 6.4      | 115,016           | 117,785           |
| Other liabilities                                         |          | 6,429             | 7,246             |
| <b>Total liabilities</b>                                  |          | <b>1,169,948</b>  | <b>1,243,755</b>  |
| <b>Net assets</b>                                         |          | <b>15,858,793</b> | <b>12,183,848</b> |
| <b>Equity</b>                                             |          |                   |                   |
| Accumulated surplus                                       |          | 4,570,351         | 4,685,542         |
| Physical asset revaluation surplus                        | 9.3.1    | 10,887,183        | 6,692,330         |
| Contributed capital                                       |          | 401,259           | 805,976           |
| <b>Net worth</b>                                          |          | <b>15,858,793</b> | <b>12,183,848</b> |

The balance sheet should be read in conjunction with the notes to the financial statements.

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

## Statement of changes in equity for the financial year ended 30 June 2026<sup>(i)</sup>

|                                                                        | Notes | Accumulated<br>surplus/<br>(deficit)<br>\$'000 | Physical<br>asset<br>revaluation<br>surplus<br>\$'000 | Contributed<br>capital<br>\$'000 | Total<br>\$'000   |
|------------------------------------------------------------------------|-------|------------------------------------------------|-------------------------------------------------------|----------------------------------|-------------------|
| <b>2025</b>                                                            |       |                                                |                                                       |                                  |                   |
| <b>Balance at 1 July 2024</b>                                          |       | <b>4,111,012</b>                               | <b>6,692,330</b>                                      | <b>771,102</b>                   | <b>11,574,444</b> |
| Net result for the year                                                |       | 574,530                                        | –                                                     | –                                | 574,530           |
| Transfers between equity classes                                       |       | –                                              | –                                                     | –                                | –                 |
| Other comprehensive income for the year                                | 9.3.1 | –                                              | –                                                     | –                                | –                 |
| Additions to Net Asset Base                                            | 2.2.1 | –                                              | –                                                     | 597,666                          | 597,666           |
| Capital contributions of assets <sup>(ii)</sup>                        |       | –                                              | –                                                     | (75,194)                         | (75,194)          |
| Capital contributions transferred to portfolio entities                | 9.3.2 | –                                              | –                                                     | (487,598)                        | (487,598)         |
| Restructure of administrative arrangements<br>– net assets transferred |       | –                                              | –                                                     | –                                | –                 |
| <b>Balance at 30 June 2025</b>                                         |       | <b>4,685,542</b>                               | <b>6,692,330</b>                                      | <b>805,976</b>                   | <b>12,183,848</b> |
| <b>2026</b>                                                            |       |                                                |                                                       |                                  |                   |
| <b>Balance at 1 July 2025</b>                                          |       | <b>4,685,542</b>                               | <b>6,692,330</b>                                      | <b>805,976</b>                   | <b>12,183,848</b> |
| Net result for the year                                                |       | (115,191)                                      | –                                                     | –                                | (115,191)         |
| Transfers between equity classes                                       |       | –                                              | –                                                     | –                                | –                 |
| Other comprehensive income for the year                                | 9.3.1 | –                                              | 4,194,853                                             | –                                | 4,194,853         |
| Additions to Net Asset Base                                            | 2.2.1 | –                                              | –                                                     | 770,120                          | 770,120           |
| Capital contribution of assets <sup>(ii)</sup>                         |       | –                                              | –                                                     | (50,901)                         | (50,901)          |
| Capital contributions transferred to portfolio entities                | 9.3.2 | –                                              | –                                                     | (1,099,745)                      | (1,099,745)       |
| Restructure of administrative arrangements<br>– net assets transferred | 4.3   | –                                              | –                                                     | (24,191)                         | (24,191)          |
| <b>Balance at 30 June 2026</b>                                         |       | <b>4,570,351</b>                               | <b>10,887,183</b>                                     | <b>401,259</b>                   | <b>15,858,793</b> |

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(ii) The movement relates to asset transfers to and from the department and transfer of gain and loss on disposal of assets to the administered entity.

## Cash flow statement for the financial year ended 30 June 2026<sup>(i)</sup>

|                                                                                       | Notes | 2026<br>\$'000     | 2025<br>\$'000     |
|---------------------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                                           |       |                    |                    |
| <b>Receipts</b>                                                                       |       |                    |                    |
| Receipts from government                                                              |       | 2,397,410          | 2,356,612          |
| Receipts from other entities                                                          |       | 954,906            | 831,206            |
| Goods and Services Tax recovered from the Australian Tax Office (ATO) <sup>(ii)</sup> |       | 25,410             | 83,982             |
| Derivative settlements                                                                |       | 11,072             | 10,013             |
| Interest received                                                                     |       | 35,205             | 32,454             |
| <b>Total receipts</b>                                                                 |       | <b>3,424,003</b>   | <b>3,314,267</b>   |
| <b>Payments</b>                                                                       |       |                    |                    |
| Payments of grants and other transfers                                                |       | (1,251,253)        | (1,126,744)        |
| Payments to suppliers and employees                                                   |       | (1,912,660)        | (1,990,501)        |
| Payment of derivatives                                                                |       | (11,072)           | (28,602)           |
| Interest and other costs of finance paid                                              |       | (30,125)           | (29,983)           |
| <b>Total payments</b>                                                                 |       | <b>(3,205,110)</b> | <b>(3,175,830)</b> |
| <b>Net cash flows from/(used in) operating activities</b>                             | 7.1.1 | <b>218,893</b>     | <b>138,437</b>     |
| <b>Cash flows from investing activities</b>                                           |       |                    |                    |
| Payments for investments                                                              |       | 590                | (94)               |
| Purchases of non-financial assets                                                     |       | (144,560)          | (134,778)          |
| Sales of non-financial assets                                                         |       | 16,891             | 29,924             |
| <b>Net cash flows from/(used in) investing activities</b>                             |       | <b>(127,079)</b>   | <b>(104,948)</b>   |
| <b>Cash flows from financing activities</b>                                           |       |                    |                    |
| Cash received from activities transferred in                                          |       | –                  | 4,672              |
| Owner contributions by state government                                               | 2.2.1 | 770,120            | 597,666            |
| Capital contributions transferred to portfolio entities                               | 9.3.2 | (731,591)          | (487,598)          |
| Repayments of principal portion of lease liabilities                                  |       | (29,405)           | (28,818)           |
| Net Borrowings                                                                        |       | (2,968)            | 930                |
| Repayment of advances                                                                 |       | (10,149)           | (15,790)           |
| <b>Net cash flows from/ (used in) financing activities</b>                            |       | <b>(3,993)</b>     | <b>71,062</b>      |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                           |       | <b>87,821</b>      | <b>104,551</b>     |
| Cash and cash equivalents at the beginning of the financial year                      |       | 1,554,286          | 1,449,735          |
| <b>Cash and cash equivalents at the end of the financial year</b>                     | 7.1   | <b>1,642,107</b>   | <b>1,554,286</b>   |

The cash flow statement should be read in conjunction with the notes to the financial statements.

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(ii) Goods and Services Tax recovered from the ATO is presented on a net basis.

# Notes to the financial statements for the year ended 30 June 2026

## Note 1. About this report

The Department of Energy, Environment and Climate Action (the department, DEECA) is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Public Administration Act 2004*. It is an administrative agency acting on behalf of the Crown.

Its principal address is:

Department of Energy, Environment  
and Climate Action  
8 Nicholson Street  
East Melbourne Victoria 3002

A description of the nature of the department's operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

### Basis of preparation

These financial statements are in Australian dollars and prepared using the historical cost convention unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the department.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in the application of Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates relate to:

- the recognition of grant revenue (refer to Note 2 Funding delivery of our services).
- the estimation of the fair value of derivative financial instruments (refer to Note 6.2 Financial instruments at fair value through net result, Note 3.1.4 Derecognition of financial instruments and Note 9.2 Other economic flows included in net result).
- the assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1.1(a) Employee benefits in the balance sheet).
- the type of joint arrangement in which the department had an interest during the reporting period (refer to Note 4.2 Administered (non-controlled) items, Note 4.2.3 Administered investments in joint operation and Note 5.2 Joint operations).
- the classification of transactions and balances as administered by the department (refer to Note 4.2).
- the recognition and measurement of the Victorian Desalination Project (refer to Note 4.2 Administered (non-controlled) items and Note 4.2.4 Victorian Desalination Project).
- the impairment of non-financial assets (refer to Note 5.1.2 Depreciation, amortisation and impairment).
- the estimated useful lives over which non-financial assets are depreciated (refer to Note 5.1.2 Depreciation, amortisation and impairment).
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1.3 Fair value determination).
- the estimation of amounts required to be provisioned or disclosed as contingent liabilities (refer to Note 4.2 Administered (non-controlled) items and Note 8.2 Contingent assets and contingent liabilities).
- the estimation of contractual receivables recoverability (refer to Note 6.1 Receivables).

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

These financial statements cover the department as an individual reporting entity and include all the controlled activities of the department.

In addition to the department's controlled activities, these financial statements:

- include the activities of administrative office VicGrid until 31 October 2025. VicGrid administrative office ceased trading from 31 October 2025 and from 1 November 2025 VicGrid (as a separate State Business Corporation) began operating. DEECA does not control VicGrid SBC and does not consolidate its results.
- combine the activities and results of the Rural Assistance Commissioner (for the whole year) and the Mine Land Rehabilitation Authority to 15 April 2026. On this date the Mine Land Rehabilitation Authority was abolished. The department does not control these entities but combines their results pursuant to a determination made by the Minister for Finance under section 53(1)(b) of the *Financial Management Act 1994*.

In preparing the department's combined financial statements, all material transactions and balances between the entities are eliminated.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

## Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) including Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in these financial statements, please refer to Note 9.14 Glossary of technical terms.

## Note 2. Funding delivery of our services

### Introduction

DEECA brings together Victoria's climate action, energy and resources, environment, water and agriculture portfolios to maximise connections between the environment, community, industry and economy.

To enable the department to fulfil its purpose and provide outputs as described in Note 4, it receives income (predominantly accrual based parliamentary appropriations). The department also receives fees for various goods and services, levies and parks charges.

### Significant judgement: Grants revenue

The department makes judgements about whether grant receipts should be recognised as income under AASB 1058 or as revenue from contracts with customers under AASB 15. Grants that are not enforceable or do not include sufficiently specific performance obligations are recognised as income. Enforceable grants with sufficiently specific performance obligations are recognised as revenue when those obligations are satisfied.

### Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Appropriations
  - 2.2.1 Summary of compliance with annual parliamentary appropriations
  - 2.2.2 Summary of compliance with special appropriations
  - 2.2.3 Annotated income agreements
- 2.3 Revenue and income from transactions
  - 2.3.1 Sale of goods and services
  - 2.3.2 Municipal and Industrial Waste Levy
  - 2.3.3 Metropolitan Parks Improvement Rate
  - 2.3.4 Grants
  - 2.3.5 Other income
  - 2.3.6 Initial recognition income from financial instruments



## 2.1 Summary of revenue and income that funds the delivery of our services

|                                                       | Notes | 2026<br>\$'000   | 2025<br>\$'000 |
|-------------------------------------------------------|-------|------------------|----------------|
| <b>Revenue and income from transactions</b>           |       |                  |                |
| Output appropriations                                 | 2.2.1 | <b>2,269,792</b> | 2,338,862      |
| Special output appropriations                         | 2.2.2 | <b>2,892</b>     | 4,423          |
| Sale of goods and services                            | 2.3.1 | <b>225,732</b>   | 158,588        |
| Municipal and Industrial Landfill Levy                | 2.3.2 | <b>601,429</b>   | 461,445        |
| Metropolitan Parks Improvement Rate                   | 2.3.3 | <b>221,774</b>   | 197,847        |
| Grants                                                | 2.3.4 | <b>61,276</b>    | 34,893         |
| Interest income                                       |       | <b>44,836</b>    | 40,959         |
| Initial recognition income from financial instruments | 2.3.6 | –                | 12,184         |
| Other income                                          | 2.3.5 | <b>86,253</b>    | 54,877         |
| <b>Total revenue and income from transactions</b>     |       | <b>3,513,984</b> | 3,304,078      |

Revenue and income that fund delivery of the department's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

## 2.2 Appropriations

An appropriation is the legal authority provided by an Act of the Victorian Parliament to withdraw funds from the state's Consolidated Fund. The funds may be withdrawn immediately or at a later date, must be applied/used only for the purposes stated in the specified act and are subject to the limit (if any) of the amount in the particular Act.

The main types of appropriation are:

- Annual (as included in the Annual Appropriation Act), including section 29 of the FMA
- Special (as per relevant legislation).
- Treasurer's Advance

Once annual parliamentary appropriations are applied by the Treasurer, they become controlled by the department and are recognised as income when applied for the purposes defined under the relevant Appropriations Act.

### Annual appropriations

There are three main types of appropriation that may be issued from the Consolidated Fund annually:

#### a. Provision of outputs appropriation

This appropriation is issued from the Consolidated Fund for payment for output delivery.

#### b. Additions to the net asset base (ATNAB) appropriation

This appropriation is issued from the Consolidated Fund for investment in assets.

#### c. Payments on behalf of the State (POBOS)

This appropriation is issued from the Consolidation Fund for payments over which a department has no direct control and which is not related to delivery of output activity (classified as administered activity). This can include payments relating to an activity which the department administers or conducts on behalf of the whole state, e.g. payments for the Victorian Desalination Project.

### Special appropriations

Special appropriations are created by explicit provisions in legislation. A special appropriation provides authority to draw on the Consolidated Fund to spend money for one or more specified purposes, for example, to fund a particular project or function.

Examples of special appropriations in the FMA are section 28 (borrowing against future appropriation) and section 33 (access to previously appropriated amounts).

Special appropriations that are ongoing and applied repeatedly over more than one year are also referred to as 'standing appropriations'.

### Treasurer's Advance

As published in the annual Appropriation Act and in the DTF schedule, an Advance to Treasurer, or Treasurer's Advance (TA) is appropriated to be applied at the Treasurer's discretion to meet any urgent or unforeseen claims. A schedule of items of expenditure is submitted for parliamentary authority in a subsequent year's Appropriation Bill.

The department also has access to various parliamentary appropriations income under the Appropriation Act, the *Administrative Arrangements Act 1983* and under the following sections of the FMA:

- Section 29 – Annotated revenue  
The department, on behalf of the relevant Minister, may apply to the Treasurer to retain certain types of revenue/receipts from third parties. The income, which forms part of a section 29 agreement, is annotated to the annual appropriation.
- Section 30 – Transfer between items of departmental appropriation  
The department, may upon the approval of the Treasurer, transfer to or from other appropriation items (purposes).
- Section 32 – Carryover unspent appropriation  
A carryover arises when amounts appropriated annually for the department, which remain unapplied at the end of one financial year, are approved by the Treasurer for application in the following financial year.
- Section 35 – Temporary Advances (Treasurer's advance)  
An advance can be provided by the Treasurer to meet urgent claims in the budget year that were unforeseen at the time of the Budget. Amounts advanced under this authority are reported to and sanctioned by the Parliament in a subsequent year's annual Appropriation Bill. Advances are temporary and must be repaid.

## 2.2.1 Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the various parliamentary appropriations received by the department for the year. In accordance with accrual output-based management procedures 'provision for outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the department. Administered transactions are those that are undertaken on behalf of the state over which the department has no control or discretion.

|                                                                           | Appropriation Act                             |                                                  | Financial Management Act 1994 |                      |                      |                      |                                   | Total                           |                        |
|---------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------|-------------------------------|----------------------|----------------------|----------------------|-----------------------------------|---------------------------------|------------------------|
|                                                                           | Annual appropriation <sup>(i)</sup><br>\$'000 | Advance from Treasurer <sup>(ii)</sup><br>\$'000 | Section 29<br>\$'000          | Section 30<br>\$'000 | Section 32<br>\$'000 | Section 35<br>\$'000 | Parliamentary Authority<br>\$'000 | Appropriation applied<br>\$'000 | Variance (a)<br>\$'000 |
| <b>2026</b>                                                               |                                               |                                                  |                               |                      |                      |                      |                                   |                                 |                        |
| <b>Controlled</b>                                                         |                                               |                                                  |                               |                      |                      |                      |                                   |                                 |                        |
| Provision of outputs                                                      | 1,499,518                                     | 561,965                                          | 249,733                       | 1,990                | 57,226               | -                    | 2,370,432                         | 2,269,792                       | 100,640                |
| Additions to net assets base (ATNAB)                                      | 169,325                                       | 534,292                                          | 119,775                       | (1,990)              | 31,958               | -                    | 853,360                           | 770,120                         | 83,240                 |
| <b>Administered</b>                                                       |                                               |                                                  |                               |                      |                      |                      |                                   |                                 |                        |
| Payments made on behalf of the state (POBOS)                              | 706,596                                       | 41,839                                           | -                             | -                    | -                    | -                    | 748,435                           | 675,147                         | 73,288                 |
| POBOS – state contribution under the <i>Murray-Darling Basin Act 1993</i> | 32,585                                        | -                                                | -                             | -                    | -                    | -                    | 32,585                            | 32,585                          | -                      |
| <b>Total</b>                                                              | <b>2,408,024</b>                              | <b>1,138,096</b>                                 | <b>369,508</b>                | <b>-</b>             | <b>89,184</b>        | <b>-</b>             | <b>4,004,812</b>                  | <b>3,747,644</b>                | <b>257,168</b>         |
| <b>2025</b>                                                               |                                               |                                                  |                               |                      |                      |                      |                                   |                                 |                        |
| <b>Controlled</b>                                                         |                                               |                                                  |                               |                      |                      |                      |                                   |                                 |                        |
| Provision of outputs                                                      | 1,824,069                                     | 505,851                                          | 252,681                       | (4,566)              | 57,743               | -                    | 2,635,778                         | 2,338,862                       | 296,916                |
| Additions to net assets base (ATNAB)                                      | 290,242                                       | 357,197                                          | 37,315                        | 4,566                | 4,630                | -                    | 693,950                           | 597,666                         | 96,284                 |
| <b>Administered</b>                                                       |                                               |                                                  |                               |                      |                      |                      |                                   |                                 |                        |
| Payments made on behalf of the state (POBOS)                              | 695,768                                       | -                                                | -                             | -                    | -                    | -                    | 695,768                           | 584,633                         | 111,135                |
| POBOS – state contribution under the <i>Murray-Darling Basin Act 1993</i> | 31,359                                        | -                                                | -                             | -                    | -                    | -                    | 31,359                            | 31,288                          | 71                     |
| <b>Total</b>                                                              | <b>2,841,438</b>                              | <b>863,048</b>                                   | <b>289,996</b>                | <b>-</b>             | <b>62,373</b>        | <b>-</b>             | <b>4,056,855</b>                  | <b>3,552,449</b>                | <b>504,406</b>         |

Notes:

(i) As published in the Victorian Budget 2025–26 Statement of Finances (incorporating Quarterly Financial Report No.3) Budget Paper No.4 Appendix A Table A.5: Consolidated Fund payments: total annual appropriations.

(ii) The amount disclosed is the final department requirement for the 2025–26 financial year. This funding has been fully applied in the current year.

## (a) Variance analysis

### (i) Provision of outputs

The actual output appropriation for 2025–26 was \$100.640 million lower than the budgeted amount. The variance primarily reflects the rephasing of budgeted funding from 2025–26 to 2026–27 and later years (\$108.846 million), proposed carryovers from 2025–26 to 2026–27 (\$82.138 million), and the reassignment of funding to the Sustainability Fund (\$19.254 million). These movements were partly offset by unapplied appropriations for approved Treasurer's Advances (\$119.235 million).

The principal funding rephasing relates to:

- Forestry Transition Programs (\$41.450 million), due to revised grant milestones and demand.
- Timber Plantation Establishment and Plantation Development (\$24.100 million), due to updated delivery timeframes, land acquisition forecasts and grant milestones.
- Environmental Contribution Tranche 6 (\$21.202 million), due to revised delivery schedules, contractual arrangements and policy timeframes for water security, water efficiency and waterway health initiatives

### (ii) Additions to net assets (ATNAB)

The actual 2025–26 capital appropriation was \$83.240 million lower than the budgeted amount. The variance primarily reflects the rephasing of funding into future years (\$34.717 million), requests to carry forward capital appropriation from 2025–26 to 2026–27 (\$11.160 million), and a lapsing of capital funding under the Solar Homes initiative (\$41.233 million). The Solar Homes lapsed funding resulted from lower-than-budgeted demand for solar PV rebates and associated interest-free loans, with loan uptake at around 65% of installations.

The funding rephasing mainly relates to the Bendigo Mine-Impacted Groundwater Long-term Management initiative (\$33.069 million), aligning funding with the revised construction schedule following extended investigation, tendering and approval processes for long-term groundwater management infrastructure upgrades.

### (iii) Payments on Behalf of the State (POBOS)

The actual POBOS for 2025–26 was \$73.288 million lower than the budgeted amount. The variance primarily reflects lower Victorian Desalination Project water order costs following the announced 50 GL water order and revised expenditure estimates.

### (iv) Section 30

The transfer between capital and output expenditure pursuant to section 30 of the *Financial Management Act 1994* predominantly relates to expenditure being reclassified as output instead of capital in line with the nature of expenditure as part of the Bendigo Mine Impacted Groundwater Long-term Management (\$4.0 million). This is partially offset by a transfer between appropriation types from output to capital for expenditure being reclassified in line with accounting standards.

## 2.2.2 Summary of compliance with special appropriations

|                                                        |                                          | Appropriation Applied |                |
|--------------------------------------------------------|------------------------------------------|-----------------------|----------------|
| Authority                                              | Purpose                                  | 2026<br>\$'000        | 2025<br>\$'000 |
| Output special appropriations                          |                                          |                       |                |
| Section 10 of the <i>Financial Management Act 1994</i> | Appropriation of Commonwealth grants etc | 2,892                 | 4,423          |
| Total special appropriations                           |                                          | 2,892                 | 4,423          |

### 2.2.3 Annotated income agreements

The department is permitted under section 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is initially recognised by the department as an administered item and the receipts paid into the consolidated fund. If a section 29 agreement is in place, the relevant appropriation item will be increased by the equivalent amount at the point of income recognition.

The following is a listing of the FMA section 29 annotated income agreements approved by the Treasurer:

|                                                                                                                                                           | Note | 2026<br>\$'000 | 2025<br>\$'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------|----------------|
| <b>Commonwealth specific purpose payments – output</b>                                                                                                    |      |                |                |
| Sustainable Rural Water Use and Infrastructure Program                                                                                                    |      | 27,234         | 47,126         |
| Detailed Assessments of the Restoring Flows to the Mallee Floodplain Project                                                                              |      | 26,000         | 1,935          |
| Pest and Disease Preparedness and Response Programs                                                                                                       |      | 17,313         | 35,701         |
| Implementing Water Reform In The Murray-Darling Basin (2025–2028)                                                                                         |      | 7,425          | –              |
| Household Energy Upgrades Fund                                                                                                                            |      | 8,610          | 5,815          |
| Urban Rivers and Catchments Program                                                                                                                       |      | 7,233          | 3,445          |
| Recycling Victoria Infrastructure Fund                                                                                                                    |      | 3,526          | –              |
| High Pathogenicity Avian Influenza                                                                                                                        |      | 3,487          | 180            |
| Protecting Important Biodiversity Areas Program                                                                                                           |      | 3,210          | 1,440          |
| Recycling Modernisation Fund - Plastic Technology Stream                                                                                                  |      | 2,880          | 1,326          |
| Future Drought Fund – Farm Business Resilience                                                                                                            |      | 2,419          | 1,370          |
| The Urban Rivers Platypus Recovery Initiative                                                                                                             |      | 2,413          | 3,303          |
| National Water Grid Fund                                                                                                                                  |      | 2,385          | 3,008          |
| Community Solar Banks Victoria – First Peoples' Solar and Battery Storage Initiative                                                                      |      | 2,314          | 1,000          |
| Constraint Measure Project Business Case Development                                                                                                      |      | 2,313          | 2,760          |
| Carbon Farming Outreach Program                                                                                                                           |      | 1,752          | 1,664          |
| National Soil Action Plan                                                                                                                                 |      | 1,596          | 798            |
| Onshore Species-Specific Research and Guidance to Support Onshore Renewable Energy Industries                                                             |      | 983            | –              |
| Livestock Traceability                                                                                                                                    |      | 965            | 734            |
| Post Construction Data Collection and Analysis to Support Onshore Wind Farm Industry                                                                      |      | 888            | –              |
| Building Resilience to Manage Fruit Fly                                                                                                                   |      | 800            | 500            |
| Certified Insulation Installer Scheme                                                                                                                     |      | 792            | –              |
| Management of Established Pests and Weeds                                                                                                                 |      | 744            | 800            |
| The Saving Native Species Program (Grampians National Park)                                                                                               |      | 538            | 1,000          |
| Murray Darling Basin Telemetry Uplift Program                                                                                                             |      | 374            | 1,770          |
| Mitigation Strategies for Both Offshore and Onshore Wind Farms                                                                                            |      | 309            | –              |
| Critical Minerals National Productivity Initiative                                                                                                        |      | 244            | –              |
| Food Waste for Healthy Soils Fund                                                                                                                         |      | 244            | 2,720          |
| National Plant Health Surveillance Program                                                                                                                |      | 188            | 160            |
| Accelerating Energy Project Delivery and Mitigating Biodiversity Impacts                                                                                  |      | 180            | 3,180          |
| Consultancy Services on the Ecology and Biology of the Species Relevant to the <i>Environment Protection and Biodiversity Conservation Act 1999 (Cth)</i> |      | 170            | –              |
| Environment Restoration Fund                                                                                                                              |      | 150            | 610            |
| Southern Brush-Tailed Rock-Wallaby                                                                                                                        |      | 136            | 285            |
| Broken Reconfiguration Project                                                                                                                            |      | –              | 5,200          |
| Victorian-led Domestic and Stock Feasibility Projects                                                                                                     |      | –              | 985            |
| Transforming Digital Environmental Assessments                                                                                                            |      | –              | 900            |

|                                                                                                    | Note | 2026<br>\$'000 | 2025<br>\$'000 |
|----------------------------------------------------------------------------------------------------|------|----------------|----------------|
| <b>Commonwealth specific purpose payments – output</b>                                             |      |                |                |
| Future Drought Fund – Regional Drought Resilience Planning                                         |      | –              | 696            |
| Hydrogen First Responders Training Program                                                         |      | –              | 250            |
| Mount Cole Grevillea Recovery                                                                      |      | –              | 185            |
| National Action Plan for Pests of Horticulture Crops                                               |      | –              | 175            |
| Emissions Data                                                                                     |      | –              | 74             |
| Boosting High Pathogenicity Avian Influenza (HPAI) Biosecurity Response                            |      | –              | 57             |
| <b>Total Commonwealth specific purpose payments – output</b>                                       |      | <b>129,816</b> | <b>131,152</b> |
| <b>Commonwealth specific purpose payments – capital</b>                                            |      |                |                |
| Sustainable Rural Water Use And Infrastructure Program                                             |      | <b>73,885</b>  | –              |
| National Water Grid Fund                                                                           |      | <b>45,455</b>  | 36,067         |
| Boosting High Pathogenicity Avian Influenza Biosecurity Response Capability                        |      | <b>435</b>     | 1,248          |
| <b>Total Commonwealth specific purpose payments – capital</b>                                      |      | <b>119,775</b> | <b>37,315</b>  |
| <b>User charges or sales of goods and services</b>                                                 |      |                |                |
| Parks Victoria Revenue Retention Arrangements                                                      |      | <b>35,311</b>  | –              |
| Research And Development Corporations Contributions                                                |      | <b>33,464</b>  | 31,812         |
| Research and Experimental Projects – Industry                                                      |      | <b>11,213</b>  | 6,594          |
| Transmission Use of Systems Fees                                                                   |      | <b>11,102</b>  | 21,543         |
| Livestock Electronic ID Tags                                                                       |      | <b>10,557</b>  | 11,920         |
| Sustainability Victoria Revenue Retention Arrangements                                             |      | <b>3,793</b>   | 3,571          |
| Bioscience Research Centre – La Trobe Contribution to Quarterly Services Payments                  |      | <b>2,550</b>   | 2,243          |
| Economic Growth Statement – Accelerating Incorporation of Renewable Energy Zones to the State Plan |      | <b>1,666</b>   | 4,997          |
| Agriculture and Veterinary Chemical Permits                                                        |      | <b>1,069</b>   | 1,446          |
| FutureMAX Biosecurity Technology Platform                                                          |      | <b>1,376</b>   | 1,409          |
| National Energy Productivity Measure                                                               |      | <b>1,230</b>   | 1,200          |
| Cooperative Research Centre Contributions Projects                                                 |      | <b>854</b>     | 229            |
| Environment Protection Authority Revenue Retention Arrangements                                    |      | <b>716</b>     | 1,317          |
| Forest By-Products Framework                                                                       |      | <b>432</b>     | –              |
| National Bee Pest Surveillance Program                                                             |      | <b>234</b>     | 115            |
| Pest and Disease Preparedness and Response Programs                                                |      | <b>192</b>     | 28,939         |
| Bushbroker                                                                                         |      | <b>184</b>     | 210            |
| National Forest Pest Surveillance Program                                                          |      | <b>52</b>      | 156            |
| New and Emerging Plant Industries                                                                  |      | <b>29</b>      | 23             |
| <b>Total user charges or sales of goods and services</b>                                           |      | <b>116,025</b> | <b>117,724</b> |
| <b>Municipal payments</b>                                                                          |      |                |                |
| <i>Domestic Animals Act 1994</i>                                                                   |      | <b>3,893</b>   | 3,805          |
| <b>Total Municipal payments</b>                                                                    |      | <b>3,893</b>   | <b>3,805</b>   |
| <b>Total annotated income agreements</b>                                                           |      | <b>369,508</b> | <b>289,996</b> |



## 2.3 Revenue and income from transactions

### 2.3.1 Sale of goods and services

|                                         | 2026<br>\$'000 | 2025<br>\$'000 |
|-----------------------------------------|----------------|----------------|
| <b>Sale of goods and services</b>       |                |                |
| Rendering of services                   | 217,553        | 142,406        |
| Regulatory fees                         | 3,181          | 11,629         |
| Sales of goods and livestock            | 4,998          | 4,553          |
| <b>Total sale of goods and services</b> | <b>225,732</b> | <b>158,588</b> |

The sale of goods and services included in the table above are transactions that the department has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

#### Performance obligations and revenue recognition policies

The department recognises as revenue the amount of the transaction price that is allocated to a performance obligation in the contract with the customer when or as that performance obligation is satisfied by transferring a promised good or service to a customer. An asset is transferred when or as the customer obtains control of that asset.

The services provided by the department include the management of council landfill contracts and environmental impact assessments. Revenue from the rendering of these services is recognised at a point in time when the performance obligation is satisfied when the service is completed, and over time when the customer simultaneously receives and consumes the service as it is provided.

The department's sale of goods and services are made with a short credit term, there is no financing element present.

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers. In rare circumstances where there may be a change in the scope of services provided, the customer will be provided with a new contract for the additional services to be rendered and revenue is recognised consistent with accounting policy above.

Consideration received in advance of recognising the associated revenue from the customer is recorded as contract liabilities under other liabilities on the balance sheet and is recognised as revenue upon satisfaction of performance obligations. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. As the department generally invoices on or shortly after satisfying performance obligations, there is no contract asset and/or contract liability balance at 30 June 2026 (or 30 June 2025).

## Income recognised under AASB 1058

### 2.3.2 Municipal and Industrial Waste Levy

|                                                  | 2026<br>\$'000 | 2025<br>\$'000 |
|--------------------------------------------------|----------------|----------------|
| <b>Municipal and Industrial Waste Levy</b>       |                |                |
| Municipal and Industrial Waste Levy              | 601,429        | 461,445        |
| <b>Total Municipal and Industrial Waste Levy</b> | <b>601,429</b> | <b>461,445</b> |

The Municipal and Industrial Waste Levy is prescribed by the *Environment Protection Act 2017* to encourage recycling by applying a charge to each tonne of waste disposed of at a landfill site. In 2025–26 the metropolitan levy per tonne was \$169.79, with lower rates applying in rural areas.

The Environment Protection Authority collects the levy on behalf of the department and transfers the amounts to the department's Municipal and Industrial Waste Levy Trust.

The department has determined that the Municipal and Industrial Waste Levy is recognised under AASB 1058 as the income received is not linked to specific performance obligations. Income from the levy is recognised by the department under AASB 1058 at the time the levy becomes receivable from the Environment Protection Authority. This is at the end of period during which the levy is applied under the Act.

Each year, funds in the trust are used to support the core activities of the state's environmental agencies. Any remaining funds are transferred to the Sustainability Fund. In 2025–26, \$505.878 million was distributed (2024–25 \$473.158 million was disbursed).

### 2.3.3 Metropolitan Parks Improvement Rate

|                                                  | 2026<br>\$'000 | 2025<br>\$'000 |
|--------------------------------------------------|----------------|----------------|
| <b>Metropolitan Parks Improvement Rate</b>       |                |                |
| Metropolitan parks improvement rate              | 221,774        | 197,847        |
| <b>Total Metropolitan Parks Improvement Rate</b> | <b>221,774</b> | <b>197,847</b> |

The Metropolitan Parks Improvement Rate is prescribed by the *Water Industry Act 1994* to support the management of open spaces, parks, waterways, and bays across metropolitan Melbourne. It is an annual levy on residential and commercial properties in metropolitan Melbourne. In 2025–26, the minimum charge was \$89.80 (2024–25: \$87.19), with a rate of 0.525 cents in the dollar of Net Annual Value (2024–25: 0.510 cents).

Metropolitan retail water corporations collect the levy on behalf of the department and transfer the proceeds to the department's Parks and Reserves Trust Account.

The department has determined that the Metropolitan Parks and Improvement Rate is recognised under AASB 1058 as the income received is not linked to specific performance obligations. Income from the rate is recognised by the department under AASB 1058 when the department receives the funds into the Parks and Reserves.

Each year, funds in the trust are used primarily support Parks Victoria, Zoos Victoria, Royal Botanic Gardens Victoria and the Shrine of Remembrance in meeting their core responsibilities for the accessibility, safety, use and environmental quality of the assets they manager. In 2025–26, \$221.586 million was distributed (2024–25: \$202.629 million).

The disbursements are disclosed in Note 3.1.2 Grants and other transfers.

### 2.3.4 Grants

|                                                                         | 2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------------------------------------------|----------------|----------------|
| <b>Grants</b>                                                           |                |                |
| <b>Income recognised as income of not-for-profit entity (AASB 1058)</b> |                |                |
| Specific purpose grants                                                 | 59,362         | 31,897         |
| General purpose grants                                                  | 1,914          | 2,996          |
| <b>Total grants</b>                                                     | <b>61,276</b>  | <b>34,893</b>  |

Grant income disclosed above is recognised in accordance with AASB 1058, as the department has determined the arrangements are not enforceable and/or are not linked to sufficiently specific performance obligations. Income is recognised when the department obtains an unconditional right to receive cash, which generally coincides with receipt.

On initial recognition of the underlying asset, any related amounts are recognised in accordance with other Australian Accounting Standards, including contributions by owners (AASB 1004), contracts with customers (AASB 15), leases (AASB 16), financial instruments (AASB 9) and provisions (AASB 137).

Income received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately on passed to the relevant recipient entities on behalf of the Commonwealth government.

The department receives specific purpose grants which are received for a particular purpose and/or have conditions attached regarding their use. However, the department has determined the agreements do not contain sufficiently specific performance obligations and therefore the income is recognised in accordance with AASB 1058 when the department has an unconditional right to receive cash.

The department's general purpose grant arrangements do not have sufficiently specific performance obligations. Therefore, income is recognised when the grant is received by the department.

### 2.3.5 Other income

|                                                  | 2026<br>\$'000 | 2025<br>\$'000 |
|--------------------------------------------------|----------------|----------------|
| <b>Other income</b>                              |                |                |
| Melbourne Strategic Assessment Levy              | 45,530         | 46,396         |
| Land licences and leases                         | 548            | 493            |
| Insurance Settlements                            | 979            | 1,682          |
| Other miscellaneous income                       | 18,856         | 2,284          |
| Other assets or services received free of charge | 20,340         | 4,022          |
| <b>Total other income</b>                        | <b>86,253</b>  | <b>54,877</b>  |

### 2.3.6 Initial recognition income from financial instruments

|                                                                    | 2026<br>\$'000 | 2025<br>\$'000 |
|--------------------------------------------------------------------|----------------|----------------|
| <b>Initial recognition income from financial instruments</b>       |                |                |
| Initial recognition income from financial instruments              | –              | 12,184         |
| <b>Total initial recognition income from financial instruments</b> | <b>–</b>       | <b>12,184</b>  |

Contracts entered into to support Victoria's renewable energy targets (VRET) have been classified as derivative financial instruments at fair value through the profit and loss and are recognised and measured in accordance with AASB 9.

## Note 3. The cost of delivering services

### Introduction

This section provides information relating to the expenses incurred by the department in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the costs associated with provision of services are recorded. Note 4 discloses aggregated information in relation to the income and expenses by output.

### Structure

- 3.1 Expenses incurred in delivery of services
  - 3.1.1 Employee benefits in the comprehensive operating statement
  - 3.1.2 Grants and other transfers
  - 3.1.3 Supplies and services
  - 3.1.4 Derecognition of financial instruments
  - 3.1.5 Loan repayments transferred to the administered entity

### 3.1 Expenses incurred in delivery of services

|                                                                               | Note  | 2026<br>\$'000     | 2025<br>\$'000     |
|-------------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>Expenses from transactions</b>                                             |       |                    |                    |
| Employee expenses                                                             | 3.1.1 | (950,646)          | (1,002,732)        |
| Grants and other transfers                                                    | 3.1.2 | (1,290,239)        | (1,090,753)        |
| Supplies and services                                                         | 3.1.3 | (862,708)          | (911,041)          |
| Derecognition of financial instruments                                        | 3.1.4 | (100,409)          | –                  |
| Loan repayments transferred to the administered entity                        | 3.1.5 | (49,330)           | (56,209)           |
| <b>Total expenses from transactions (excluding depreciation and interest)</b> |       | <b>(3,253,332)</b> | <b>(3,060,735)</b> |

#### 3.1.1 Employee benefits in the comprehensive operating statement

|                                                                      | 2026<br>\$'000   | 2025<br>\$'000     |
|----------------------------------------------------------------------|------------------|--------------------|
| <b>Employee expenses</b>                                             |                  |                    |
| Salaries and wages                                                   | (671,917)        | (712,336)          |
| Defined contribution superannuation expense                          | (89,554)         | (91,685)           |
| Defined benefit superannuation expense                               | (2,255)          | (2,660)            |
| Termination benefits                                                 | (18,734)         | (9,542)            |
| Leave expenses (annual leave and long service leave)                 | (96,975)         | (110,661)          |
| Other on-costs (fringe benefits tax, payroll tax and WorkCover levy) | (71,211)         | (75,848)           |
| <b>Total employee expenses</b>                                       | <b>(950,646)</b> | <b>(1,002,732)</b> |

Employee expenses include all costs relating to employment including salaries and wages, fringe benefits tax, leave entitlements, termination payments, defined benefit superannuation plans, defined contribution superannuation plans and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the state as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The department recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

### 3.1.1 (a) Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave, fatigue management leave (previously earned emergency recreational leave) and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

Amounts relating to salary and wages that have been expensed during the year but are unpaid at year end are recognised as accruals and disclosed as part of the payables balance.

|                                                                           | 2026<br>\$'000 | 2025<br>\$'000 |
|---------------------------------------------------------------------------|----------------|----------------|
| <b>Current provision for employee benefits</b>                            |                |                |
| <b>Annual leave<sup>(i)</sup></b>                                         |                |                |
| Unconditional and expected to settle within 12 months                     | 50,643         | 53,700         |
| Unconditional and expected to settle after 12 months <sup>(ii)</sup>      | 8,318          | 8,835          |
| <b>Long service leave<sup>(i)</sup></b>                                   |                |                |
| Unconditional and expected to settle within 12 months                     | 9,254          | 8,810          |
| Unconditional and expected to settle after 12 months <sup>(ii)</sup>      | 97,891         | 102,103        |
| <b>Fatigue management leave<sup>(i)</sup></b>                             |                |                |
| Unconditional and expected to settle within 12 months                     | 2,383          | 2,865          |
| <b>Total current provision for employee benefits (excluding on-costs)</b> | <b>168,489</b> | <b>176,313</b> |
| <b>Provisions for on costs:</b>                                           |                |                |
| Unconditional and expected to settle within 12 months                     | 12,383         | 12,684         |
| Unconditional and expected to settle after 12 months <sup>(ii)</sup>      | 23,251         | 23,369         |
| <b>Total current provisions for on-costs</b>                              | <b>35,634</b>  | <b>36,053</b>  |
| <b>Total current provisions for employee benefits</b>                     | <b>204,123</b> | <b>212,366</b> |
| <b>Non current provisions for employee benefits</b>                       |                |                |
| Employee benefits <sup>(i) (ii)</sup>                                     | 22,966         | 29,104         |
| On-costs <sup>(ii)</sup>                                                  | 4,981          | 6,154          |
| <b>Total non current provisions for employee benefits</b>                 | <b>27,947</b>  | <b>35,258</b>  |
| <b>Total provisions for employee benefits</b>                             | <b>232,070</b> | <b>247,624</b> |

Note:

- (i) Provisions for employee benefits consist of amounts for annual leave, LSL and fatigue management leave accrued by employees, not including on-costs.
- (ii) The amounts disclosed are discounted to present values.

### Reconciliation of movement in on-cost provision

|                                                                               | 2026<br>\$'000 |
|-------------------------------------------------------------------------------|----------------|
| <b>Opening balance at 1 July 2025</b>                                         | <b>42,207</b>  |
| Additional provisions recognised                                              | 17,001         |
| Reductions arising from payments/other sacrifices of future economic benefits | (17,307)       |
| Unwind of discount and effect of changes in the discount rate                 | (1,286)        |
| <b>Closing balance at 30 June 2026</b>                                        | <b>40,615</b>  |
| Current                                                                       | 35,634         |
| Non current                                                                   | 4,981          |
| <b>Total provision for on-cost</b>                                            | <b>40,615</b>  |

### Salaries and wages, annual leave and sick leave

Liabilities for salaries and wages (including non-monetary benefits and on-costs) are recognised as part of payables as current liabilities, because the department does not have an unconditional right to defer settlements of these liabilities. The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As the department expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts and are recognised as payables in Note 6.3.

Liabilities for annual leave (including non-monetary benefits and on-costs) are recognised as part of the employee benefit provision also as current liabilities, because the department does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, and annual leave are measured at:

- undiscounted value – if the department expects to wholly settle within 12 months
- present value – if the department does not expect to wholly settle within 12 months.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the statement of comprehensive income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

### Fatigue management leave

Fatigue management leave (FML) is provided to staff for the management of long-term fatigue that can result from extended involvement in emergency management over a 12-month period.

FML is accrued based on overtime and standby duties performed outside of normal hours when the Emergency Provision in Appendix 6 of the *VPS Agreement 2024* or Section II of the *Field Staff Services and Wild Dog Controller Agreement 2021* have been enacted. FML is calculated over a 12-month period being, from 1 September to 31 August. Any entitlement must be accrued and used within each 12-month period. Leave entitlements that have been accrued and yet to be taken are paid out to staff upon termination if the staff leaves prior to the end of the FML period each year (31 August).

Provisions are recognised as current liabilities (undiscounted) for unpaid fatigue management leave at reporting date.

### Long service leave

Unconditional long service leave (LSL) is disclosed as a current liability, even where the department does not expect to settle the liability within 12 months, because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. Leave becomes unconditional after 7 years of service.

The components of this current LSL liability are measured at either:

- undiscounted value – if the department expects to wholly settle within 12 months
- present value – if the department does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in net result (refer to Note 9.2 Other economic flows included in net result).

### 3.1.1 (b) Superannuation contributions

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The defined benefit plan provides benefits based on years of service and final average salary.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the department are listed in the above table as follows:

| Fund                                       | Paid contribution for the year |                | Contribution outstanding at year end |                |
|--------------------------------------------|--------------------------------|----------------|--------------------------------------|----------------|
|                                            | 2026<br>\$'000                 | 2025<br>\$'000 | 2026<br>\$'000                       | 2025<br>\$'000 |
| <b>Defined benefit plans<sup>(i)</sup></b> |                                |                |                                      |                |
| Emergency Services Superannuation Scheme   | 2,203                          | 2,612          | 15                                   | 18             |
| Other                                      | 52                             | 48             | –                                    | –              |
| <b>Defined contribution plans</b>          |                                |                |                                      |                |
| Aware Super Scheme                         | 42,745                         | 44,712         | 285                                  | 308            |
| Various other                              | 46,809                         | 46,973         | 307                                  | 324            |
| <b>Total superannuation contributions</b>  | <b>91,809</b>                  | <b>94,345</b>  | <b>607</b>                           | <b>650</b>     |

Note:

- (i) The basis for determining the level of contributions are determined by the various actuaries of the defined benefit superannuation plans.

### 3.1.2 Grants and other transfers

|                                                                            | 2026<br>\$'000     | 2025<br>\$'000     |
|----------------------------------------------------------------------------|--------------------|--------------------|
| <b>Grants and other transfers</b>                                          |                    |                    |
| Grants to portfolio agencies (other than catchment management authorities) | (635,171)          | (533,846)          |
| Grants to catchment management authorities                                 | (106,994)          | (87,898)           |
| Grants to non-portfolio agencies                                           | (136,791)          | (44,053)           |
| Grants to the Commonwealth, other state, territory and local governments   | (65,873)           | (69,688)           |
| Grants to private individuals, businesses and non-profit organisations     | (345,410)          | (355,268)          |
| <b>Total grants and other transfers</b>                                    | <b>(1,290,239)</b> | <b>(1,090,753)</b> |

Grants and other transfers are contributions of the department's resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants can either be operating or capital in nature. Grants that are capital in nature and provided to other state controlled entities are treated as contributed capital transfers and recognised in equity.

Grant expenses are recognised in the reporting period in which they are paid or payable. Grants can take the form of money, assets, goods, services or forgiveness of liabilities.



### 3.1.3 Supplies and services

|                                                                     | 2026<br>\$'000   | 2025<br>\$'000   |
|---------------------------------------------------------------------|------------------|------------------|
| <b>Supplies and services</b>                                        |                  |                  |
| Contract and professional services                                  | (200,653)        | (280,039)        |
| Equipment maintenance and hire                                      | (180,461)        | (122,885)        |
| Waste resource and recovery costs                                   | (119,603)        | (70,743)         |
| Other operating expenses                                            | (83,861)         | (130,314)        |
| IT costs                                                            | (69,620)         | (67,199)         |
| Office and accommodation                                            | (43,862)         | (67,768)         |
| Statutory fees, learning and development costs and general expenses | (35,356)         | (46,011)         |
| Insurance expenses                                                  | (33,028)         | (28,870)         |
| Laboratory, farm and livestock                                      | (28,301)         | (28,084)         |
| Postage and telephone                                               | (22,123)         | (14,535)         |
| Other assets or services provided free of charge                    | (20,340)         | (120)            |
| Motor vehicle costs                                                 | (18,003)         | (23,154)         |
| Community awareness and publicity                                   | (5,448)          | (11,939)         |
| Cost of goods sold/provided                                         | (1,472)          | (18,569)         |
| Payments for shared services                                        | (310)            | (488)            |
| Short-term lease expense                                            | (223)            | (155)            |
| Settlement of litigation                                            | (44)             | (168)            |
| <b>Total supplies and services</b>                                  | <b>(862,708)</b> | <b>(911,041)</b> |

Supplies and services generally represent the day-to-day running costs that are incurred in the normal operations of the department. Supplies and services are recognised as an expense in the reporting period in which they are incurred.

The following lease payments are expensed on a straight-line basis.

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments are not included in the measurement of the lease liability (i.e., variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

### 3.1.4 Derecognition of financial instruments

|                                                     | 2026<br>\$'000   | 2025<br>\$'000 |
|-----------------------------------------------------|------------------|----------------|
| <b>Derecognition of financial instruments</b>       |                  |                |
| Derecognition of financial instruments              | (100,409)        | –              |
| <b>Total derecognition of financial instruments</b> | <b>(100,409)</b> | <b>–</b>       |

DEECA determined an additional Victorian Renewable Energy Target (VRET) agreement met the threshold for de-recognition during the year. Further information is provided in Note 6.2.

### 3.1.5 Loan repayments transferred to the administered entity

|                                                                     | 2026<br>\$'000  | 2025<br>\$'000  |
|---------------------------------------------------------------------|-----------------|-----------------|
| <b>Loan repayments transferred to the administered entity</b>       |                 |                 |
| Loan repayments transferred to the administered entity              | (49,330)        | (56,209)        |
| <b>Total loan repayments transferred to the administered entity</b> | <b>(49,330)</b> | <b>(56,209)</b> |

The department issues concessional loans to eligible households and businesses to be used towards the purchase and installation of rooftop solar panels and/or solar batteries. Individual loans are capped and must be repaid over 4 years. The loan repayments collected by the department are returned to the consolidated fund via the administered entity.

## Note 4. Disaggregated financial information by output

### Introduction

The department is predominately funded by accrual based parliamentary appropriations for the provision of outputs. This section provides a description of the departmental outputs performed during the year ended 30 June 2026 along with the objectives of those outputs.

This section disaggregates revenue and income that enables the delivery of service (described in Note 2) by output and records the allocation of expenses incurred (described in Note 3) also by output.

The aggregation in this section also provides information on controlled and administered items in connection with these outputs.

### Significant judgement: Controlled and administered items

The distinction between controlled and administered items is drawn on whether the department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the state (administered). The department remains accountable for transactions involving administered items, but it does not recognise these items in its primary financial statements.

The department is administering the desalination project arrangement and shareholding in Marinus Link Pty Ltd on behalf of the state and therefore recognises the associated income, expenses, assets, liabilities and off-balance sheet disclosures as administered items.

Other administered items include environmental contributions from Victorian water businesses, the state's share of the Murray-Darling Basin Authority's jointly controlled assets, proceeds from the sale of administered surplus land and buildings, and grants provided by the Commonwealth to assist the state government in meeting general or specific delivery obligations.

### Allocation of income and expenses to outputs

Judgement is required in allocating income and expenses to specific outputs, including judgements made in making allocations for shared services expenses and corporate expenses such as insurance expenses. Allocation of these expenses to groups is done on a percentage basis in line with the cost of the group's output.

### Structure

- 4.1 Departmental outputs
  - 4.1.1 Description and objectives
  - 4.1.2 Departmental Outputs – Controlled comprehensive operating statement
  - 4.1.3 Departmental Outputs – Controlled assets and liabilities
- 4.2 Administered (non-controlled) items
  - 4.2.1 Administered income and expenses
  - 4.2.2 Administered assets and liabilities
  - 4.2.3 Administered investments
  - 4.2.4 Administered service concession arrangements and related financial instruments
- 4.3 Portfolio Entity changes impacting the department in 2025–26

## 4.1 Departmental outputs

### 4.1.1 Description and objectives

A description of the eight departmental outputs performed during the year ended 30 June 2026, and the objectives of these outputs, is summarised below.

#### Productive and sustainably used natural resources

##### Objective

This objective supports more productive, globally competitive, sustainable and jobs-rich agriculture, food and fibre sectors.

##### Agriculture

The Agriculture output delivers services to the agriculture, food and fibre sectors to enhance productivity, connect the sector with international markets, create jobs, support growth and maintain effective biosecurity.

#### Reduced impact of major bushfires and other emergencies

##### Objective

This objective delivers an integrated approach to reducing the risk of bushfires and other emergencies to protect people, property and the environment.

##### Fire and Emergency Management

This output plans and delivers integrated bushfire management.

#### Net zero emissions, climate-ready economy and community

##### Objective

This objective involves leading the whole of government delivery of Victoria's climate action including reducing greenhouse gas emissions, adapting to the impacts of a changing climate, and supporting the economic and social transition to a net-zero emissions and climate resilient future.

##### Climate Action

This output leads the development and implementation of strategic, whole of government climate action policy and programs that contribute to Victoria's 2045 target of net-zero greenhouse gas emissions and building the state's resilience to climate change.

#### Reliable, sustainable and affordable energy services

##### Objective

This objective is focused on delivering a comprehensive suite of programs that improve energy efficiency, strengthen consumer protections and improve affordability. The Department also provides policy advice to government on how to deliver clean, reliable, sustainable and affordable energy services to Victorians.

##### Energy

This output advocates for the provision of reliable, sustainable and affordable energy services through energy programs, including renewable energy development, energy efficiency and affordability improvements, and facilitation of new investment.

##### Solar Victoria

The Solar Victoria output implements multi-year programs to incentivise the uptake of solar panel energy systems and energy efficient hot water systems as Victoria transitions to a lower emissions future, increasing the use of renewable energy sources, reducing air pollution and reducing dependence on conventional energy sources.

#### Sustainable development of Victoria's earth resources

##### Objective

This objective develops and delivers policy, programs and regulation to enable investment and generate jobs through the sustainable development of the state's earth resources, including extractives, minerals and petroleum.

##### Resources

The Resources output seeks to unlock the full potential of Victoria's earth resources, including supporting the transition to net zero emissions through effective policy, programs and regulation. Develops and delivers policy, programs and regulation.

#### Productive and effective land management

##### Objective

This objective delivers effective management and governance of Victoria's public land to protect its social, economic and environmental values and maximise its use by all Victorians.

##### Management of Public Land and Forests

This output provides for the improved stewardship of Victoria's forests, coasts and Crown land reserves.

##### Parks Victoria

This output manages the development and protection of Victoria's natural, cultural and community assets.

## **Healthy, resilient and biodiverse environment**

### **Objective**

This objective involves leading the development and implementation of strategic regulation and investment in environmental and natural resource programs across Victoria.

### **Environment and Biodiversity**

This output leads the development and implementation of strategic whole of government environmental policy and delivers investment, regulatory and research functions that support Victoria's diverse and resilient ecosystems.

### **Statutory Activities and Environmental Protection**

This output involves protecting the environment and people by preventing and reducing harm from pollution and waste through better regulation, conducting research and gathering intelligence to inform compliance and enforcement activities, collaboration and provision of advice.

### **Circular Economy**

This output leads the development and implementation of strategic, whole of government circular economy policy, regulation and programs including leadership and oversight of waste and resource recovery services and development of partnerships across industry and the community to support Victoria's transition to a circular economy.

## **Safe, sustainable and productive water resources**

### **Objective**

This objective increases the efficiency of supply and use of water in cities and towns and maintain or improves environmental conditions of waterways to ensure that Victoria has safe and sustainable water resources to meet future urban, rural and environmental needs.

### **Effective Water Management and Supply**

This output develops policies, provides strategic advice and oversees regulatory systems and institutional arrangements to effectively manage Victoria's water resources.

## **Changes in outputs**

### **Current year changes**

#### **Recycling Victoria**

On 30 June 2026, Recycling Victoria (a business unit in the Circular Economy output) transferred to the Environment Protection Authority. The transfer was part of the Government's response to the Independent Review of the Victorian Public Service (i.e. the Silver Review).

#### **VicGrid**

On 1 November 2025, all activities and functions that were being performed by VicGrid (administrative office) were transferred to the separate entity, VicGrid State Business Corporation.

### **Prior year changes**

#### **Waste and Recycling**

This output has been renamed to Circular Economy to better reflect the deliverables of the portfolio.

#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement

Additional information about the objectives of these departmental outputs is located in the Report of Operations under the 'Operational and budgetary objectives and performance against objectives' section.

|                                                                       | Agriculture      |                  | Circular Economy <sup>(i)</sup> |                  | Climate Action  |                 |
|-----------------------------------------------------------------------|------------------|------------------|---------------------------------|------------------|-----------------|-----------------|
|                                                                       | 2026<br>\$'000   | 2025<br>\$'000   | 2026<br>\$'000                  | 2025<br>\$'000   | 2026<br>\$'000  | 2025<br>\$'000  |
| <b>Income from transactions</b>                                       |                  |                  |                                 |                  |                 |                 |
| Output appropriations                                                 | 535,085          | 519,266          | 25,751                          | 16,427           | 12,473          | 10,552          |
| Special output appropriations                                         | –                | 225              | –                               | 4,078            | –               | –               |
| Sale of goods and services                                            | 19,647           | 29,596           | 124,467                         | 88,632           | 127             | 780             |
| Municipal and Industrial Waste Levy                                   | –                | –                | –                               | –                | –               | –               |
| Metropolitan Parks Improvement Rate                                   | –                | –                | –                               | –                | –               | –               |
| Grants                                                                | 5,992            | 3,894            | 1                               | 1                | –               | 2               |
| Interest income                                                       | 2,721            | 2,794            | –                               | –                | –               | –               |
| Initial recognition income from derivative financial instruments      | –                | –                | –                               | –                | –               | –               |
| Other income                                                          | 1,393            | (6,208)          | 15,080                          | 17,942           | 5,171           | 6,207           |
| <b>Total revenue and income from transactions</b>                     | <b>564,838</b>   | <b>549,567</b>   | <b>165,299</b>                  | <b>127,080</b>   | <b>17,771</b>   | <b>17,541</b>   |
| <b>Expenses from transactions</b>                                     |                  |                  |                                 |                  |                 |                 |
| Employee expenses                                                     | (195,807)        | (210,379)        | (24,174)                        | (21,287)         | (12,055)        | (8,381)         |
| Grants and other transfers                                            | (162,256)        | (145,825)        | (18,326)                        | (22,482)         | (4,177)         | (4,558)         |
| Supplies and services                                                 | (151,890)        | (188,659)        | (127,000)                       | (83,578)         | (2,172)         | (3,321)         |
| Depreciation and amortisation                                         | (21,976)         | (23,023)         | (953)                           | (220)            | (204)           | (257)           |
| Interest expense                                                      | (23,051)         | (23,622)         | (21)                            | (6)              | (14)            | (5)             |
| Derecognition of financial instruments                                | –                | –                | –                               | –                | –               | –               |
| Loan repayments transferred to the administered entity                | –                | –                | –                               | –                | –               | –               |
| <b>Total expenses from transactions</b>                               | <b>(554,980)</b> | <b>(591,508)</b> | <b>(170,474)</b>                | <b>(127,573)</b> | <b>(18,622)</b> | <b>(16,522)</b> |
| <b>Net result from transactions (net operating balance)</b>           | <b>9,858</b>     | <b>(41,941)</b>  | <b>(5,175)</b>                  | <b>(493)</b>     | <b>(851)</b>    | <b>1,019</b>    |
| <b>Other economic flows included in net result</b>                    |                  |                  |                                 |                  |                 |                 |
| Net gain/(loss) on non-financial assets                               | 13,053           | (280)            | 1,558                           | (57)             | 278             | (147)           |
| Net gain/(loss) on financial instruments                              | 39               | 148              | 8                               | –                | 1               | (1)             |
| Other gains/(losses) from other economic flows                        | 1,545            | 591              | 319                             | 21               | 54              | 26              |
| <b>Total other economic flows include in net result</b>               | <b>14,637</b>    | <b>459</b>       | <b>1,885</b>                    | <b>(36)</b>      | <b>333</b>      | <b>(122)</b>    |
| <b>Net result</b>                                                     | <b>24,495</b>    | <b>(41,482)</b>  | <b>(3,290)</b>                  | <b>(529)</b>     | <b>(518)</b>    | <b>897</b>      |
| <b>Other economic flows – other comprehensive income</b>              |                  |                  |                                 |                  |                 |                 |
| <b>Items that will not be classified to net result</b>                |                  |                  |                                 |                  |                 |                 |
| Net changes in physical asset revaluation surplus                     | 467,576          | –                | 7,178                           | –                | (503)           | –               |
| <b>Total other economic flows – other non-owner changes in equity</b> | <b>467,576</b>   | <b>–</b>         | <b>7,178</b>                    | <b>–</b>         | <b>(503)</b>    | <b>–</b>        |
| <b>Comprehensive result</b>                                           | <b>492,071</b>   | <b>(41,482)</b>  | <b>3,888</b>                    | <b>(529)</b>     | <b>(1,021)</b>  | <b>897</b>      |

Note:

- (i) As the transfer of Recycling Victoria business unit occurred on 30 June 2026 there is no impact on the comprehensive operating statement for the current or prior years.



#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

|                                                                           | Effective Water<br>Management<br>and supply |                  | Energy <sup>(ii)(iii)</sup> |                  | Environment and<br>Biodiversity |                  |
|---------------------------------------------------------------------------|---------------------------------------------|------------------|-----------------------------|------------------|---------------------------------|------------------|
|                                                                           | 2026<br>\$'000                              | 2025<br>\$'000   | 2026<br>\$'000              | 2025<br>\$'000   | 2026<br>\$'000                  | 2025<br>\$'000   |
| <b>Income from transactions</b>                                           |                                             |                  |                             |                  |                                 |                  |
| Output appropriations                                                     | 295,162                                     | 285,811          | 268,267                     | 278,852          | 58,614                          | 80,106           |
| Special output appropriations                                             | –                                           | –                | –                           | –                | 2,282                           | –                |
| Sale of goods and services                                                | 12,309                                      | 12,596           | 34,342                      | 160              | 21,955                          | 13,802           |
| Municipal and Industrial Waste Levy                                       | –                                           | –                | –                           | –                | –                               | –                |
| Metropolitan Parks Improvement Rate                                       | –                                           | –                | –                           | –                | –                               | –                |
| Grants                                                                    | 5,020                                       | 6,818            | 15,496                      | 3,302            | 257                             | 349              |
| Interest income                                                           | 1                                           | 1                | 1,584                       | 1,678            | 406                             | –                |
| Initial recognition income from derivative<br>financial instruments       | –                                           | –                | –                           | 12,184           | –                               | –                |
| Other income                                                              | 2,293                                       | 3,842            | 93,031                      | 65,740           | 91,233                          | 80,362           |
| <b>Total revenue and income from transactions</b>                         | <b>314,785</b>                              | <b>309,068</b>   | <b>412,720</b>              | <b>361,916</b>   | <b>174,747</b>                  | <b>174,619</b>   |
| <b>Expenses from transactions</b>                                         |                                             |                  |                             |                  |                                 |                  |
| Employee expenses                                                         | (78,082)                                    | (80,122)         | (91,058)                    | (93,489)         | (66,099)                        | (67,110)         |
| Grants and other transfers                                                | (180,330)                                   | (147,834)        | (159,100)                   | (95,045)         | (67,437)                        | (80,385)         |
| Supplies and services                                                     | (49,907)                                    | (53,808)         | (73,385)                    | (126,937)        | (22,940)                        | (62,859)         |
| Depreciation and amortisation                                             | (7,161)                                     | (8,670)          | (2,716)                     | (2,118)          | (2,273)                         | (2,674)          |
| Interest expense                                                          | (57)                                        | (31)             | (3,494)                     | (4,063)          | (229)                           | (122)            |
| Derecognition of financial instruments                                    | –                                           | –                | (100,409)                   | –                | –                               | –                |
| Loan repayments transferred to the<br>administered entity                 | –                                           | –                | –                           | –                | –                               | –                |
| <b>Total expenses from transactions</b>                                   | <b>(315,537)</b>                            | <b>(290,465)</b> | <b>(430,162)</b>            | <b>(321,652)</b> | <b>(158,978)</b>                | <b>(213,150)</b> |
| <b>Net result from transactions<br/>(net operating balance)</b>           | <b>(752)</b>                                | <b>18,603</b>    | <b>(17,442)</b>             | <b>40,264</b>    | <b>15,769</b>                   | <b>(38,531)</b>  |
| <b>Other economic flows included in net result</b>                        |                                             |                  |                             |                  |                                 |                  |
| Net gain/(loss) on non-financial assets                                   | (31,475)                                    | (1,699)          | (12,432)                    | (1,295)          | (37,107)                        | (128)            |
| Net gain/(loss) on financial instruments                                  | 23                                          | (9)              | 2,084                       | 483,552          | 9                               | (3)              |
| Other gains/(losses) from other economic flows                            | 907                                         | 412              | 907                         | 230              | 374                             | 148              |
| <b>Total other economic flows include in net result</b>                   | <b>(30,545)</b>                             | <b>(1,296)</b>   | <b>(9,441)</b>              | <b>482,487</b>   | <b>(36,724)</b>                 | <b>17</b>        |
| <b>Net result</b>                                                         | <b>(31,297)</b>                             | <b>17,307</b>    | <b>(26,883)</b>             | <b>522,751</b>   | <b>(20,955)</b>                 | <b>(38,514)</b>  |
| <b>Other economic flows – other comprehensive income</b>                  |                                             |                  |                             |                  |                                 |                  |
| <b>Items that will not be classified to net result</b>                    |                                             |                  |                             |                  |                                 |                  |
| Net changes in physical asset<br>revaluation surplus                      | 8,393                                       | –                | 7,218                       | –                | 15,332                          | –                |
| <b>Total other economic flows – other non-owner<br/>changes in equity</b> | <b>8,393</b>                                | <b>–</b>         | <b>7,218</b>                | <b>–</b>         | <b>15,332</b>                   | <b>–</b>         |
| <b>Comprehensive result</b>                                               | <b>(22,904)</b>                             | <b>17,307</b>    | <b>(19,665)</b>             | <b>522,751</b>   | <b>(5,623)</b>                  | <b>(38,514)</b>  |

Note:

(ii) The 2025–26 figures include VicGrid transactions to 31 October 2025. From 1 November 2025, the transactions and assets and liabilities relating to VicGrid are recognised in the entity's separate financial report.

(iii) Derivatives were transferred to the SEC Victoria on 1 July 2025. Refer to Note 6.2

#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

|                                                                       | Fire and Emergency Management |                  | Management of Public Land and Forests |                  | Parks Victoria   |                  |
|-----------------------------------------------------------------------|-------------------------------|------------------|---------------------------------------|------------------|------------------|------------------|
|                                                                       | 2026<br>\$'000                | 2025<br>\$'000   | 2026<br>\$'000                        | 2025<br>\$'000   | 2026<br>\$'000   | 2025<br>\$'000   |
| <b>Income from transactions</b>                                       |                               |                  |                                       |                  |                  |                  |
| Output appropriations                                                 | 622,819                       | 610,505          | 291,329                               | 336,443          | 61,469           | 86,944           |
| Special output appropriations                                         | –                             | 120              | 610                                   | –                | –                | –                |
| Sale of goods and services                                            | 4,532                         | 10,960           | 8,350                                 | 2,399            | 1                | –                |
| Municipal and Industrial Waste Levy                                   | –                             | –                | –                                     | –                | –                | –                |
| Metropolitan Parks Improvement Rate                                   | –                             | –                | 120,829                               | 91,877           | 100,945          | 105,970          |
| Grants                                                                | 10,799                        | 11,362           | 5,795                                 | 8,629            | 17,884           | 3                |
| Interest income                                                       | –                             | 181              | 7,443                                 | 7,030            | –                | –                |
| Initial recognition income from derivative financial instruments      | –                             | –                | –                                     | –                | –                | –                |
| Other income                                                          | 22,970                        | 7,315            | 20,551                                | 12,833           | 50,551           | 2,924            |
| <b>Total revenue and income from transactions</b>                     | <b>661,120</b>                | <b>640,443</b>   | <b>454,907</b>                        | <b>459,211</b>   | <b>230,850</b>   | <b>195,841</b>   |
| <b>Expenses from transactions</b>                                     |                               |                  |                                       |                  |                  |                  |
| Employee expenses                                                     | (270,909)                     | (296,000)        | (132,316)                             | (153,992)        | (8,722)          | (5,636)          |
| Grants and other transfers                                            | (49,849)                      | (29,107)         | (175,714)                             | (165,871)        | (222,237)        | (180,312)        |
| Supplies and services                                                 | (267,972)                     | (232,871)        | (124,339)                             | (121,366)        | (13,485)         | (9,773)          |
| Depreciation and amortisation                                         | (60,243)                      | (64,271)         | (14,362)                              | (16,638)         | (1,644)          | (423)            |
| Interest expense                                                      | (2,749)                       | (1,861)          | (367)                                 | (220)            | (24)             | (2)              |
| Derecognition of financial instruments                                | –                             | –                | –                                     | –                | –                | –                |
| Loan repayments transferred to the administered entity                | –                             | –                | –                                     | –                | –                | –                |
| <b>Total expenses from transactions</b>                               | <b>(651,722)</b>              | <b>(624,110)</b> | <b>(447,098)</b>                      | <b>(458,087)</b> | <b>(246,112)</b> | <b>(196,146)</b> |
| <b>Net result from transactions (net operating balance)</b>           | <b>9,398</b>                  | <b>16,333</b>    | <b>7,809</b>                          | <b>1,124</b>     | <b>(15,262)</b>  | <b>(305)</b>     |
| <b>Other economic flows included in net result</b>                    |                               |                  |                                       |                  |                  |                  |
| Net gain/(loss) on non-financial assets                               | 777                           | (3,266)          | (176,843)                             | 13,885           | 2,843            | (197)            |
| Net gain/(loss) on financial instruments                              | 25                            | (14)             | 22                                    | (9)              | 14               | (1)              |
| Other gains/(losses) from other economic flows                        | 1,012                         | 623              | 875                                   | 395              | 562              | 47               |
| <b>Total other economic flows include in net result</b>               | <b>1,814</b>                  | <b>(2,657)</b>   | <b>(175,946)</b>                      | <b>14,271</b>    | <b>3,419</b>     | <b>(151)</b>     |
| <b>Net result</b>                                                     | <b>11,212</b>                 | <b>13,676</b>    | <b>(168,137)</b>                      | <b>15,395</b>    | <b>(11,843)</b>  | <b>(456)</b>     |
| <b>Other economic flows – other comprehensive income</b>              |                               |                  |                                       |                  |                  |                  |
| <b>Items that will not be classified to net result</b>                |                               |                  |                                       |                  |                  |                  |
| Net changes in physical asset revaluation surplus                     | 46,471                        | –                | 3,618,418                             | –                | 11,889           | –                |
| <b>Total other economic flows – other non-owner changes in equity</b> | <b>46,471</b>                 | <b>–</b>         | <b>3,618,418</b>                      | <b>–</b>         | <b>11,889</b>    | <b>–</b>         |
| <b>Comprehensive result</b>                                           | <b>57,683</b>                 | <b>13,676</b>    | <b>3,450,281</b>                      | <b>15,395</b>    | <b>46</b>        | <b>(456)</b>     |

#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

|                                                                     | Resources       |                 | Solar Victoria   |                  | Statutory Activities<br>and Environmental<br>Protection <sup>(i)</sup> |                  | Total              |                    |
|---------------------------------------------------------------------|-----------------|-----------------|------------------|------------------|------------------------------------------------------------------------|------------------|--------------------|--------------------|
|                                                                     | 2026<br>\$'000  | 2025<br>\$'000  | 2026<br>\$'000   | 2025<br>\$'000   | 2026<br>\$'000                                                         | 2025<br>\$'000   | 2026<br>\$'000     | 2025<br>\$'000     |
| <b>Income from transactions</b>                                     |                 |                 |                  |                  |                                                                        |                  |                    |                    |
| Output appropriations                                               | 50,246          | 48,750          | 23,778           | 64,241           | 24,799                                                                 | 965              | 2,269,792          | 2,338,862          |
| Special output appropriations                                       | –               | –               | –                | –                | –                                                                      | –                | 2,892              | 4,423              |
| Sale of goods and services                                          | –               | (337)           | 1                | –                | 1                                                                      | –                | 225,732            | 158,588            |
| Municipal and Industrial<br>Waste Levy                              | –               | –               | –                | –                | 601,429                                                                | 461,445          | 601,429            | 461,445            |
| Metropolitan Parks<br>Improvement Rate                              | –               | –               | –                | –                | –                                                                      | –                | 221,774            | 197,847            |
| Grants                                                              | 30              | 525             | 1                | 8                | 1                                                                      | –                | 61,276             | 34,893             |
| Interest income                                                     | –               | –               | 9,631            | 8,505            | 23,050                                                                 | 20,770           | 44,836             | 40,959             |
| Initial recognition income from<br>derivative financial instruments | –               | –               | –                | –                | –                                                                      | –                | –                  | 12,184             |
| Other income                                                        | 1,852           | 6,885           | 98,417           | 73,992           | (316,289)                                                              | (216,957)        | 86,253             | 54,877             |
| <b>Total revenue and income<br/>from transactions</b>               | <b>52,128</b>   | <b>55,823</b>   | <b>131,828</b>   | <b>146,746</b>   | <b>332,991</b>                                                         | <b>266,223</b>   | <b>3,513,984</b>   | <b>3,304,078</b>   |
| <b>Expenses from transactions</b>                                   |                 |                 |                  |                  |                                                                        |                  |                    |                    |
| Employee expenses                                                   | (36,408)        | (36,265)        | (25,909)         | (28,651)         | (9,107)                                                                | (1,420)          | (950,646)          | (1,002,732)        |
| Grants and other transfers                                          | (1,199)         | (19)            | (82,457)         | (86,970)         | (167,157)                                                              | (132,345)        | (1,290,239)        | (1,090,753)        |
| Supplies and services                                               | (14,886)        | (13,241)        | (10,026)         | (14,502)         | (4,706)                                                                | (126)            | (862,708)          | (911,041)          |
| Depreciation and amortisation                                       | (807)           | (1,091)         | (1,286)          | (1,052)          | (1,365)                                                                | –                | (114,990)          | (120,437)          |
| Interest expense                                                    | (77)            | (42)            | (6,813)          | (11,342)         | (20)                                                                   | –                | (36,916)           | (41,316)           |
| Derecognition of financial<br>instruments                           | –               | –               | –                | –                | –                                                                      | –                | (100,409)          | –                  |
| Loan repayments transferred<br>to the administered entity           | –               | –               | (49,330)         | (56,209)         | –                                                                      | –                | (49,330)           | (56,209)           |
| <b>Total expenses from transactions</b>                             | <b>(53,377)</b> | <b>(50,658)</b> | <b>(175,821)</b> | <b>(198,726)</b> | <b>(182,355)</b>                                                       | <b>(133,891)</b> | <b>(3,405,238)</b> | <b>(3,222,488)</b> |
| <b>Net result from transactions<br/>(net operating balance)</b>     | <b>(1,249)</b>  | <b>5,165</b>    | <b>(43,993)</b>  | <b>(51,980)</b>  | <b>150,636</b>                                                         | <b>132,332</b>   | <b>108,746</b>     | <b>81,590</b>      |
| <b>Other economic flows included in net result</b>                  |                 |                 |                  |                  |                                                                        |                  |                    |                    |
| Net gain/(loss) on<br>non-financial assets                          | 964             | (91)            | 2,192            | (486)            | 2,360                                                                  | –                | (233,832)          | 6,239              |
| Net gain/(loss) on financial<br>instruments                         | 4               | (2)             | 35               | 354              | 12                                                                     | –                | 2,276              | 484,015            |
| Other gains/(losses) from other<br>economic flows                   | 165             | 78              | 433              | 115              | 466                                                                    | –                | 7,619              | 2,686              |
| <b>Total other economic flows<br/>included in net result</b>        | <b>1,133</b>    | <b>(15)</b>     | <b>2,660</b>     | <b>(17)</b>      | <b>2,838</b>                                                           | <b>–</b>         | <b>(223,937)</b>   | <b>492,940</b>     |
| <b>Net result</b>                                                   | <b>(116)</b>    | <b>5,150</b>    | <b>(41,333)</b>  | <b>(51,997)</b>  | <b>153,474</b>                                                         | <b>132,332</b>   | <b>(115,191)</b>   | <b>574,530</b>     |

|                                                                       | Resources      |                | Solar Victoria  |                 | Statutory Activities and Environmental Protection <sup>(i)</sup> |                | Total            |                |
|-----------------------------------------------------------------------|----------------|----------------|-----------------|-----------------|------------------------------------------------------------------|----------------|------------------|----------------|
|                                                                       | 2026<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000  | 2025<br>\$'000  | 2026<br>\$'000                                                   | 2025<br>\$'000 | 2026<br>\$'000   | 2025<br>\$'000 |
| <b>Other economic flows – other comprehensive income</b>              |                |                |                 |                 |                                                                  |                |                  |                |
| <b>Items that will not be classified to net result</b>                |                |                |                 |                 |                                                                  |                |                  |                |
| Net changes in physical asset revaluation surplus                     | (3,119)        | –              | 3,076           | –               | 12,924                                                           | –              | 4,194,853        | –              |
| <b>Total other economic flows – other non-owner changes in equity</b> | <b>(3,119)</b> | <b>–</b>       | <b>3,076</b>    | <b>–</b>        | <b>12,924</b>                                                    | <b>–</b>       | <b>4,194,853</b> | <b>–</b>       |
| <b>Comprehensive result</b>                                           | <b>(3,235)</b> | <b>5,150</b>   | <b>(38,257)</b> | <b>(51,997)</b> | <b>166,398</b>                                                   | <b>132,332</b> | <b>4,079,662</b> | <b>574,530</b> |

Note:

- (i) The Sustainability Fund Trust Account within the Statutory Activities and Environmental Protection Output makes transfer payments to fund on-going works to other DEECA Outputs. These transfer payments are classified as negative other income.

#### 4.1.3 Departmental Outputs – Controlled assets and liabilities

|                                                           | Agriculture      |                  | Circular Economy <sup>(i)</sup> |                | Climate Action |                |
|-----------------------------------------------------------|------------------|------------------|---------------------------------|----------------|----------------|----------------|
|                                                           | 2026<br>\$'000   | 2025<br>\$'000   | 2026<br>\$'000                  | 2025<br>\$'000 | 2026<br>\$'000 | 2025<br>\$'000 |
| <b>Assets</b>                                             |                  |                  |                                 |                |                |                |
| <b>Financial assets</b>                                   |                  |                  |                                 |                |                |                |
| Cash and cash deposits                                    | 174,519          | 169,428          | 27,056                          | 36,613         | 468            | 1,650          |
| Receivables                                               | 265,009          | 304,286          | 47,358                          | 7,287          | 6,160          | 8,858          |
| Financial instruments at fair value through net result    | –                | –                | –                               | –              | –              | –              |
| Investments and other financial assets                    | 1,697            | 2,284            | –                               | –              | –              | –              |
| <b>Total financial assets</b>                             | <b>441,225</b>   | <b>475,998</b>   | <b>74,414</b>                   | <b>43,900</b>  | <b>6,628</b>   | <b>10,508</b>  |
| <b>Non-financial assets</b>                               |                  |                  |                                 |                |                |                |
| Non-financial physical assets classified as held for sale | 181              | 188              | 37                              | 7              | 6              | 8              |
| Property, plant and equipment                             | 1,237,545        | 765,527          | 17,989                          | 3,068          | 3,276          | 4,046          |
| Intangible assets                                         | 176              | 2,186            | –                               | –              | –              | –              |
| Prepayments                                               | 1,754            | 1,618            | 282                             | 138            | 48             | 71             |
| Other non-financial assets                                | 4,384            | 4,110            | –                               | 1              | –              | 1              |
| <b>Total non-financial assets</b>                         | <b>1,244,040</b> | <b>773,629</b>   | <b>18,308</b>                   | <b>3,214</b>   | <b>3,330</b>   | <b>4,126</b>   |
| <b>Total assets</b>                                       | <b>1,685,265</b> | <b>1,249,627</b> | <b>92,722</b>                   | <b>47,114</b>  | <b>9,958</b>   | <b>14,634</b>  |
| <b>Liabilities</b>                                        |                  |                  |                                 |                |                |                |
| Payables                                                  | 65,497           | 62,566           | 23,693                          | 7,368          | 85             | 306            |
| Other financial liabilities                               | –                | –                | –                               | –              | –              | –              |
| Borrowings                                                | 301,024          | 328,504          | 697                             | 211            | 326            | 323            |
| Employee related provisions                               | 58,562           | 62,457           | 5,312                           | 5,159          | 2,333          | 2,550          |
| Other provisions                                          | 17,946           | 17,868           | 436                             | 56             | 74             | 127            |
| Financial instruments at fair value through net result    | –                | –                | –                               | –              | –              | –              |
| Other liabilities                                         | 1,593            | 1,650            | 3,711                           | 4,534          | 1              | 1              |
| <b>Total Liabilities</b>                                  | <b>444,622</b>   | <b>473,045</b>   | <b>33,849</b>                   | <b>17,328</b>  | <b>2,819</b>   | <b>3,307</b>   |
| <b>Net Assets</b>                                         | <b>1,240,643</b> | <b>776,582</b>   | <b>58,873</b>                   | <b>29,786</b>  | <b>7,139</b>   | <b>11,327</b>  |

Note:

- (i) The assets and liabilities related to the Recycling Victoria business unit were transferred to the Environment Protection Authority on 30 June 2026. The comparative figures are not impacted.

#### 4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

|                                                           | Effective Water Management and supply |                | Energy <sup>(ii)</sup> |                | Environment and Biodiversity |                |
|-----------------------------------------------------------|---------------------------------------|----------------|------------------------|----------------|------------------------------|----------------|
|                                                           | 2026<br>\$'000                        | 2025<br>\$'000 | 2026<br>\$'000         | 2025<br>\$'000 | 2026<br>\$'000               | 2025<br>\$'000 |
| <b>Assets</b>                                             |                                       |                |                        |                |                              |                |
| <b>Financial assets</b>                                   |                                       |                |                        |                |                              |                |
| Cash and cash deposits                                    | 39,404                                | 42,471         | 255,708                | 202,841        | 146,040                      | 146,108        |
| Receivables                                               | 103,568                               | 141,015        | 136,301                | 87,828         | 42,694                       | 50,583         |
| Financial instruments at fair value through net result    | –                                     | –              | 15,194                 | 525,145        | –                            | –              |
| Investments and other financial assets                    | –                                     | –              | –                      | –              | –                            | –              |
| <b>Total financial assets</b>                             | <b>142,972</b>                        | <b>183,486</b> | <b>407,203</b>         | <b>815,814</b> | <b>188,734</b>               | <b>196,691</b> |
| <b>Non-financial assets</b>                               |                                       |                |                        |                |                              |                |
| Non-financial physical assets classified as held for sale | 106                                   | 130            | 89                     | 7,359          | 44                           | 47             |
| Property, plant and equipment                             | 127,055                               | 151,827        | 51,051                 | 31,240         | 167,596                      | 189,249        |
| Intangible assets                                         | –                                     | –              | –                      | 5,531          | 34                           | 70             |
| Prepayments                                               | 809                                   | 1,127          | 808                    | 630            | 3,884                        | 405            |
| Other non-financial assets                                | –                                     | 10             | –                      | 6              | –                            | 4              |
| <b>Total non-financial assets</b>                         | <b>127,970</b>                        | <b>153,094</b> | <b>51,948</b>          | <b>44,766</b>  | <b>171,558</b>               | <b>189,775</b> |
| <b>Total assets</b>                                       | <b>270,942</b>                        | <b>336,580</b> | <b>459,151</b>         | <b>860,580</b> | <b>360,292</b>               | <b>386,466</b> |
| <b>Liabilities</b>                                        |                                       |                |                        |                |                              |                |
| Payables                                                  | 10,991                                | 18,269         | 29,485                 | 102,189        | 3,775                        | 3,537          |
| Other financial liabilities                               | –                                     | –              | 217,860                | 214,409        | –                            | –              |
| Borrowings                                                | 2,277                                 | 2,441          | 1,892                  | 1,287          | 4,834                        | 4,577          |
| Employee related provisions                               | 19,833                                | 20,937         | 16,768                 | 18,687         | 15,239                       | 23,492         |
| Other provisions                                          | 1,241                                 | 1,866          | 3,724                  | 3,310          | 512                          | 698            |
| Financial instruments at fair value through net result    | –                                     | –              | –                      | –              | –                            | –              |
| Other liabilities                                         | 16                                    | 21             | 16                     | 12             | 7                            | 8              |
| <b>Total Liabilities</b>                                  | <b>34,358</b>                         | <b>43,534</b>  | <b>269,745</b>         | <b>339,894</b> | <b>24,367</b>                | <b>32,312</b>  |
| <b>Net Assets</b>                                         | <b>236,584</b>                        | <b>293,046</b> | <b>189,406</b>         | <b>520,686</b> | <b>335,925</b>               | <b>354,154</b> |

Note:

(ii) The 2025–26 figures include VicGrid transactions to 31 October 2025. From 1 November 2025, the transactions and assets and liabilities relating to VicGrid are recognised in the entity's separate financial report.

#### 4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

|                                                           | Fire and Emergency Management |                  | Management of Public Land and Forests |                  | Parks Victoria |                |
|-----------------------------------------------------------|-------------------------------|------------------|---------------------------------------|------------------|----------------|----------------|
|                                                           | 2026<br>\$'000                | 2025<br>\$'000   | 2026<br>\$'000                        | 2025<br>\$'000   | 2026<br>\$'000 | 2025<br>\$'000 |
| <b>Assets</b>                                             |                               |                  |                                       |                  |                |                |
| <b>Financial assets</b>                                   |                               |                  |                                       |                  |                |                |
| Cash and cash deposits                                    | 130,689                       | 108,455          | 260,347                               | 249,859          | 15,028         | 28,363         |
| Receivables                                               | 115,227                       | 213,022          | 99,455                                | 135,140          | 64,162         | 16,201         |
| Financial instruments at fair value through net result    | –                             | –                | –                                     | –                | –              | –              |
| Investments and other financial assets                    | –                             | –                | –                                     | –                | –              | –              |
| <b>Total financial assets</b>                             | <b>245,916</b>                | <b>321,477</b>   | <b>359,802</b>                        | <b>384,999</b>   | <b>79,190</b>  | <b>44,564</b>  |
| <b>Non-financial assets</b>                               |                               |                  |                                       |                  |                |                |
| Non-financial physical assets classified as held for sale | 118                           | 197              | 102                                   | 4,129            | 66             | 15             |
| Property, plant and equipment                             | 1,125,100                     | 1,113,134        | 11,000,841                            | 7,595,307        | 31,646         | 6,406          |
| Intangible assets                                         | 7,713                         | 8,576            | 1,977                                 | 2,219            | –              | –              |
| Prepayments                                               | 902                           | 1,704            | 780                                   | 1,082            | 501            | 129            |
| Other non-financial assets                                | 34,101                        | 15,217           | –                                     | 654              | –              | 1              |
| <b>Total non-financial assets</b>                         | <b>1,167,934</b>              | <b>1,138,828</b> | <b>11,003,700</b>                     | <b>7,603,391</b> | <b>32,213</b>  | <b>6,551</b>   |
| <b>Total assets</b>                                       | <b>1,413,850</b>              | <b>1,460,305</b> | <b>11,363,502</b>                     | <b>7,988,390</b> | <b>111,403</b> | <b>51,115</b>  |
| <b>Liabilities</b>                                        |                               |                  |                                       |                  |                |                |
| Payables                                                  | 27,131                        | 15,496           | 19,824                                | 7,915            | 19,642         | 147            |
| Other financial liabilities                               | –                             | –                | –                                     | –                | –              | –              |
| Borrowings                                                | 54,720                        | 53,045           | 5,300                                 | 5,366            | 1,235          | 267            |
| Employee related provisions                               | 64,761                        | 64,991           | 32,085                                | 34,773           | 2,123          | 1,071          |
| Other provisions                                          | 1,384                         | 2,983            | 68,360                                | 71,229           | 769            | 211            |
| Financial instruments at fair value through net result    | –                             | –                | –                                     | –                | –              | –              |
| Other liabilities                                         | 18                            | 32               | 16                                    | 20               | 10             | 2              |
| <b>Total Liabilities</b>                                  | <b>148,014</b>                | <b>136,547</b>   | <b>125,585</b>                        | <b>119,303</b>   | <b>23,779</b>  | <b>1,698</b>   |
| <b>Net Assets</b>                                         | <b>1,265,836</b>              | <b>1,323,758</b> | <b>11,237,917</b>                     | <b>7,869,087</b> | <b>87,624</b>  | <b>49,417</b>  |



#### 4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

|                                                           | Resources      |                | Solar Victoria |                | Statutory Activities<br>and Environmental<br>Protection |                | Total             |                   |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|---------------------------------------------------------|----------------|-------------------|-------------------|
|                                                           | 2026<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000                                          | 2025<br>\$'000 | 2026<br>\$'000    | 2025<br>\$'000    |
| <b>Assets</b>                                             |                |                |                |                |                                                         |                |                   |                   |
| <b>Financial assets</b>                                   |                |                |                |                |                                                         |                |                   |                   |
| Cash and cash deposits                                    | 12,785         | 12,543         | (1,846)        | 10,429         | 581,909                                                 | 545,526        | 1,642,107         | 1,554,286         |
| Receivables                                               | 18,881         | 26,603         | 134,425        | 133,155        | 387,659                                                 | 238,842        | 1,420,899         | 1,362,820         |
| Financial instruments at fair value through net result    | –              | –              | –              | –              | –                                                       | –              | 15,194            | 525,145           |
| Investments and other financial assets                    | 71             | 71             | –              | –              | –                                                       | –              | 1,768             | 2,355             |
| <b>Total financial assets</b>                             | <b>31,737</b>  | <b>39,217</b>  | <b>132,579</b> | <b>143,584</b> | <b>969,568</b>                                          | <b>784,368</b> | <b>3,079,968</b>  | <b>3,444,606</b>  |
| <b>Non-financial assets</b>                               |                |                |                |                |                                                         |                |                   |                   |
| Non-financial physical assets classified as held for sale | 19             | 24             | 51             | 36             | 55                                                      | –              | 874               | 12,140            |
| Property, plant and equipment                             | 10,979         | 13,846         | 24,542         | 15,701         | 26,271                                                  | –              | 13,823,891        | 9,889,351         |
| Intangible assets                                         | –              | –              | –              | –              | –                                                       | –              | 9,900             | 18,582            |
| Prepayments                                               | 297            | 351            | 65,142         | 35,660         | 416                                                     | –              | 75,623            | 42,915            |
| Other non-financial assets                                | –              | 2              | –              | 3              | –                                                       | –              | 38,485            | 20,009            |
| <b>Total non-financial assets</b>                         | <b>11,295</b>  | <b>14,223</b>  | <b>89,735</b>  | <b>51,400</b>  | <b>26,742</b>                                           | <b>–</b>       | <b>13,948,773</b> | <b>9,982,997</b>  |
| <b>Total assets</b>                                       | <b>43,032</b>  | <b>53,440</b>  | <b>222,314</b> | <b>194,984</b> | <b>996,310</b>                                          | <b>784,368</b> | <b>17,028,741</b> | <b>13,427,603</b> |
| <b>Liabilities</b>                                        |                |                |                |                |                                                         |                |                   |                   |
| Payables                                                  | 1,197          | 1,871          | 18,820         | 17,474         | 2,940                                                   | 21,730         | 223,080           | 258,868           |
| Other financial liabilities                               | –              | –              | –              | –              | –                                                       | –              | 217,860           | 214,409           |
| Borrowings                                                | 1,162          | 1,093          | 1,001          | 709            | 1,025                                                   | –              | 375,493           | 397,823           |
| Employee related provisions                               | 8,441          | 8,068          | 4,531          | 5,203          | 2,082                                                   | 236            | 232,070           | 247,624           |
| Other provisions                                          | 8,154          | 8,795          | 11,778         | 10,641         | 638                                                     | 1              | 115,016           | 117,785           |
| Financial instruments at fair value through net result    | –              | –              | –              | –              | –                                                       | –              | –                 | –                 |
| Other liabilities                                         | 1,025          | 960            | 8              | 6              | 8                                                       | –              | 6,429             | 7,246             |
| <b>Total Liabilities</b>                                  | <b>19,979</b>  | <b>20,787</b>  | <b>36,138</b>  | <b>34,033</b>  | <b>6,693</b>                                            | <b>21,967</b>  | <b>1,169,948</b>  | <b>1,243,755</b>  |
| <b>Net Assets</b>                                         | <b>23,053</b>  | <b>32,653</b>  | <b>186,176</b> | <b>160,951</b> | <b>989,617</b>                                          | <b>762,401</b> | <b>15,858,793</b> | <b>12,183,848</b> |

## 4.2 Administered (non-controlled) items

In addition to the specific departmental operations which are controlled and included in the financial statements (balance sheet, comprehensive operating statement, cash flow statement and statement of changes in equity), the department administers or manages other activities and resources on behalf of the state. The department does not gain control over assets arising from transactions listed below and consequently no income is recognised in the department's financial statements. Accordingly, the amounts are disclosed as income in the schedule of Administered Items. The transactions and balances relating to these activities are reported as administered items in this note.

### 4.2.1 Administered income and expenses

|                                                                                | Agriculture     |                  | Circular Economy |                | Climate Action |                |
|--------------------------------------------------------------------------------|-----------------|------------------|------------------|----------------|----------------|----------------|
|                                                                                | 2026<br>\$'000  | 2025<br>\$'000   | 2026<br>\$'000   | 2025<br>\$'000 | 2026<br>\$'000 | 2025<br>\$'000 |
| <b>Administered revenue and income from transactions</b>                       |                 |                  |                  |                |                |                |
| Appropriations – payments on behalf of the state (POBOS)                       | –               | –                | –                | –              | –              | –              |
| Interest income (Note 4.2.4)                                                   | 210             | 211              | –                | –              | –              | –              |
| Sales of goods and services                                                    | 66,572          | 70,743           | (9)              | 378            | (2)            | 462            |
| Royalties, land leases and licences                                            | 1               | –                | –                | –              | –              | –              |
| Environmental contribution                                                     | –               | –                | –                | –              | –              | –              |
| Grants                                                                         | 1,961           | 30,837           | 3,793            | 3,571          | –              | –              |
| Assets received free of charge                                                 | –               | –                | –                | –              | –              | –              |
| Other income and loan repayments transferred from the controlled entity        | 5,592           | 12,878           | 2                | 2              | –              | 2              |
| <b>Total administered revenue and income from transactions</b>                 | <b>74,336</b>   | <b>114,669</b>   | <b>3,786</b>     | <b>3,951</b>   | <b>(2)</b>     | <b>464</b>     |
| <b>Administered expenses from transactions</b>                                 |                 |                  |                  |                |                |                |
| Grants and other transfers                                                     | –               | –                | –                | –              | –              | –              |
| Victorian Desalination Project interest expense (Note 4.2.4)                   | –               | –                | –                | –              | –              | –              |
| Other expenses                                                                 | 1               | –                | –                | –              | –              | –              |
| Depreciation and amortisation                                                  | –               | –                | –                | –              | –              | –              |
| Other expenses associated with jointly controlled assets                       | –               | –                | –                | –              | –              | –              |
| Payments into the consolidated fund                                            | (83,587)        | (105,520)        | (3,786)          | (3,951)        | 1              | (464)          |
| <b>Total administered expenses from transactions</b>                           | <b>(83,586)</b> | <b>(105,520)</b> | <b>(3,786)</b>   | <b>(3,951)</b> | <b>1</b>       | <b>(464)</b>   |
| <b>Total administered net result from transactions (net operating balance)</b> | <b>(9,250)</b>  | <b>9,149</b>     | <b>–</b>         | <b>–</b>       | <b>(1)</b>     | <b>–</b>       |
| <b>Administered other economic flows included in net result</b>                |                 |                  |                  |                |                |                |
| Net gain/(loss) on non-financial assets                                        | (8)             | (1,617)          | –                | (54)           | –              | (67)           |
| Net gain/(loss) on financial instruments                                       | 761             | (639)            | 3                | 1              | –              | 1              |
| Share of net profit/(loss) of joint venturers (Note 4.2.3(b))                  | –               | –                | –                | –              | –              | –              |
| Other gains/(losses) from other economic flows                                 | –               | –                | –                | –              | –              | –              |
| <b>Total administered other economic flows included in net result</b>          | <b>753</b>      | <b>(2,256)</b>   | <b>3</b>         | <b>(53)</b>    | <b>–</b>       | <b>(66)</b>    |
| <b>Administered net result</b>                                                 | <b>(8,497)</b>  | <b>6,893</b>     | <b>3</b>         | <b>(53)</b>    | <b>(1)</b>     | <b>(66)</b>    |
| <b>Other comprehensive income</b>                                              | <b>–</b>        | <b>–</b>         | <b>–</b>         | <b>–</b>       | <b>–</b>       | <b>–</b>       |
| <b>Administered comprehensive result</b>                                       | <b>(8,497)</b>  | <b>6,893</b>     | <b>3</b>         | <b>(53)</b>    | <b>(1)</b>     | <b>(66)</b>    |

#### 4.2.1 Administered income and expenses (continued)

|                                                                                | Effective Water Management and supply |                    | Energy <sup>(i)</sup> |                 | Environment and Biodiversity |                 |
|--------------------------------------------------------------------------------|---------------------------------------|--------------------|-----------------------|-----------------|------------------------------|-----------------|
|                                                                                | 2026<br>\$'000                        | 2025<br>\$'000     | 2026<br>\$'000        | 2025<br>\$'000  | 2026<br>\$'000               | 2025<br>\$'000  |
| <b>Administered revenue and income from transactions</b>                       |                                       |                    |                       |                 |                              |                 |
| Appropriations – payments on behalf of the state (POBOS)                       | 654,769                               | 604,797            | 52,963                | 11,124          | –                            | –               |
| Interest income                                                                | 383,301                               | 390,557            | 245                   | 261             | 3                            | 3               |
| Sales of goods and services                                                    | 215,830                               | 179,066            | 49,036                | 30,684          | 182                          | 5,409           |
| Royalties, land leases and licences                                            | –                                     | –                  | –                     | –               | 1,671                        | 1,409           |
| Environmental contribution                                                     | 176,712                               | 176,712            | –                     | –               | –                            | –               |
| Grants                                                                         | –                                     | –                  | 1,992                 | 1,450           | 11,165                       | 8,133           |
| Assets received free of charge                                                 | 20,696                                | 40,666             | –                     | –               | –                            | –               |
| Other income and loan repayments transferred from the controlled entity        | 6                                     | 30                 | 1,775                 | 6,667           | 2                            | 11              |
| <b>Total administered revenue and income from transactions</b>                 | <b>1,451,314</b>                      | <b>1,391,828</b>   | <b>106,011</b>        | <b>50,186</b>   | <b>13,023</b>                | <b>14,965</b>   |
| <b>Administered expenses from transactions</b>                                 |                                       |                    |                       |                 |                              |                 |
| Grants and other transfers                                                     | (32,585)                              | (31,288)           | (52,963)              | (11,124)        | –                            | –               |
| Victorian Desalination Project interest expense (Note 4.2.4)                   | (341,528)                             | (348,268)          | –                     | –               | –                            | –               |
| Other expenses                                                                 | (216,001)                             | (168,351)          | –                     | –               | –                            | –               |
| Depreciation and amortisation                                                  | (14,053)                              | (12,273)           | –                     | –               | –                            | –               |
| Other expenses associated with jointly controlled assets                       | –                                     | –                  | –                     | (3,546)         | –                            | –               |
| Payments into the consolidated fund                                            | (851,459)                             | (797,561)          | (26,304)              | (76,554)        | (12,529)                     | (14,994)        |
| <b>Total administered expenses from transactions</b>                           | <b>(1,455,626)</b>                    | <b>(1,357,741)</b> | <b>(79,267)</b>       | <b>(91,224)</b> | <b>(12,529)</b>              | <b>(14,994)</b> |
| <b>Total administered net result from transactions (net operating balance)</b> | <b>(4,312)</b>                        | <b>34,087</b>      | <b>26,744</b>         | <b>(41,038)</b> | <b>494</b>                   | <b>(29)</b>     |
| <b>Administered other economic flows included in net result</b>                |                                       |                    |                       |                 |                              |                 |
| Net gain/(loss) on non-financial assets                                        | (30,720)                              | 959                | (2)                   | (1,443)         | –                            | (373)           |
| Net gain/(loss) on financial instruments                                       | 7                                     | 20                 | 7                     | 11              | 3                            | 7               |
| Share of net profit/(loss) of joint venturers (Note 4.2.3(b))                  | –                                     | –                  | (28,965)              | (10,329)        | –                            | –               |
| Other gains/(losses) from other economic flows                                 | –                                     | –                  | –                     | –               | –                            | –               |
| <b>Total administered other economic flows included in net result</b>          | <b>(30,713)</b>                       | <b>979</b>         | <b>(28,960)</b>       | <b>(11,761)</b> | <b>3</b>                     | <b>(366)</b>    |
| <b>Administered net result</b>                                                 | <b>(35,025)</b>                       | <b>35,066</b>      | <b>(2,216)</b>        | <b>(52,799)</b> | <b>497</b>                   | <b>(395)</b>    |
| <b>Other comprehensive income</b>                                              | <b>–</b>                              | <b>–</b>           | <b>(22,972)</b>       | <b>19,088</b>   | <b>–</b>                     | <b>–</b>        |
| <b>Administered comprehensive result</b>                                       | <b>(35,025)</b>                       | <b>35,066</b>      | <b>(25,188)</b>       | <b>(33,711)</b> | <b>497</b>                   | <b>(395)</b>    |

Note:

(i) The 2025–26 figures include VicGrid transactions to 31 October 2025. From 1 November 2025, the transactions and assets and liabilities relating to VicGrid are recognised in the entity's separate financial report.

#### 4.2.1 Administered income and expenses (continued)

|                                                                                | Fire and Emergency Management |                 | Management of Public Land and Forests |                 | Parks Victoria  |                |
|--------------------------------------------------------------------------------|-------------------------------|-----------------|---------------------------------------|-----------------|-----------------|----------------|
|                                                                                | 2026<br>\$'000                | 2025<br>\$'000  | 2026<br>\$'000                        | 2025<br>\$'000  | 2026<br>\$'000  | 2025<br>\$'000 |
| <b>Administered revenue and income from transactions</b>                       |                               |                 |                                       |                 |                 |                |
| Appropriations – payments on behalf of the state (POBOS)                       | –                             | –               | –                                     | –               | –               | –              |
| Interest income                                                                | –                             | –               | –                                     | –               | –               | –              |
| Sales of goods and services                                                    | (29)                          | 11,067          | 407                                   | 7,029           | 35,295          | 841            |
| Royalties, land leases and licences                                            | 31                            | 35              | 10,524                                | 11,411          | –               | –              |
| Environmental contribution                                                     | –                             | –               | –                                     | –               | –               | –              |
| Grants                                                                         | –                             | –               | 1,150                                 | –               | –               | –              |
| Assets received free of charge                                                 | –                             | –               | 29,879                                | –               | –               | –              |
| Other income and loan repayments transferred from the controlled entity        | 6                             | 46              | 6                                     | 29              | 4               | 4              |
| <b>Total administered revenue and income from transactions</b>                 | <b>8</b>                      | <b>11,148</b>   | <b>41,966</b>                         | <b>18,469</b>   | <b>35,299</b>   | <b>845</b>     |
| <b>Administered expenses from transactions</b>                                 |                               |                 |                                       |                 |                 |                |
| Grants and other transfers                                                     | –                             | –               | –                                     | –               | –               | –              |
| Victorian Desalination Project interest expense (Note 4.2.4)                   | –                             | –               | –                                     | –               | –               | –              |
| Other expenses                                                                 | –                             | –               | (33,262)                              | (12,800)        | –               | –              |
| Depreciation and amortisation                                                  | –                             | –               | –                                     | –               | –               | –              |
| Other expenses associated with jointly controlled assets                       | –                             | –               | –                                     | –               | –               | –              |
| Payments into the consolidated fund                                            | (160)                         | (11,159)        | (17,935)                              | (20,030)        | (35,299)        | (845)          |
| <b>Total administered expenses from transactions</b>                           | <b>(160)</b>                  | <b>(11,159)</b> | <b>(51,197)</b>                       | <b>(32,830)</b> | <b>(35,299)</b> | <b>(845)</b>   |
| <b>Total administered net result from transactions (net operating balance)</b> | <b>(152)</b>                  | <b>(11)</b>     | <b>(9,231)</b>                        | <b>(14,361)</b> | <b>–</b>        | <b>–</b>       |
| <b>Administered other economic flows included in net result</b>                |                               |                 |                                       |                 |                 |                |
| Net gain/(loss) on non-financial assets                                        | (414)                         | (1,669)         | (555)                                 | (2,377)         | (1)             | (121)          |
| Net gain/(loss) on financial instruments                                       | 8                             | 31              | 7                                     | 19              | 5               | 2              |
| Share of net profit/(loss) of joint venturers (Note 4.2.3(b))                  | –                             | –               | –                                     | –               | –               | –              |
| Other gains/(losses) from other economic flows                                 | –                             | –               | –                                     | –               | –               | –              |
| <b>Total administered other economic flows included in net result</b>          | <b>(406)</b>                  | <b>(1,638)</b>  | <b>(548)</b>                          | <b>(2,358)</b>  | <b>4</b>        | <b>(119)</b>   |
| <b>Administered net result</b>                                                 | <b>(558)</b>                  | <b>(1,649)</b>  | <b>(9,779)</b>                        | <b>(16,719)</b> | <b>4</b>        | <b>(119)</b>   |
| <b>Other comprehensive income</b>                                              | <b>–</b>                      | <b>–</b>        | <b>–</b>                              | <b>–</b>        | <b>–</b>        | <b>–</b>       |
| <b>Administered comprehensive result</b>                                       | <b>(558)</b>                  | <b>(1,649)</b>  | <b>(9,779)</b>                        | <b>(16,719)</b> | <b>4</b>        | <b>(119)</b>   |

#### 4.2.1 Administered income and expenses (continued)

|                                                                                         | Resources        |                  | Solar Victoria  |                 | Statutory Activities<br>and Environmental<br>Protection <sup>(i)</sup> |                | Total              |                    |
|-----------------------------------------------------------------------------------------|------------------|------------------|-----------------|-----------------|------------------------------------------------------------------------|----------------|--------------------|--------------------|
|                                                                                         | 2026<br>\$'000   | 2025<br>\$'000   | 2026<br>\$'000  | 2025<br>\$'000  | 2026<br>\$'000                                                         | 2025<br>\$'000 | 2026<br>\$'000     | 2025<br>\$'000     |
| <b>Administered revenue and income from transactions</b>                                |                  |                  |                 |                 |                                                                        |                |                    |                    |
| Appropriations – payments on behalf of the state (POBOS)                                | –                | –                | –               | –               | –                                                                      | –              | 707,732            | 615,921            |
| Interest income                                                                         | 162              | 172              | –               | –               | –                                                                      | –              | 383,921            | 391,204            |
| Sales of goods and services                                                             | 1,361            | 2,365            | –               | 2,040           | 7                                                                      | –              | 368,650            | 310,084            |
| Royalties, land leases and licences                                                     | 163,373          | 169,664          | –               | –               | –                                                                      | –              | 175,600            | 182,519            |
| Environmental contribution                                                              | –                | –                | –               | –               | –                                                                      | –              | 176,712            | 176,712            |
| Grants                                                                                  | –                | –                | –               | –               | –                                                                      | –              | 20,061             | 43,991             |
| Assets received free of charge                                                          | –                | –                | –               | –               | –                                                                      | –              | 50,575             | 40,666             |
| Other income and loan repayments transferred from the controlled entity <sup>(ii)</sup> | 20               | 47               | 49,321          | 56,218          | 3                                                                      | –              | 56,737             | 75,934             |
| <b>Total administered revenue and income from transactions</b>                          | <b>164,916</b>   | <b>172,248</b>   | <b>49,321</b>   | <b>58,258</b>   | <b>10</b>                                                              | <b>–</b>       | <b>1,939,988</b>   | <b>1,837,031</b>   |
| <b>Administered expenses from transactions</b>                                          |                  |                  |                 |                 |                                                                        |                |                    |                    |
| Grants and other transfers                                                              | –                | –                | –               | –               | –                                                                      | –              | (85,548)           | (42,412)           |
| Victorian Desalination Project interest expense (Note 4.2.4)                            | –                | –                | –               | –               | –                                                                      | –              | (341,528)          | (348,268)          |
| Other expenses                                                                          | –                | –                | –               | –               | –                                                                      | –              | (249,262)          | (181,151)          |
| Depreciation and amortisation                                                           | –                | –                | –               | –               | –                                                                      | –              | (14,053)           | (12,273)           |
| Other expenses associated with jointly controlled assets                                | –                | –                | –               | –               | –                                                                      | –              | –                  | (3,546)            |
| Payments into the consolidated fund                                                     | (164,750)        | (164,658)        | (49,321)        | (58,260)        | (10)                                                                   | –              | (1,245,139)        | (1,253,996)        |
| <b>Total administered expenses from transactions</b>                                    | <b>(164,750)</b> | <b>(164,658)</b> | <b>(49,321)</b> | <b>(58,260)</b> | <b>(10)</b>                                                            | <b>–</b>       | <b>(1,935,530)</b> | <b>(1,841,646)</b> |
| <b>Total administered net result from transactions (net operating balance)</b>          | <b>166</b>       | <b>7,590</b>     | <b>–</b>        | <b>(2)</b>      | <b>–</b>                                                               | <b>–</b>       | <b>4,458</b>       | <b>(4,615)</b>     |
| <b>Administered other economic flows included in net result</b>                         |                  |                  |                 |                 |                                                                        |                |                    |                    |
| Net gain/(loss) on non-financial assets                                                 | –                | (198)            | –               | (294)           | –                                                                      | –              | (31,700)           | (7,254)            |
| Net gain/(loss) on financial instruments                                                | 1                | 4                | 3               | 6               | 4                                                                      | –              | 809                | (537)              |
| Share of net profit/(loss) of joint venturers (Note 4.2.4(b))                           | –                | –                | –               | –               | –                                                                      | –              | (28,965)           | (10,329)           |
| Other gains/(losses) from other economic flows                                          | –                | –                | –               | –               | –                                                                      | –              | –                  | –                  |
| <b>Total administered other economic flows included in net result</b>                   | <b>1</b>         | <b>(194)</b>     | <b>3</b>        | <b>(288)</b>    | <b>4</b>                                                               | <b>–</b>       | <b>(59,856)</b>    | <b>(18,120)</b>    |
| <b>Administered net result</b>                                                          | <b>167</b>       | <b>7,396</b>     | <b>3</b>        | <b>(290)</b>    | <b>4</b>                                                               | <b>–</b>       | <b>(55,398)</b>    | <b>(22,735)</b>    |
| <b>Other comprehensive income</b>                                                       | <b>–</b>         | <b>–</b>         | <b>–</b>        | <b>–</b>        | <b>–</b>                                                               | <b>–</b>       | <b>(22,972)</b>    | <b>19,088</b>      |
| <b>Administered comprehensive result</b>                                                | <b>167</b>       | <b>7,396</b>     | <b>3</b>        | <b>(290)</b>    | <b>4</b>                                                               | <b>–</b>       | <b>(78,370)</b>    | <b>(3,647)</b>     |

Note:

(i) In 2025–26 this output involves administered transactions. Prior to 2025–26 this output did not involve in administered activities.

(ii) Relates to the transfer of customer loan repayments under the Solar Victoria scheme from the controlled entity to be remitted to the Department of Treasury and Finance.

#### 4.2.1 Administered income and expenses (continued)

Except as otherwise disclosed, administered transactions are accounted for on an accrual basis using same accounting policies adopted for recognition of the departmental items in the financial statements. Both controlled and administered items of the department are consolidated into the financial statements of the state.

##### **Appropriations – payments on behalf of the state (POBOS)**

Appropriation income is recognised on an accrual basis for the provision of outputs delivered through Payments on Behalf of the State.

##### **Interest income**

Interest income is recognised to reflect a constant periodic rate of return on the financial asset.

##### **Sales of goods and services**

Sales of goods and services is recognised as revenue under AASB 15. Refer to controlled entities Note 2.3.1 Sales of goods and services for further details on accounting policy. Revenue from sales of goods and services is recognised by reference to the stage of completion of the services being performed and when the department no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer.

##### **Royalties, land leases and licences**

Income from royalties, leases and licences of Crown land is recognised on an accrual basis under AASB 1058 *Income of not-for-profit entities* on the basis that the department recognises the income when received and these incomes are not derived from a contract with a customer under AASB 15 *Revenue from contracts with customers*. This revenue has been earned under arrangements that are not linked to enforceable or sufficiently specific performance obligations.

##### **Environmental contribution**

Water authorities are required to contribute towards initiatives to improve the sustainable management of water. These contributions are collected through the Environmental Contribution Levy and recognised as revenue when the department has the right to receive them on behalf of the state. The funds are returned to consolidated funds and passed back to the department as output appropriations.

##### **Grants**

The department's administered grants mainly comprise funds provided by the Commonwealth to assist the state government in meeting general or specific service delivery obligations, primarily for the purpose of aiding the financing of the operations of the recipient, capital purposes and/or for on passing to other recipients. The department also receives grants for on passing from other jurisdictions. The department does not have control over these grants, and the income is not recognised in the department's financial statements. Grant revenue is recognised on an accrual basis under AASB 1058 *Income of not-for-profit entities*.

##### **Assets received free of charge**

On behalf of the state, the department jointly controls assets of the Murray-Darling Basin Authority. Jointly controlled assets received free of charge give rise to income, which is recognised on an accrual basis.

##### **Other income and loan repayments transferred from the controlled entity**

Amounts disclosed as other income include revenue recognised from unwinding of Grant of right to operate liability, the transfer of customer loan repayments under the Solar Victoria scheme from the controlled entity to be remitted to the Department of Treasury and Finance, fines, donations, regulatory fees and charges, refunds and reimbursements and other miscellaneous income.

Regulatory fees and charges, and refunds and reimbursements are recognised at the time of billing. Donations and other miscellaneous income are recognised when received.

The department does not gain control over assets arising from administered fines, consequently no income is recognised in the department's financial statements. The department collects these amounts on behalf of the state. Accordingly, the amounts is disclosed as income.

##### **Share of net income/loss received from joint ventures**

The department has determined that the state's share in the Marinus Link joint arrangement (Note 4.2.3) should be classified as a joint venture. It is accounted for using the equity method, in which the net income or loss from the arrangement is recognised as an other economic flow.

#### 4.2.2 Administered assets and liabilities

|                                                                      | Agriculture    |                | Circular Economy |                | Climate Action |                |
|----------------------------------------------------------------------|----------------|----------------|------------------|----------------|----------------|----------------|
|                                                                      | 2026<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000   | 2025<br>\$'000 | 2026<br>\$'000 | 2025<br>\$'000 |
| <b>Administered financial assets</b>                                 |                |                |                  |                |                |                |
| Cash                                                                 | 142            | 152            | 29               | 5              | 5              | 7              |
| Receivables                                                          | 22,438         | 37,655         | 4,386            | 984            | 748            | 1,203          |
| Contractual receivable from Melbourne Water Corporation (Note 4.2.4) | –              | –              | –                | –              | –              | –              |
| Investments – accounted for using equity method                      | –              | –              | –                | –              | –              | –              |
| <b>Total administered financial assets</b>                           | <b>22,580</b>  | <b>37,807</b>  | <b>4,415</b>     | <b>989</b>     | <b>753</b>     | <b>1,210</b>   |
| <b>Administered non-financial assets</b>                             |                |                |                  |                |                |                |
| Share of jointly controlled assets (Note 4.2.3)                      | –              | –              | –                | –              | –              | –              |
| Property, plant and equipment                                        | –              | –              | –                | –              | –              | –              |
| Intangible assets (Note 4.2.4)                                       | –              | –              | –                | –              | –              | –              |
| Intangible assets held for sale (Note 4.2.4)                         | –              | –              | –                | –              | –              | –              |
| <b>Total administered non-financial assets</b>                       | <b>–</b>       | <b>–</b>       | <b>–</b>         | <b>–</b>       | <b>–</b>       | <b>–</b>       |
| <b>Total administered assets</b>                                     | <b>22,580</b>  | <b>37,807</b>  | <b>4,415</b>     | <b>989</b>     | <b>753</b>     | <b>1,210</b>   |
| <b>Administered liabilities</b>                                      |                |                |                  |                |                |                |
| Creditors and accruals                                               | 51             | 2,509          | 11               | 90             | 2              | 110            |
| Borrowings (Note 4.2.4)                                              | –              | –              | –                | –              | –              | –              |
| Other liabilities                                                    | –              | –              | –                | –              | –              | –              |
| Unearned income                                                      | 726            | 839            | 150              | 30             | 26             | 37             |
| <b>Total administered liabilities</b>                                | <b>777</b>     | <b>3,348</b>   | <b>161</b>       | <b>120</b>     | <b>28</b>      | <b>147</b>     |
| <b>Total administered net assets</b>                                 | <b>21,803</b>  | <b>34,459</b>  | <b>4,254</b>     | <b>869</b>     | <b>725</b>     | <b>1,063</b>   |



#### 4.2.2 Administered assets and liabilities (continued)

|                                                                         | Effective Water<br>Management and<br>supply |                  | Energy <sup>(i)</sup> |                | Environment<br>and Biodiversity |                |
|-------------------------------------------------------------------------|---------------------------------------------|------------------|-----------------------|----------------|---------------------------------|----------------|
|                                                                         | 2026<br>\$'000                              | 2025<br>\$'000   | 2026<br>\$'000        | 2025<br>\$'000 | 2026<br>\$'000                  | 2025<br>\$'000 |
| <b>Administered financial assets</b>                                    |                                             |                  |                       |                |                                 |                |
| Cash                                                                    | 36,849                                      | 39,302           | 83                    | 59             | 115                             | 116            |
| Receivables                                                             | 75,274                                      | 76,699           | 56,716                | 17,013         | 5,150                           | 6,839          |
| Contractual receivable from Melbourne<br>Water Corporation (Note 4.2.4) | 3,334,159                                   | 3,404,823        | –                     | –              | –                               | –              |
| Investments – accounted for using equity<br>method (Note 4.2.3(b))      | –                                           | –                | 267,301               | 138,876        | –                               | –              |
| <b>Total administered financial assets</b>                              | <b>3,446,282</b>                            | <b>3,520,824</b> | <b>324,100</b>        | <b>155,948</b> | <b>5,265</b>                    | <b>6,955</b>   |
| <b>Administered non-financial assets</b>                                |                                             |                  |                       |                |                                 |                |
| Share of jointly controlled assets (Note 4.2.3)                         | 1,248,759                                   | 1,206,604        | –                     | –              | –                               | –              |
| Property, plant and equipment                                           | –                                           | –                | –                     | –              | –                               | –              |
| Intangible assets (Note 4.2.4)                                          | 200,614                                     | 184,090          | –                     | –              | –                               | –              |
| Intangible assets held for sale (Note 4.2.4)                            | –                                           | –                | 236                   | 6,464          | –                               | –              |
| <b>Total administered non-financial assets</b>                          | <b>1,449,373</b>                            | <b>1,390,694</b> | <b>236</b>            | <b>6,464</b>   | <b>–</b>                        | <b>–</b>       |
| <b>Total administered assets</b>                                        | <b>4,895,655</b>                            | <b>4,911,518</b> | <b>324,336</b>        | <b>162,412</b> | <b>5,265</b>                    | <b>6,955</b>   |
| <b>Administered liabilities</b>                                         |                                             |                  |                       |                |                                 |                |
| Creditors and accruals                                                  | 79,943                                      | 59,637           | 15,698                | 3,856          | 13                              | 628            |
| Borrowings (Note 4.2.4)                                                 | 2,988,777                                   | 3,057,232        | –                     | –              | –                               | –              |
| Other liabilities                                                       | 27,239                                      | –                | –                     | –              | –                               | –              |
| Unearned income                                                         | 1,812                                       | 2,131            | 427                   | 327            | 176                             | 210            |
| <b>Total administered liabilities</b>                                   | <b>3,097,771</b>                            | <b>3,119,000</b> | <b>16,125</b>         | <b>4,183</b>   | <b>189</b>                      | <b>838</b>     |
| <b>Total administered net assets</b>                                    | <b>1,797,884</b>                            | <b>1,792,518</b> | <b>308,211</b>        | <b>158,229</b> | <b>5,076</b>                    | <b>6,117</b>   |

Note:

- (i) The 2025–26 figures include VicGrid transactions to 31 Oct 2025. From 1 November 2025, the transactions and assets and liabilities relating to VicGrid are recognised in the entity's separate financial report.

#### 4.2.2 Administered assets and liabilities (continued)

|                                                                         | Fire and Emergency<br>Management |                | Management of Public<br>Land and Forests |                | Parks Victoria |                |
|-------------------------------------------------------------------------|----------------------------------|----------------|------------------------------------------|----------------|----------------|----------------|
|                                                                         | 2026<br>\$'000                   | 2025<br>\$'000 | 2026<br>\$'000                           | 2025<br>\$'000 | 2026<br>\$'000 | 2025<br>\$'000 |
| <b>Administered financial assets</b>                                    |                                  |                |                                          |                |                |                |
| Cash                                                                    | 92                               | 160            | 103                                      | 125            | 51             | 12             |
| Receivables                                                             | 13,915                           | 28,804         | 12,042                                   | 18,294         | 7,730          | 2,188          |
| Contractual receivable from Melbourne<br>Water Corporation (Note 4.2.4) | –                                | –              | –                                        | –              | –              | –              |
| Investments – accounted for using equity<br>method                      | –                                | –              | –                                        | –              | –              | –              |
| <b>Total administered financial assets</b>                              | <b>14,007</b>                    | <b>28,964</b>  | <b>12,145</b>                            | <b>18,419</b>  | <b>7,781</b>   | <b>2,200</b>   |
| <b>Administered non-financial assets</b>                                |                                  |                |                                          |                |                |                |
| Share of jointly controlled assets (Note 4.2.3)                         | –                                | –              | –                                        | –              | –              | –              |
| Property, plant and equipment                                           | –                                | –              | 23,814                                   | –              | –              | –              |
| Intangible assets (Note 4.2.4)                                          | –                                | –              | –                                        | –              | –              | –              |
| Intangible assets held for sale (Note 4.2.4)                            | –                                | –              | –                                        | –              | –              | –              |
| <b>Total administered non-financial assets</b>                          | <b>–</b>                         | <b>–</b>       | <b>23,814</b>                            | <b>–</b>       | <b>–</b>       | <b>–</b>       |
| <b>Total administered assets</b>                                        | <b>14,007</b>                    | <b>28,964</b>  | <b>35,959</b>                            | <b>18,419</b>  | <b>7,781</b>   | <b>2,200</b>   |
| <b>Administered liabilities</b>                                         |                                  |                |                                          |                |                |                |
| Creditors and accruals                                                  | 36                               | 2,646          | 66                                       | 1,716          | 20             | 201            |
| Borrowings (Note 4.2.4)                                                 | –                                | –              | –                                        | –              | –              | –              |
| Other liabilities                                                       | –                                | –              | –                                        | –              | –              | –              |
| Unearned income                                                         | 476                              | 884            | 412                                      | 562            | 264            | 67             |
| <b>Total administered liabilities</b>                                   | <b>512</b>                       | <b>3,530</b>   | <b>478</b>                               | <b>2,278</b>   | <b>284</b>     | <b>268</b>     |
| <b>Total administered net assets</b>                                    | <b>13,495</b>                    | <b>25,434</b>  | <b>35,481</b>                            | <b>16,141</b>  | <b>7,497</b>   | <b>1,932</b>   |

#### 4.2.2 Administered assets and liabilities (continued)

|                                                                            | Resources      |                | Solar Victoria |                | Statutory Activities<br>and Environmental<br>Protection <sup>(i)</sup> |                | Total            |                  |
|----------------------------------------------------------------------------|----------------|----------------|----------------|----------------|------------------------------------------------------------------------|----------------|------------------|------------------|
|                                                                            | 2026<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000                                                         | 2025<br>\$'000 | 2026<br>\$'000   | 2025<br>\$'000   |
| <b>Administered financial assets</b>                                       |                |                |                |                |                                                                        |                |                  |                  |
| Cash                                                                       | 6,147          | 5,690          | 39             | 29             | 43                                                                     | -              | 43,698           | 45,657           |
| Receivables                                                                | 126,846        | 128,221        | 5,962          | 5,309          | 6,417                                                                  | -              | 337,624          | 323,209          |
| Contractual receivable from<br>Melbourne Water Corporation<br>(Note 4.2.4) | -              | -              | -              | -              | -                                                                      | -              | 3,334,159        | 3,404,823        |
| Investments – accounted<br>for using equity method                         | -              | -              | -              | -              | -                                                                      | -              | 267,301          | 138,876          |
| <b>Total administered<br/>financial assets</b>                             | <b>132,993</b> | <b>133,911</b> | <b>6,001</b>   | <b>5,338</b>   | <b>6,460</b>                                                           | <b>-</b>       | <b>3,982,782</b> | <b>3,912,565</b> |
| <b>Administered non-financial assets</b>                                   |                |                |                |                |                                                                        |                |                  |                  |
| Share of jointly controlled<br>assets (Note 4.2.3)                         | -              | -              | -              | -              | -                                                                      | -              | 1,248,759        | 1,206,604        |
| Service concession intangible<br>asset (Note 4.2.4)                        | -              | -              | -              | -              | -                                                                      | -              | -                | -                |
| Property, plant and equipment                                              | -              | -              | -              | -              | -                                                                      | -              | 23,814           | -                |
| Intangible assets (Note 4.2.4)                                             | -              | -              | -              | -              | -                                                                      | -              | 200,614          | 184,090          |
| Intangible assets held<br>for sale (Note 4.2.4)                            | -              | -              | -              | -              | -                                                                      | -              | 236              | 6,464            |
| <b>Total administered<br/>non-financial assets</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>                                                               | <b>-</b>       | <b>1,473,423</b> | <b>1,397,158</b> |
| <b>Total administered assets</b>                                           | <b>132,993</b> | <b>133,911</b> | <b>6,001</b>   | <b>5,338</b>   | <b>6,460</b>                                                           | <b>-</b>       | <b>5,456,205</b> | <b>5,309,723</b> |
| <b>Administered liabilities</b>                                            |                |                |                |                |                                                                        |                |                  |                  |
| Creditors and accruals                                                     | 5              | 328            | 15             | 488            | 17                                                                     | -              | 95,877           | 72,209           |
| Borrowings (Note 4.2.4)                                                    | 95             | 95             | -              | -              | -                                                                      | -              | 2,988,872        | 3,057,327        |
| Other liabilities                                                          | -              | -              | -              | -              | -                                                                      | -              | 27,239           | -                |
| Unearned income                                                            | 916            | 950            | 204            | 163            | 219                                                                    | -              | 5,808            | 6,200            |
| <b>Total administered liabilities</b>                                      | <b>1,016</b>   | <b>1,373</b>   | <b>219</b>     | <b>651</b>     | <b>236</b>                                                             | <b>-</b>       | <b>3,117,796</b> | <b>3,135,736</b> |
| <b>Total administered net assets</b>                                       | <b>131,977</b> | <b>132,538</b> | <b>5,782</b>   | <b>4,687</b>   | <b>6,224</b>                                                           | <b>-</b>       | <b>2,338,409</b> | <b>2,173,987</b> |

Note:

(i) In 2025–26 this output involves administered transactions. Prior to 2025–26 this output did not involve in administered activities.

Administered resources are accounted for on an accrual basis using same accounting policies adopted for recognition of the departmental items in the financial statements. Where an accounting policy is relevant for administered resources but not controlled, the policy is provided in the note below. Both controlled and administered items of the department are consolidated into the financial statements of the state.

The state's investment in all its controlled entities is disclosed in the administered note of DTF's financial statements. This includes the investment in DEECA's portfolio entities.

#### Contingencies and commitments

Contingencies or commitments arising from the department's administered items arising from the service concession arrangement are disclosed in Note 4.2.4.

Contingencies or commitments arising from the department's interest in the joint venture are disclosed in Note 4.2.3(b).

#### 4.2.3 Administered investments

##### (a) Joint operations – Murray-Darling Basin Authority (MDBA)

The department, on behalf of the state, has an interest in the Murray-Darling Basin Authority (MDBA) represented by the River Murray Operations and the Living Murray Initiative. The department has determined that the state's interest is classified as a joint operation as per AASB 11 *Joint Arrangements* and will recognise its share of jointly held assets, incurred liabilities, earned income and incurred expenses in its similar line items.

The MDBA is an independent, expertise based statutory agency responsible for developing, implementing and monitoring the Basin Plans. The MDBA undertakes activities that support the sustainable and integrated management of the water resources of the Murray-Darling Basin in a way that best meets the social, economic and environmental needs of the Basin and its communities.

Two unincorporated joint arrangements were established under the MDBA to hold the assets on behalf of the participants through separate agreements called the "Asset Agreement for River Murray Operations Assets" (RMO) and the "Further Agreement on Addressing Over Allocation and Achieving Environmental Objectives in the Murray-Darling Basin – Control and Management of Living Murray Initiative Assets" (LMI). The principal place of operation is in Australia. The participants are obliged to provide funding to the MDBA for the management of the RMO and LMI assets and operations.

The agreements in relation to the Murray-Darling Basin Agreement joint arrangement require unanimous consent from all parties for all relevant activities. The participants own the infrastructure assets and water rights of the joint arrangements which are being managed through the RMO and LMI and there are no liabilities held for either RMO or LMI.

| Name of entity           | Principal activity                                                                                                                                                                               | Country of incorporation | Ownership interest |           |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------|-----------|
|                          |                                                                                                                                                                                                  |                          | 2026<br>%          | 2025<br>% |
| River Murray Operations  | To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin. RMO hold the infrastructure assets on behalf of the participants. | Australia                | 26.67              | 26.67     |
| Living Murray Initiative | To improve the ecological condition of significant forests, wetlands and lakes along the River Murray. LMI holds the water entitlements on behalf of the participants.                           | Australia                | 26.67              | 26.67     |

##### Amounts recognised as joint operations

The state's interest in assets, liabilities, income, and expenses employed in the above joint operations is detailed below. The amounts are included in the administered financial statements under their respective categories.

|                                                          | 2026<br>\$'000          | 2025<br>\$'000   | 2026<br>\$'000           | 2025<br>\$'000 | 2026<br>\$'000   | 2025<br>\$'000   |
|----------------------------------------------------------|-------------------------|------------------|--------------------------|----------------|------------------|------------------|
|                                                          | River Murray Operations |                  | Living Murray Initiative |                | Total            |                  |
| <b>Non-current assets</b>                                |                         |                  |                          |                |                  |                  |
| Property, plant and equipment                            | 1,062,087               | 1,020,838        | –                        | –              | 1,062,087        | 1,020,838        |
| Intangible assets                                        | 1,086                   | 1,086            | 185,586                  | 184,680        | 186,672          | 185,766          |
| <b>Total non-current assets</b>                          | <b>1,063,173</b>        | <b>1,021,924</b> | <b>185,586</b>           | <b>184,680</b> | <b>1,248,759</b> | <b>1,206,604</b> |
| <b>Total assets</b>                                      | <b>1,063,173</b>        | <b>1,021,924</b> | <b>185,586</b>           | <b>184,680</b> | <b>1,248,759</b> | <b>1,206,604</b> |
| <b>Income</b>                                            | <b>4,171</b>            | <b>3,105</b>     | <b>–</b>                 | <b>–</b>       | <b>4,171</b>     | <b>3,105</b>     |
| <b>Expenses</b>                                          | <b>(14,053)</b>         | <b>(12,273)</b>  | <b>–</b>                 | <b>–</b>       | <b>(14,053)</b>  | <b>(12,273)</b>  |
| <b>Total other economic flows included in net result</b> | <b>(4,548)</b>          | <b>(180)</b>     | <b>906</b>               | <b>989</b>     | <b>(3,642)</b>   | <b>809</b>       |

The accounting policies for the joint operations' non-current assets are outlined below.

## River Murray Operations – Non-current assets

### Asset recognition threshold

Infrastructure assets are recognised initially at cost in the 'Statement of Financial Position'. Infrastructure assets are not recognised unless the cost exceeds \$10,000; whilst plant and equipment assets are recognised when the cost exceeds \$2,000. If individual assets below the thresholds form part of a group of similar assets which are significant in total these items are required to be recognised.

### Acquisition of assets

Assets acquired during the year are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

### Revaluations

Infrastructure assets are recorded at fair value (based on current replacement cost at the date of revaluation) less any subsequent accumulated depreciation and subsequent accumulated impairment losses in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and AASB 136 *Impairment of Assets*.

Infrastructure assets are revalued by an independent external asset valuer on behalf of the Authority on a three year cycle. An independent external valuation was undertaken for the financial year ended 30 June 2025. In the intervening two years of the revaluation cycle, infrastructure asset values are assessed by means of an internal management valuation. The latter is an indexation based valuation using the relevant market indices.

Work in progress, flooding easements, and equitable interest in land are carried at cost less any impairment.

### Living Murray Initiative – Intangible assets (water entitlements)

The Authority and the Living Murray governments acquire water entitlements by 2 methods:

- a. Direct investment whereby water licences are acquired on the open market at market price. These licences are recorded at acquisition cost.
- b. As an investor whereby governments invest in water recovery measures which result in the acquisition of water entitlements. The rights attached to the water entitlements are assigned to the LMI.

## Valuation

Under AASB 138 *Intangible Assets*, intangible assets are required to be disclosed at cost or fair value. Fair value can only be applied if it can be shown that an active market exists for all intangible assets within the same class. Water licences are considered intangible assets and it has been assessed by an independent expert that there was no active market for water entitlements consistent with the recognition criteria set out in AASB 13 *Fair Value Measurement*. Accordingly, these licences (both completed measures and work in progress) are carried at cost less any accumulated amortisation and impairment losses.

The department's accounting policy requires intangible assets to be subsequently measured at cost. Although the Living Murray Initiative (LMI) joint venture policy allows measurement at either fair value or cost, no adjustment is required as LMI has applied the cost model.

### (b) Joint operations – Marinus Link

On 22 March 2024, the state acquired an initial shareholding in Marinus Link Pty Ltd (MLPL), a company owned by the Australian, Tasmanian and Victorian governments with responsibility for progressing the Marinus Link interconnector project. The project is a proposed undersea and underground electricity and telecommunications interconnector between North West Tasmania and the Latrobe Valley in Victoria that will enable the flow of more electricity in both directions into the National energy market.

The department administers the investment on behalf of the state and has determined that the state's interest in the company is classified as a joint venture as per AASB 11 *Joint Arrangements* as all relevant decisions of the company require unanimous support of the 3 governments. As a joint venture, the department will account for its investment using the equity method.

After initially recognising the investment in the balance sheet, the equity method requires the state's share of the post-acquisition profits or losses of the investment to be recognised in the net result as 'other economic flows'. The share of post-acquisition movements in revaluation surpluses and any other reserves is recognised in both the comprehensive operating statement and the statement of changes in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment, as well as any dividends received or receivable.

During 2025–26, the state acquired additional shares in MLPL and now has a 38.3% interest in the company.

| Name of entity                                                                   | Principal activity                                                                                             | Country of incorporation | Ownership interest |                |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------|--------------------|----------------|
|                                                                                  |                                                                                                                |                          | 2026<br>%          | 2025<br>%      |
| Marinus Link Pty Ltd                                                             | To undertake activities that progress the development and delivery of the Marinus Link interconnector project. | Australia                | 38.3               | 33.3           |
|                                                                                  |                                                                                                                |                          | 2026<br>\$'000     | 2025<br>\$'000 |
|                                                                                  |                                                                                                                |                          | Total              | Total          |
| <b>Investment accounted for using equity method</b>                              |                                                                                                                |                          |                    |                |
| Marinus Link joint venture                                                       |                                                                                                                |                          | 267,301            | 138,876        |
| <b>Movement in the state's proportional share of post-acquisition net assets</b> |                                                                                                                |                          |                    |                |
| <b>Carrying amount at the beginning of the year</b>                              |                                                                                                                |                          | 138,876            | 55,201         |
| Capital contribution                                                             |                                                                                                                |                          | 177,381            | 78,462         |
| <b>State's share of interests in the joint venture's operating statement</b>     |                                                                                                                |                          |                    |                |
| Share of joint venture's net result after tax                                    |                                                                                                                |                          | (26,848)           | (10,329)       |
| Share of joint venture's other comprehensive income                              |                                                                                                                |                          | (22,972)           | 19,088         |
| Impairment (loss)/reversal of the joint venture's interest                       |                                                                                                                |                          | 864                | (3,546)        |
| Dividends received/receivable from joint venture                                 |                                                                                                                |                          | –                  | –              |
| <b>Carrying amount at the end of the year</b>                                    |                                                                                                                |                          | 267,301            | 138,876        |

## Share of contingent assets and liabilities

### Contingent liabilities

In 2019 Project Marinus received a grant of \$10.0m to support project work on the feasibility study. Upon operationalisation of MLPL on 1 December 2021, the terms and conditions of this grant, including certain conditions that would trigger a possible recoupment of funds were novated to MLPL. At 30 June 2026, there is evidence of a potential trigger of a clause that would allow for recoupment of funds, MLPL has engaged with the funder around conditions to allow retention of the grant funds. At the date of this report, these communications are ongoing and MLPL believes it is unlikely there will be the requirement for MLPL to repay any grant funds under this agreement and as a result no liability has been recognised.

On 24 June 2026 MLPL received a claim of approximately \$4 million from a contractor relating to external delay impacts. While the claim is still under assessment, it is under materiality thresholds in terms of potential financial outcomes, and the assessment and potential response have not progressed sufficiently to recognise a liability at this time. Claims of this nature arise from time to time in the course of delivering large infrastructure projects.

No other claims related to property loss, personal injury, contractual and other matters were outstanding at the date of publication of these accounts.

#### 4.2.4 Administered service concession arrangements and related financial instruments

A service concession arrangement is a contract between a grantor and an operator in which the operator:

- a. has right of access to the service concession assets to provide public services on behalf of the grantor for a period of time
- b. is responsible for at least some of the management of the public services provided through the service concession asset and does not act merely as an agent on behalf of the grantor; and
- c. is compensated for its services over the period of the service concession arrangement.

The department has determined the following arrangement meets the criteria to be classified as a service concession arrangement as per AASB 1059 *Service Concession Arrangements*:

- Victorian Desalination Project. Melbourne Water Corporation is the grantor and as such the department has recognised the arrangement as a financial liability using AASB 9.

##### Victorian Desalination Project

In July 2009, the state of Victoria (the state) entered into a 30-year Public Private Partnership (PPP) arrangement with the AquaSure consortium (AquaSure). The Victorian Desalination Project (VDP) was initiated to design, build, finance and operate a desalination plant, transfer pipeline and 220 kV underground power cable capable of supplying 150 gigalitres of water per annum into the Melbourne network. Construction of the VDP began in 2009 and the concession term commenced in 2012 upon successful commissioning.

Under the arrangement, the state has an obligation to make Water Security Payments (WSPs) to AquaSure provided the plant is maintained to the appropriate standard. The WSPs have two components: capital payments for the project assets (Note 4.2.2 under the Effective Water Management and Supply output group) and other expenses for operating, maintenance and lifecycle costs.

The state will also make Water Usage Payments (WUPs) for any water that is ordered and delivered to the required standard. Water can be ordered annually for flexible amounts from 0 to 150 gigalitres (in set increments).

As at 30 June 2026 AquaSure had produced 50GL water for the 2025–26 supply period.

On 7 April 2026 the Minister for Water announced the 2026–27 Supply Notice with a Required Annual Water Volume for 150 GL in 2026–27 and non-binding forecasts of 150 GL for 2027–28 and 150 GL for 2028–29.

A Statement of Obligations (SoO) was issued to the Melbourne Water Corporation (MWC) under section 41 of the *Water Industry Act 1994* that required MWC to pay all monies as required by the state under the project deed with AquaSure. The arrangement was codified through the Water Interface Agreement (WIA) between the state, the department and MWC. The department does not control any receipt arising from this arrangement and is required to pay the amounts from the MWC into the state's consolidated fund. With consideration to the policy, the department has classified the arrangement as administered.

AquaSure is required to transfer the project assets to the state at the end of the project term for no additional payment by the state and MWC have purchased the rights to acquire the assets at that time.

The arrangement between the state and AquaSure is assessed to fall within the scope of AASB 1059 *Service Concession Arrangements: Grantors* with MWC being the Grantor.

As the contracting entity with the operator, DEECA recognises a financial liability relating to the obligation to make payments to AquaSure for construction, operation and maintenance of the service concession asset. A financial asset receivable is also recognised relating to the right to receive payment from MWC under the WIA.

##### Financial asset and liability

The financial asset and financial liability are measured at amortised cost using the effective interest method under the requirements of AASB 9. The financial asset (contractual receivable from MWC) and financial liability (borrowings) is disclosed in Note 4.2.2 under the Effective Water Management and Supply output group.



|                                                         | 2026            |                     |
|---------------------------------------------------------|-----------------|---------------------|
|                                                         | Financial asset | Financial liability |
| <b>Contractual financial asset</b>                      |                 |                     |
| Contractual receivable from Melbourne Water Corporation | 3,334,159       | –                   |
| <b>Contractual financial liability</b>                  |                 |                     |
| Borrowings – Payable to AquaSure                        | –               | 2,988,777           |

In addition, the project payments also include other commitments for operating, maintenance and lifecycle costs (refer below for other commitment).

### Renewable energy certificates

The Project Deed requires a minimum number of Renewable Energy Certificates (RECs) to be purchased to offset the electricity used by the plant. The number of RECs that are consumed will vary based on the volume of water produced by the plant. The RECs that remain at the end of the supply period are administered by the department.

The Minister has control of the RECs which are surplus to requirements of the project. The department recognises and administers the RECs as an intangible asset valued at \$200.6 million (2025 \$184.1 million). Refer to Note 4.2.1 Administered income and expenses, Note 4.2.2 Administered asset and liabilities.

### Debt modification impact assessment

When there is a refinancing benefit, AASB 9 requires an assessment to be conducted to determine if the modification of debt is substantial, meaning the difference is at least 10% or greater between the present value of the modified cash flow and original cash flow, being both discounted at the original effective interest rate. Substantial debt modification is to be treated as an extinguishment of the existing debt and a recognition of a new liability. There was no debt modification in 2026 or 2025.

### Other Commitments – Operating, maintenance and Lifecycle costs

Under the service concession arrangement that the state entered into with AquaSure the state pays a base Water Security Payment, provided the plant is maintained to the appropriate standard, that includes other commitments for its operation, maintenance and lifecycle costs. The nominal amounts for the other commitments below represent the charges payable under the agreement at the end of the reporting period. The commitments to Aquasure are matched by a receivable commitment from Melbourne Water.

|                                             | 2026                    |                                              | 2025                    |                                              |
|---------------------------------------------|-------------------------|----------------------------------------------|-------------------------|----------------------------------------------|
|                                             | Present value<br>\$'000 | Other commitments<br>Nominal value<br>\$'000 | Present value<br>\$'000 | Other commitments<br>Nominal value<br>\$'000 |
| <b>Commissioned PPP – other commitments</b> |                         |                                              |                         |                                              |
| Victorian Desalination Project              | 1,865,562               | 3,022,117                                    | 1,553,517               | 3,090,134                                    |
| <b>Total</b>                                | <b>1,865,562</b>        | <b>3,022,117</b>                             | <b>1,553,517</b>        | <b>3,090,134</b>                             |

Note:

- Net values are also disclosed at nominal values, exclusive of GST.
- The present value of the 'Other commitments' have been discounted to 30 June of the respective financial years. The basis for discounting has been to take each 12-month period of cash flows and discount these cash flows at the end of the period using the annual discount rate. The discount rate used to calculate the present value of the commitment is 7.50% (2025: 9.99%) which is the nominal pre-tax discount rate representative of the overall risk of the project at inception.
- The 'Other commitments' have been updated to reflect indexation factors, such as Consumer Price Index, Producer Price Index, Polymer Manufacturing Index, and Average Weekly Earnings Index. Commitments are updated for the change in actual amounts paid and forecast percentage increases are based on the original forecasted indices and applied to the adjusted actual payments. This methodology has been applied to reduce volatility in the forecast 'Other commitments'.
- Net costs associated with the 50 GL of water ordered for the 2025–26 financial year have been reflected in commitments for 2025 (2025: 50 GL of water). The announcement of the 150GL water order for 2026–27 is a binding commitment and has been included in the above commitments for 2025–26. The forecast of the 150GL water order for 2027–28 and 150GL water order for 2028–29 are non-binding commitments and have not been included.

#### Victorian Desalination Project other commitments payable to AquaSure

|                                                             | 2026<br>\$'000   | 2025<br>\$'000   |
|-------------------------------------------------------------|------------------|------------------|
| <b>Commitments payable – Victorian Desalination Project</b> |                  |                  |
| <b>Other commitments</b>                                    |                  |                  |
| Not later than one year                                     | 305,191          | 214,053          |
| Later than one year but no later than 5 years               | 903,873          | 830,550          |
| Later than 5 years                                          | 2,115,264        | 2,354,545        |
| <b>Total commitments for expenditure (inclusive of GST)</b> | <b>3,324,328</b> | <b>3,399,148</b> |
| Less: GST payable to the Australian Taxation Office         | (302,212)        | (309,013)        |
| <b>Total commitments for expenditure (exclusive of GST)</b> | <b>3,022,116</b> | <b>3,090,135</b> |

#### Victorian Desalination Project SCA other commitments receivable from Melbourne Water Corporation

|                                                                | 2026<br>\$'000   | 2025<br>\$'000   |
|----------------------------------------------------------------|------------------|------------------|
| <b>Commitments receivable – Victorian Desalination Project</b> |                  |                  |
| <b>Other commitments</b>                                       |                  |                  |
| Not later than one year                                        | 305,191          | 214,053          |
| Later than one year but no later than 5 years                  | 903,873          | 830,550          |
| Later than 5 years                                             | 2,115,264        | 2,354,545        |
| <b>Total commitments receivable (inclusive of GST)</b>         | <b>3,324,328</b> | <b>3,399,148</b> |
| Less: GST payable to the Australian Taxation Office            | (302,212)        | (309,013)        |
| <b>Total commitments receivable (exclusive of GST)</b>         | <b>3,022,116</b> | <b>3,090,135</b> |

#### Financial instrument specific disclosures

##### Financial Instruments: Categorisation

|                                                         | 2026                                                  |                                                            |                 | 2025                                                  |                                                            |                 |
|---------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------|-----------------|-------------------------------------------------------|------------------------------------------------------------|-----------------|
|                                                         | Financial<br>assets at<br>amortised<br>cost<br>\$'000 | Financial<br>liabilities at<br>amortised<br>cost<br>\$'000 | Total<br>\$'000 | Financial<br>assets at<br>amortised<br>cost<br>\$'000 | Financial<br>liabilities at<br>amortised<br>cost<br>\$'000 | Total<br>\$'000 |
| <b>Contractual financial assets</b>                     |                                                       |                                                            |                 |                                                       |                                                            |                 |
| Contractual receivable from Melbourne Water Corporation | 3,334,159                                             | –                                                          | 3,334,159       | 3,404,823                                             | –                                                          | 3,404,823       |
| <b>Contractual financial liabilities</b>                |                                                       |                                                            |                 |                                                       |                                                            |                 |
| Payable to AquaSure (borrowings)                        | –                                                     | 2,988,777                                                  | 2,988,777       | –                                                     | 3,057,232                                                  | 3,057,232       |

## Financial instruments: Net holding gain/(loss) on financial instruments by category

|                                          | 2026                                             |                                           |                 | 2025                                             |                                           |                 |
|------------------------------------------|--------------------------------------------------|-------------------------------------------|-----------------|--------------------------------------------------|-------------------------------------------|-----------------|
|                                          | Net holding gain/(loss) <sup>(i)</sup><br>\$'000 | Total interest income/(expense)<br>\$'000 | Total<br>\$'000 | Net holding gain/(loss) <sup>(i)</sup><br>\$'000 | Total interest income/(expense)<br>\$'000 | Total<br>\$'000 |
| <b>Contractual financial assets</b>      |                                                  |                                           |                 |                                                  |                                           |                 |
| Financial assets at amortised cost       | –                                                | 381,831                                   | 381,831         | –                                                | 388,870                                   | 388,870         |
| <b>Contractual financial liabilities</b> |                                                  |                                           |                 |                                                  |                                           |                 |
| Financial liability at amortised cost    | –                                                | (341,528)                                 | (341,528)       | –                                                | (348,268)                                 | (348,268)       |

Note:

- (i) Net holding gain/(loss) for the financial asset reflects the refinancing gain/(loss) generated/(incurred) on the financial asset and liability during the financial year. There is no gain or loss for 2026 or 2025 as no refinancing took place.

## Financial risk management objectives and policies

Refer to Note 8.1.3 for further financial instrument disclosure relating to risk management objectives and policies.

### Financial instruments: Credit risk

Credit risk refers to the possibility of the department's counterparty defaulting on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the department's contractual financial assets is minimal because the debtor is Melbourne Water Corporation. The SoO under section 4I of the *Water Industry Act 1994* requires Melbourne Water Corporation to pay all monies as required by the state under the project deed with AquaSure.

The carrying amount of contractual financial assets recorded in the financial statements represents the department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

### Credit quality of contractual financial assets that are neither past due nor impaired

|                                                         | 2026                          |                 | 2025                          |                 |
|---------------------------------------------------------|-------------------------------|-----------------|-------------------------------|-----------------|
|                                                         | Government agencies<br>\$'000 | Total<br>\$'000 | Government agencies<br>\$'000 | Total<br>\$'000 |
| <b>Contractual financial assets</b>                     |                               |                 |                               |                 |
| Contractual receivable from Melbourne Water Corporation | 3,334,159                     | 3,334,159       | 3,404,823                     | 3,404,823       |

### Financial instruments: Liquidity risk

Liquidity risk arises when the department is unable to meet its financial obligations as and when they fall due.

The department's exposure to liquidity risk is the carrying amounts of the borrowings associated with the Victorian Desalination Project. The department manages its liquidity risk by ensuring that it has access to sufficient cash in the public account to meet its current liabilities.

The department's exposure to liquidity risk is deemed insignificant based on prior period data and current assessment of risk. Cash for unexpected events is generally sourced by drawing on amounts receivable from the Victorian government through the Public Account.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, represents the department's maximum exposure to liquidity risk.

## Maturity analysis of contractual financial liabilities

|                                  | Carrying amount | Nominal amount<br>\$'000 | Maturity dates                 |                         |                               |                     |                     |
|----------------------------------|-----------------|--------------------------|--------------------------------|-------------------------|-------------------------------|---------------------|---------------------|
|                                  |                 |                          | Less than<br>1 month<br>\$'000 | 1–3<br>months<br>\$'000 | 3 months–<br>1 year<br>\$'000 | 1–5 years<br>\$'000 | 5 years +<br>\$'000 |
| 2026                             |                 |                          |                                |                         |                               |                     |                     |
| Payable to AquaSure (borrowings) | 2,988,777       | 5,898,008                | 38,863                         | 64,298                  | 312,014                       | 1,686,157           | 3,796,676           |
| 2025                             |                 |                          |                                |                         |                               |                     |                     |
| Payable to AquaSure (borrowings) | 3,057,232       | 6,304,992                | 38,592                         | 63,293                  | 308,099                       | 1,670,775           | 4,224,233           |

## Financial instruments: Market risk

The department's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks is disclosed below.

### Interest rate risk

The department's interest bearing liabilities are managed by AquaSure as the borrower of funds from financial institutions for the project. The interest rate risk is mitigated by hedging of the debt. Interest rates are fixed at the inception of the agreement and refinancing options are subject to approval by the Minister for Finance. The department's exposure to interest rate risk is set out below.

### Interest rate exposure of financial instruments

|                                                         | 2026                             |                        |                            | 2025                             |                        |                            |
|---------------------------------------------------------|----------------------------------|------------------------|----------------------------|----------------------------------|------------------------|----------------------------|
|                                                         | Weighted average interest rate % | Carrying amount \$'000 | Interest rate exposure     | Weighted average interest rate % | Carrying amount \$'000 | Interest rate exposure     |
|                                                         |                                  |                        | Fixed interest rate \$'000 |                                  |                        | Fixed interest rate \$'000 |
|                                                         |                                  |                        |                            |                                  |                        |                            |
| <b>Financial assets</b>                                 |                                  |                        |                            |                                  |                        |                            |
| Contractual receivable from Melbourne Water Corporation | 11.28                            | 3,334,159              | 3,334,159                  | 11.28                            | 3,404,823              | 3,404,823                  |
| <b>Financial liabilities</b>                            |                                  |                        |                            |                                  |                        |                            |
| Payable to AquaSure (borrowings)                        | 11.29                            | 2,988,777              | 2,988,777                  | 11.29                            | 3,057,232              | 3,057,232                  |

|                                                         | 2026                   |                   | 2025                   |                   |
|---------------------------------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                                         | Carrying amount \$'000 | Fair value \$'000 | Carrying amount \$'000 | Fair value \$'000 |
| <b>Contractual financial assets</b>                     |                        |                   |                        |                   |
| Contractual receivable from Melbourne Water Corporation | 3,334,159              | 4,109,837         | 3,404,823              | 4,313,099         |
| <b>Contractual financial liabilities</b>                |                        |                   |                        |                   |
| Payable to AquaSure (borrowings)                        | 2,988,777              | 3,698,522         | 3,057,232              | 3,885,306         |

### 4.3 Portfolio Entity changes impacting the department in 2025–26

During the year, the following changes across some DEECA portfolio agencies occurred that impacted the department's financial position. Reorganisations of assets, liabilities, activities and responsibilities amongst the entities that the government controls that meet the definition of a restructure of administrative arrangements as per AASB 1004 *Contributions* are accounted for as transfers of contributed capital in accordance with the requirements of FRD 119 *Transfers through contributed capital*.

#### Changes due to the proclamation of the *Entities Legislation Amendment (Consolidation and Other Matters) Act 2026*

As part of the Government's response to recommendations from the Independent Review of the Victorian Public Sector (i.e. the Silver Review), the *Entities Legislation Amendment (Consolidation and Other Matters) Act 2026* received Royal assent on 31 March 2026.

##### Recycling Victoria

Part 2 of the Act, which was proclaimed on 30 June 2026, abolished the position of Head of Recycling Victoria and transferred the functions to the Environment Protection Authority (EPA). The assets and liabilities relating to Recycling Victoria were transferred to the EPA through contributed capital on 30 June 2026.

##### Mine Lands Rehabilitation Authority (MLRA)

The Mine Lands Rehabilitation Authority was also abolished on 15 April 2026 as part of the passage of legislation. There is no impact as the department was already combining the entity's assets and liabilities as per a determination under Section 53(1) of the *Financial Management Act 1994*. Refer to Note 9.4 for more information.

##### Other Changes

Part 88 of the National Electricity (Victoria) Amendment (*VicGrid Stage 2 Reform Act 2025*) was proclaimed on 1 November 2025 and allowed for transmission operations to be transferred from VicGrid (administrative office) to VicGrid State Business Corporation (VicGrid SBC). VicGrid an administrative office in DEECA, ceased operating on 31 October 2025 and all assets and liabilities were transferred to VicGrid SBC via contributed capital.

The net asset transfers were treated as contributions/returns of capital by/to the state. No income or expense has been recognised by the department in respect of the net assets transferred.

|                                                                                                 | Transfer<br>out RV<br>\$'000 | Transfer<br>out VicGrid<br>\$'000 | Net impact<br>\$'000 |
|-------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------|----------------------|
| <b>Assets</b>                                                                                   |                              |                                   |                      |
| Cash and cash deposits                                                                          | (10,323)                     | (5,696)                           | (16,019)             |
| Receivables                                                                                     | –                            | –                                 | –                    |
| Investments and other financial assets                                                          | –                            | –                                 | –                    |
| Property, plant and equipment                                                                   | (28)                         | (62)                              | (90)                 |
| Non-financial assets classified as held for sale                                                | –                            | –                                 | –                    |
| Intangible assets                                                                               | –                            | (16,308)                          | (16,308)             |
| Prepayments                                                                                     | –                            | –                                 | –                    |
| Other non-financial assets                                                                      | –                            | –                                 | –                    |
| <b>Liabilities</b>                                                                              |                              |                                   |                      |
| Borrowings                                                                                      | 29                           | 62                                | 91                   |
| Payables                                                                                        | –                            | –                                 | –                    |
| Employee provisions                                                                             | 2,439                        | 5,696                             | 8,135                |
| Other provisions                                                                                | –                            | –                                 | –                    |
| Other liabilities                                                                               | –                            | –                                 | –                    |
| <b>Net assets recognised/(transferred) –<br/>capital contributed by/(returned to) the state</b> | <b>(7,883)</b>               | <b>(16,308)</b>                   | <b>(24,191)</b>      |

## **Note 5. Key assets available to support output delivery**

### **Introduction**

The department controls property, plant, equipment and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the department to be utilised for the delivery of those outputs.

The department acknowledges that included in the disclosed land values are lands over which native titles claims have been granted. Native title decisions recognise First Peoples' ongoing connection to their Country and is an important step towards progressing self-determination by recognising rights to access, use and protection of public land in accordance with their traditional laws and custom and the right to be consulted on the use and development of land or its natural resource for the protection of places and areas with cultural importance.

### **Fair value measurement**

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 5.1.3 in connection with how those fair values were determined.

### **Structure**

- 5.1 Property, plant and equipment
  - 5.1.1 Reconciliation of movements in carrying values
  - 5.1.2 Depreciation, amortisation and impairment
  - 5.1.3 Fair value determination
- 5.2 Joint operations

## 5.1 Property, plant and equipment

|                                                                         | 2026<br>\$'000    | 2025<br>\$'000   |
|-------------------------------------------------------------------------|-------------------|------------------|
| <b>Land</b>                                                             |                   |                  |
| <b>Freehold land</b>                                                    |                   |                  |
| At fair value                                                           | 101,216           | 103,158          |
| <b>Total freehold land</b>                                              | <b>101,216</b>    | <b>103,158</b>   |
| <b>Crown land</b>                                                       |                   |                  |
| Land and unused roads at fair value                                     | 5,312,797         | 4,601,670        |
| National parks at fair value                                            | 4,143             | 5,479            |
| State forests at fair value                                             | 3,242,558         | 2,585,777        |
| Conservation reserves at fair value                                     | 193,758           | 188,592          |
| Metropolitan parks at fair value                                        | 17,953            | 119,711          |
| Land used for operational purposes at fair value                        | 158,476           | 56,964           |
| <b>Total crown land</b>                                                 | <b>8,929,685</b>  | <b>7,558,193</b> |
| <b>Land purchase in progress</b>                                        |                   |                  |
| Freehold land                                                           | 168,902           | 121,249          |
| <b>Total land purchase in progress</b>                                  | <b>168,902</b>    | <b>121,249</b>   |
| <b>Total land</b>                                                       | <b>9,199,803</b>  | <b>7,782,600</b> |
| <b>Buildings and structures</b>                                         |                   |                  |
| Buildings and structures at fair value                                  | 1,009,106         | 1,066,581        |
| Less accumulated depreciation                                           | (17,833)          | (104,689)        |
| <b>Total buildings and structures (net carrying amount)</b>             | <b>991,273</b>    | <b>961,892</b>   |
| Right-of-use buildings and structures at cost <sup>(i)</sup>            | 119,551           | 117,446          |
| Less accumulated depreciation                                           | (25,266)          | (17,711)         |
| <b>Total right-of-use building and structures (net carrying amount)</b> | <b>94,285</b>     | <b>99,735</b>    |
| <b>Total buildings and structures (net carrying amount)</b>             | <b>1,085,558</b>  | <b>1,061,627</b> |
| <b>Roads</b>                                                            |                   |                  |
| At fair value                                                           | 3,218,949         | 846,132          |
| Less accumulated depreciation                                           | (11)              | (56,190)         |
| <b>Total roads (net carrying amount)</b>                                | <b>3,218,938</b>  | <b>789,942</b>   |
| <b>Plant and equipment</b>                                              |                   |                  |
| Plant and equipment at fair value                                       | 257,765           | 247,777          |
| Less accumulated depreciation                                           | (170,049)         | (157,582)        |
| <b>Total plant and equipment (net carrying amount)</b>                  | <b>87,716</b>     | <b>90,195</b>    |
| Right-of-use plant and equipment at cost <sup>(i)</sup>                 | 123,675           | 110,402          |
| Less accumulated depreciation                                           | (46,888)          | (38,991)         |
| <b>Total right-of-use plant and equipment (net carrying amount)</b>     | <b>76,787</b>     | <b>71,411</b>    |
| <b>Total plant and equipment (net carrying amount)</b>                  | <b>164,503</b>    | <b>161,606</b>   |
| <b>Assets under construction at cost</b>                                |                   |                  |
| Buildings and structures                                                | 127,301           | 73,957           |
| Plant and equipment                                                     | 23,946            | 15,893           |
| Roads                                                                   | 1,284             | 1,250            |
| <b>Total assets under construction at cost</b>                          | <b>152,531</b>    | <b>91,100</b>    |
| <b>Historical and cultural assets</b>                                   |                   |                  |
| At fair value                                                           | 2,558             | 2,476            |
| Less accumulated depreciation                                           | –                 | –                |
| <b>Total historic and cultural assets</b>                               | <b>2,558</b>      | <b>2,476</b>     |
| <b>Total property, plant and equipment (net carrying amount)</b>        | <b>13,823,891</b> | <b>9,889,351</b> |

Note:

- (i) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. Refer Note 9.5 for more information.



### 5.1.1 Reconciliation of movements in carrying values

|                                                                              | Freehold land \$'000 | Land and unused roads \$'000 | National parks \$'000 | State forests \$'000 | Conservation reserves \$'000 | Metropolitan parks \$'000 | Land used for operational purposes \$'000 | Land purchased in progress \$'000 | Buildings and structures other than RoU \$'000 | RoU buildings and structures <sup>(iii)</sup> \$'000 | Roads \$'000 | Plant and equipment other than RoU \$'000 | RoU plant and equipment <sup>(iii)</sup> \$'000 | Asset under construction \$'000 | Historic and cultural assets \$'000 | Total \$'000 |
|------------------------------------------------------------------------------|----------------------|------------------------------|-----------------------|----------------------|------------------------------|---------------------------|-------------------------------------------|-----------------------------------|------------------------------------------------|------------------------------------------------------|--------------|-------------------------------------------|-------------------------------------------------|---------------------------------|-------------------------------------|--------------|
| <b>Balance at 1 July 2025</b>                                                | 103,158              | 4,601,670                    | 5,479                 | 2,585,777            | 188,592                      | 119,711                   | 56,964                                    | 121,249                           | 961,892                                        | 99,735                                               | 789,942      | 90,195                                    | 71,411                                          | 91,100                          | 2,476                               | 9,889,351    |
| Additions                                                                    | -                    | 266                          | -                     | -                    | 15,536                       | (85,897)                  | -                                         | 90,924                            | (102)                                          | 2,105                                                | 2,666        | 8,690                                     | 26,125                                          | 72,043                          | -                                   | 132,356      |
| Disposals                                                                    | (393)                | (3,420)                      | -                     | -                    | -                            | -                         | (2,803)                                   | -                                 | (24,160)                                       | -                                                    | -            | (248)                                     | (5,582)                                         | -                               | (2)                                 | (36,608)     |
| Reclassification from/to assets classified as held for sale                  | -                    | -                            | -                     | -                    | -                            | -                         | -                                         | -                                 | -                                              | -                                                    | -            | -                                         | -                                               | -                               | -                                   | -            |
| Capital contributions (to)/from owners:                                      | -                    | 3,869                        | -                     | -                    | -                            | -                         | 135                                       | -                                 | -                                              | -                                                    | -            | -                                         | (41)                                            | -                               | -                                   | 3,963        |
| Transfers (to)/from other government entities                                | -                    | -                            | -                     | -                    | (11,916)                     | (6,229)                   | -                                         | -                                 | -                                              | -                                                    | -            | -                                         | (90)                                            | -                               | -                                   | (18,235)     |
| Transfers to third parties <sup>(i)</sup>                                    | -                    | 3,573                        | -                     | -                    | (2,934)                      | -                         | -                                         | (4,022)                           | -                                              | -                                                    | -            | -                                         | -                                               | -                               | -                                   | (3,383)      |
| Net transfers in/ (out) – from other categories                              | (1,603)              | (42,536)                     | -                     | -                    | 3,163                        | -                         | 44,154                                    | (3,176)                           | 4,162                                          | -                                                    | 114          | 4,499                                     | (4)                                             | (8,773)                         | -                                   | -            |
| Revaluation increments/ (decrements)                                         | 4,726                | 910,493                      | (1,336)               | 668,330              | 43,615                       | 3,752                     | 49,970                                    | -                                 | 60,592                                         | -                                                    | 2,454,627    | -                                         | -                                               | -                               | 84                                  | 4,194,853    |
| Recognition/ (derecognition), write-on/ write-down of assets <sup>(ii)</sup> | (4,672)              | (161,118)                    | -                     | (11,549)             | (42,298)                     | (13,384)                  | 10,056                                    | (36,073)                          | 34,860                                         | -                                                    | (38)         | (1)                                       | -                                               | (1,839)                         | -                                   | (226,056)    |
| Depreciation expense (refer to Note 5.1.2)                                   | -                    | -                            | -                     | -                    | -                            | -                         | -                                         | -                                 | (45,971)                                       | (7,555)                                              | (28,373)     | (15,419)                                  | (15,032)                                        | -                               | -                                   | (112,350)    |
| <b>Balance at 30 June 2026</b>                                               | 101,216              | 5,312,797                    | 4,143                 | 3,242,558            | 193,758                      | 17,953                    | 158,476                                   | 168,902                           | 991,273                                        | 94,285                                               | 3,218,938    | 87,716                                    | 76,787                                          | 152,531                         | 2,558                               | 13,823,891   |

Note:

- (i) Land transferred to third parties is treated as a return of equity via administered expenses as per the requirements of FRD 117 *Contributions of Existing Non-Financial Assets to Third Parties*.
- (ii) Net recognitions/(de-recognition) are treated as Other economic flows included in net result – Net gain on non-financial assets, as outlined in Note 9.2.
- (iii) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value.

### 5.1.1 Reconciliation of movements in carrying values (continued)

|                                                                                   | Freehold land \$'000 | Land and unused roads \$'000 | National parks \$'000 | State forests \$'000 | Conservation reserves \$'000 | Metropolitan parks \$'000 | Land used for operational purposes \$'000 | Land purchased in progress \$'000 | Buildings and structures other than RoU \$'000 | RoU buildings and structures \$'000 | Roads \$'000   | Plant and equipment other than RoU \$'000 | RoU plant and equipment \$'000 | Asset under construction \$'000 | Historic and cultural assets \$'000 | Total \$'000     |
|-----------------------------------------------------------------------------------|----------------------|------------------------------|-----------------------|----------------------|------------------------------|---------------------------|-------------------------------------------|-----------------------------------|------------------------------------------------|-------------------------------------|----------------|-------------------------------------------|--------------------------------|---------------------------------|-------------------------------------|------------------|
| <b>Balance at 1 July 2024</b>                                                     | <b>103,151</b>       | <b>4,611,361</b>             | <b>5,479</b>          | <b>2,590,144</b>     | <b>159,879</b>               | <b>117,938</b>            | <b>57,099</b>                             | <b>119,728</b>                    | <b>993,525</b>                                 | <b>103,769</b>                      | <b>815,561</b> | <b>90,690</b>                             | <b>63,702</b>                  | <b>76,703</b>                   | <b>2,475</b>                        | <b>9,911,204</b> |
| Additions                                                                         | 2                    | 1,689                        | -                     | -                    | 1                            | 387                       | -                                         | 29,411                            | 6,867                                          | 3,588                               | 1,490          | 12,950                                    | 27,809                         | 42,348                          | -                                   | 126,542          |
| Disposals                                                                         | -                    | (2,127)                      | -                     | -                    | -                            | -                         | -                                         | -                                 | (7,237)                                        | -                                   | -              | (579)                                     | (6,793)                        | -                               | -                                   | (16,736)         |
| Reclassification from/to assets classified as held for sale                       | -                    | (3,850)                      | -                     | -                    | -                            | -                         | (135)                                     | -                                 | -                                              | -                                   | -              | -                                         | (102)                          | -                               | -                                   | (4,087)          |
| Capital contributions (to)/from owners:                                           |                      |                              |                       |                      |                              |                           |                                           |                                   |                                                |                                     |                |                                           |                                |                                 |                                     |                  |
| Transfers (to)/from other government entities                                     | -                    | (4,998)                      | -                     | (171)                | (132)                        | -                         | -                                         | 4,022                             | 2,719                                          | -                                   | -              | 213                                       | -                              | -                               | -                                   | 1,653            |
| Transfers to third parties <sup>(i)</sup>                                         | -                    | (12,755)                     | -                     | (45)                 | -                            | -                         | -                                         | -                                 | -                                              | -                                   | -              | -                                         | -                              | -                               | -                                   | (12,800)         |
| Net transfers in/(out) – from other categories                                    | 1,203                | 397                          | -                     | 1                    | 28,923                       | 1,386                     | -                                         | (31,912)                          | 24,156                                         | -                                   | 1,189          | 2,605                                     | 2                              | (27,951)                        | 1                                   | -                |
| Revaluation increments/ (decrements)                                              | -                    | -                            | -                     | -                    | -                            | -                         | -                                         | -                                 | -                                              | -                                   | -              | -                                         | -                              | -                               | -                                   | -                |
| Recognition/ (derecognition), write-on/ write-down of assets <sup>(ii)(iii)</sup> | (1,198)              | 11,953                       | -                     | (4,152)              | (79)                         | -                         | -                                         | -                                 | (5,103)                                        | -                                   | (6)            | 18                                        | -                              | -                               | -                                   | 1,433            |
| Depreciation expense (refer to Note 5.1.2)                                        | -                    | -                            | -                     | -                    | -                            | -                         | -                                         | -                                 | (53,035)                                       | (7,622)                             | (28,292)       | (15,702)                                  | (13,207)                       | -                               | -                                   | (117,858)        |
| <b>Balance at 30 June 2025</b>                                                    | <b>103,158</b>       | <b>4,601,670</b>             | <b>5,479</b>          | <b>2,585,777</b>     | <b>188,592</b>               | <b>119,711</b>            | <b>56,964</b>                             | <b>121,249</b>                    | <b>961,892</b>                                 | <b>99,735</b>                       | <b>789,942</b> | <b>90,195</b>                             | <b>71,411</b>                  | <b>91,100</b>                   | <b>2,476</b>                        | <b>9,889,351</b> |

Note:

(i) Land transferred to third parties is treated as a return of equity via administered expenses as per the requirements of FRD 117 Contributions of Existing Non-Financial Assets to Third Parties.

(ii) Net recognitions are treated as Other economic flows included in net result – Net gain on non-financial assets, as outlined in Note 9.2.

## Property, plant and equipment classifications

### Freehold land

Freehold land can be general law land or Torrens land (title services recording and registering land ownership). Freehold land consists of land held or being acquired for the purpose of various government objectives such as planning for community open spaces and delivering other public and environmental purposes.

### Crown land

Crown land is held by the Crown (the King) in the right of the State of Victoria. Crown land can be reserved for a particular public use or unreserved. Unreserved Crown land has not been set aside for a particular resource. The department's Crown land holdings include land being held or being acquired for the following Crown land categories.

### Land and unused roads

Reserved and unreserved land acquired and held by the department for future reservation purposes. Unused roads consist of roads that have been closed for public purposes.

### National and metropolitan parks

The area of public land set aside as national and metropolitan parks, which include state parks, wilderness parks, and other parks established under the *National Parks Act 1975*, comprises a diverse range of Crown land parcels permanently reserved for the benefit of the public.

### State forests

State forests include Crown land parcels managed to balance a variety of uses. These uses include conserving flora and fauna, protecting water catchments and water supply, providing timber for sustainable forestry, protecting landscape, archaeological and historic values, and providing recreational and educational opportunities.

### Conservation reserves

Land conservation reserves include Crown land parcels set aside for conservation of specific ecosystems, animal and plant species, geomorphological features, and significant historical and cultural qualities.

### Land used for operational purposes

Crown land used for operational purposes for delivering the department's objectives. This includes various operational depots around the state of Victoria.

### Land purchase in progress

Land purchase in progress is land that has been acquired and compulsory acquisitions that are in the process of being acquired by the government to be combined or divided to achieve various government objectives.

### Buildings and structures

Consist of buildings and structures used to achieve the department's objectives. This includes departmental depot sites, fire towers, bores, crossings, coastal protection assets and leasehold improvements.

### Plant and equipment

Consist of vehicles, workshops and other field and office equipment.

### Roads

The roads, tracks and trails managed by the department are defined as Rural Class 5 and are sub-divided into 5 sub-classes as follows:

- 5A Primary roads: all-weather road, predominantly two lanes and mainly sealed
- 5B Secondary roads: all-weather two lane road, formed and gravelled or single lane sealed road with gravel shoulders
- 5C Minor roads: generally all-weather, single lane two-way unsealed formed road, usually lightly gravelled
- 5D Access roads: substantially single lane, two-way, generally dry weather formed (natural materials) road
- 5E Tracks and trails: predominantly single lane, two-way earth tracks (unformed) at or near the natural surface level. Costs are expensed as incurred, because these tracks and trails have a useful life of less than one year.

### Assets under construction

Consist of cost relating to the construction of building and structures in progress.

### Historic and cultural assets

The department also holds historic and cultural assets that it intends to preserve for their unique historical, cultural or environmental attributes.

Fair value for plant and equipment that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 5.1.3 for information on fair value determination of property, plant and equipment.

## Measurement

### Initial measurement

The department capitalises expenditure on individual items of \$5,000 (2025: \$5,000) or more, and records these as non-financial assets.

All non-financial physical assets are measured initially at cost. When an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a Machinery of Government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of directly attributable variable and fixed overheads.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Aggregate expenditure on items that will, when completed, result in non-financial assets that provide future economic benefits is recognised as construction in progress.

The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less
- any lease incentive received.

### Subsequent measurement

Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised in Note 5.1.3.

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability. The department depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment of the right-of-use asset is determined and accounted for in accordance with AASB 136 *Impairment of Assets*.

## 5.1.2 Depreciation, amortisation and impairment

Depreciation is an expense that arises from the consumption of a produced physical asset.

All items of property, plant and equipment that have finite useful lives, are depreciated. Exceptions to this rule are assets under construction, assets held for sale and land.

Intangible assets are amortised.

These expenses are classified as a 'transaction' and reduce the 'net result from transactions'.

Depreciation and amortisation are calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The following estimated useful lives for the different asset classes for current and prior years are used in the calculation of depreciation and amortisation:

| Asset class                                              | Useful life     |
|----------------------------------------------------------|-----------------|
| Buildings and structures (including right-of-use assets) | 10 to 100 years |
| Roads                                                    | 80 years        |
| Plant and equipment (including right-of-use assets)      | 3 to 15 years   |
| Intangible assets                                        | 3 to 10 years   |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate. There were no changes from the previous year.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the department obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Historic and cultural assets have been assessed to have an indefinite useful life. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

|                                                            | 2026<br>\$'000   | 2025<br>\$'000   |
|------------------------------------------------------------|------------------|------------------|
| <b>Depreciation and amortisation</b>                       |                  |                  |
| <b>Property, plant and equipment</b>                       |                  |                  |
| Buildings and structures other than right-of-use           | (45,971)         | (53,035)         |
| Right-of-use buildings and structures                      | (7,555)          | (7,622)          |
| Roads                                                      | (28,373)         | (28,292)         |
| Right-of-use motor vehicle assets                          | (15,032)         | (13,207)         |
| Plant and equipment other than right-of-use motor vehicle  | (15,419)         | (15,702)         |
| <b>Total depreciation of property, plant and equipment</b> | <b>(112,350)</b> | <b>(117,858)</b> |
| <b>Intangible assets</b>                                   |                  |                  |
| Software (amortisation)                                    | (2,640)          | (2,579)          |
| <b>Total amortisation of intangible assets</b>             | <b>(2,640)</b>   | <b>(2,579)</b>   |
| <b>Total depreciation and amortisation</b>                 | <b>(114,990)</b> | <b>(120,437)</b> |

#### Impairment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

#### 5.1.3 Fair value determination

Property, plant and equipment are subsequently measured at fair value. In accordance with FRD 103, the department engages the Valuer-General Victoria (VGV) to undertake a formal revaluation of these assets at least once every 5 years. The timing of formal revaluations is determined by the government purpose classification specified in FRD 103. Revaluations may occur more frequently where annual fair value assessments indicate that changes in assets values are material.

A scheduled formal revaluation was undertaken independently by the VGV as at 30 June 2026. Refer to Note 8.3.1 for additional information on fair value hierarchy.

## Fair value measurement hierarchy of property, plant and equipment

|                                                   | Carrying<br>amount<br>\$'000 | Fair value measurement at end<br>of financial year using: |                                       |                                       |
|---------------------------------------------------|------------------------------|-----------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                   |                              | Level 1 <sup>(i) (ii)</sup><br>\$'000                     | Level 2 <sup>(i) (ii)</sup><br>\$'000 | Level 3 <sup>(i) (ii)</sup><br>\$'000 |
| <b>2026</b>                                       |                              |                                                           |                                       |                                       |
| <b>Land at fair value</b>                         |                              |                                                           |                                       |                                       |
| Freehold land                                     | 101,216                      | –                                                         | –                                     | 101,216                               |
| Crown land – Land and unused roads                | 5,312,797                    | –                                                         | 834,111                               | 4,478,686                             |
| Crown land – National parks                       | 4,143                        | –                                                         | –                                     | 4,143                                 |
| Crown land – State forests                        | 3,242,558                    | –                                                         | –                                     | 3,242,558                             |
| Crown land – Conservation reserves                | 193,758                      | –                                                         | –                                     | 193,758                               |
| Crown land – Metropolitan parks                   | 17,953                       | –                                                         | –                                     | 17,953                                |
| Crown land – Land used for operational purposes   | 158,476                      | –                                                         | –                                     | 158,476                               |
| Land purchases in progress                        | 168,902                      | –                                                         | –                                     | 168,902                               |
| <b>Buildings and structures at fair value</b>     |                              |                                                           |                                       |                                       |
| Non-specialised building and structures           | –                            | –                                                         | –                                     | –                                     |
| Specialised buildings and structures              | 991,273                      | –                                                         | –                                     | 991,273                               |
| <b>Roads at fair value</b>                        |                              |                                                           |                                       |                                       |
| Roads                                             | 3,218,938                    | –                                                         | –                                     | 3,218,938                             |
| <b>Historic and cultural assets at fair value</b> |                              |                                                           |                                       |                                       |
| Artwork and historic assets                       | 2,558                        | –                                                         | 2,558                                 | –                                     |
| <b>2025</b>                                       |                              |                                                           |                                       |                                       |
| <b>Land at fair value</b>                         |                              |                                                           |                                       |                                       |
| Freehold land                                     | 103,158                      | –                                                         | –                                     | 103,158                               |
| Crown land – Land and unused roads                | 4,601,670                    | –                                                         | –                                     | 4,601,670                             |
| Crown land – National parks                       | 5,479                        | –                                                         | –                                     | 5,479                                 |
| Crown land – State forests                        | 2,585,777                    | –                                                         | –                                     | 2,585,777                             |
| Crown land – Conservation reserves                | 188,592                      | –                                                         | –                                     | 188,592                               |
| Crown land – Metropolitan parks                   | 119,711                      | –                                                         | –                                     | 119,711                               |
| Crown land – Land used for operational purposes   | 56,964                       | –                                                         | –                                     | 56,964                                |
| Land purchases in progress                        | 121,249                      | –                                                         | –                                     | 121,249                               |
| <b>Buildings and structures at fair value</b>     |                              |                                                           |                                       |                                       |
| Non-specialised building and structures           | –                            | –                                                         | –                                     | –                                     |
| Specialised buildings and structures              | 961,892                      | –                                                         | –                                     | 961,892                               |
| Right-of-use buildings structures                 | 99,735                       | –                                                         | –                                     | 99,735                                |
| <b>Roads at fair value</b>                        |                              |                                                           |                                       |                                       |
| Roads                                             | 789,942                      | –                                                         | –                                     | 789,942                               |
| <b>Plant and equipment at fair value</b>          |                              |                                                           |                                       |                                       |
| Plant and equipment other than right-of-use       | 90,195                       | –                                                         | –                                     | 90,195                                |
| Right-of-use plant and equipment                  | 71,411                       | –                                                         | 71,411                                | –                                     |
| <b>Historic and cultural assets at fair value</b> |                              |                                                           |                                       |                                       |
| Artwork and historic assets                       | 2,476                        | –                                                         | 2,476                                 | –                                     |

Note:

(i) Classified in accordance with the fair value hierarchy, refer to Note 8.3.

(ii) Assets under construction are excluded from the table above.

(iii) As a result of a change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost and therefore removed from Note 5.1.3 fair value determination for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value.

The measurement and classification of each class of property, plant and equipment is outlined below. There have been transfers between levels during the period as a result of valuations.

### Land at fair value

The majority of the department's land is specialised. The market based direct comparison method is used for specialised land although it is adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment reflects valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land is classified as Level 3.

Non-specialised land is also valued using the direct market based comparison method but a CSO adjustment is not required.

An independent valuation of the department's land was performed by VGV. The valuation was performed using the market approach adjusted for CSO, where relevant. The effective date of the valuations was 30 June 2026. The resulting increase in the value of land was primarily due to the strong demand for rural and regional land.

### Estimation uncertainty – contamination status

In the absence of specific environmental audits, the VGV determines the financial reporting value of land parcels on the assumption that the sites are unaffected by environmental contamination. Where known, quantifiable contamination and site remediation costs are incorporated into the determination of fair value. These were immaterial at 30 June 2026. However, the extent and cost of any additional remediation work remains subject to estimation uncertainty, as the valuer considers the quantification of such costs to be outside the scope of the valuation.

Accordingly, assumptions regarding remediation costs are a key source of estimation uncertainty. It is reasonably possible that changes in these assumptions could result in a material adjustment to the carrying amount of the affected land within the next financial year; however, it is impracticable to estimate the amount of any adjustment. DEECA will reassess the fair value as further information becomes available or estimated remediation costs change.

### Specialised buildings and structures

For the majority of the department's specialised buildings, the current replacement cost method is used adjusting for the associated depreciation. As depreciation adjustments are considered significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the department's specialised buildings was performed by the VGV. The valuation was performed using the current replacement cost method adjusted for depreciation. The effective date of the valuations was 30 June 2026.

Structures are valued using the current replacement cost method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset.

Where it has not been possible to examine hidden works, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the structures. The estimated cost of reconstruction includes structure services and finishes.

An independent valuation of the department's structures was performed by VGV. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuations was 30 June 2026.

### Roads

Roads are valued using the current replacement cost method. This cost represents the replacement cost of the asset's components after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. As depreciation adjustments are considered significant, unobservable inputs in nature, roads are classified as Level 3.

Where it has not been possible to examine hidden works, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the roads. The estimated cost of reconstruction includes structure services and finishes.

An independent valuation of the department's roads was performed by VGV as at 30 June 2026. The valuation resulted in an increase in the value of the department's road assets primarily the result of increased input costs driven by current market conditions as well as additional cost information for foundational and early works.



### **Plant and equipment**

Plant and equipment are held at fair value. The department completes an annual assessment of fair value in accordance with FRD 103 *Non-financial physical assets* and as a result no managerial valuation was required for 30 June 2026.

When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. Given valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable, these assets are classified as Level 3.

### **Historic and cultural assets**

Historic and cultural assets are valued using the market direct comparison method. Under this valuation method, the historic and cultural assets are determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years.

To the extent that historic and cultural assets do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

An independent valuation of the department's historic and cultural assets was performed by the VGV. The effective date of the valuations was 30 June 2026.

### **Accounting for fair value movements**

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

When non-financial physical assets are revalued, an entity shall account for the accumulated depreciation at the date of the revaluation by eliminating the accumulated depreciation balance against the gross carrying amount of the asset and increasing the net amount to the revalued amount of the asset.

## Reconciliation of Level 3 fair value movements

|                                                                                                              | Freehold land<br>\$'000 | Land and unused roads<br>\$'000 | National parks<br>\$'000 | State forests<br>\$'000 | Conservation reserves<br>\$'000 | Metropolitan parks<br>\$'000 | Land used for operational purposes<br>\$'000 | Land purchase in progress<br>\$'000 | Buildings and structures<br>\$'000 | RoU buildings and structures <sup>(b)</sup><br>\$'000 | Roads<br>\$'000  | Plant and equipment other than RoU<br>\$'000 | Total<br>\$'000   |
|--------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------|--------------------------|-------------------------|---------------------------------|------------------------------|----------------------------------------------|-------------------------------------|------------------------------------|-------------------------------------------------------|------------------|----------------------------------------------|-------------------|
| <b>Balance at 1 July 2025</b>                                                                                | <b>103,158</b>          | <b>4,601,670</b>                | <b>5,479</b>             | <b>2,585,777</b>        | <b>188,592</b>                  | <b>119,711</b>               | <b>56,964</b>                                | <b>121,249</b>                      | <b>961,892</b>                     | <b>99,735</b>                                         | <b>789,942</b>   | <b>90,195</b>                                | <b>9,724,364</b>  |
| Purchases/(sales)                                                                                            | (393)                   | (3,154)                         | -                        | -                       | 15,536                          | (85,897)                     | (2,803)                                      | 90,924                              | (24,262)                           | 2,105                                                 | 2,666            | 8,442                                        | 3,164             |
| Transfers in/(out) of Level 3 – assets classified as held for sale and/or reclassifications upon revaluation | -                       | (341,869)                       | -                        | -                       | -                               | -                            | 135                                          | -                                   | -                                  | -                                                     | -                | -                                            | (341,734)         |
| Transfers in/(out) – free of charge                                                                          | -                       | -                               | -                        | -                       | -                               | -                            | -                                            | -                                   | -                                  | -                                                     | -                | -                                            | -                 |
| Transfers in/(out) – from other categories <sup>(i)</sup>                                                    | (1,603)                 | (42,536)                        | -                        | -                       | 3,163                           | -                            | 44,154                                       | (3,176)                             | 4,162                              | -                                                     | 114              | 4,499                                        | 8,777             |
| Depreciation expense                                                                                         | -                       | -                               | -                        | -                       | -                               | -                            | -                                            | -                                   | (45,971)                           | (7,555)                                               | (28,373)         | (15,419)                                     | (97,318)          |
|                                                                                                              | 101,162                 | 4,214,111                       | 5,479                    | 2,585,777               | 207,291                         | 33,814                       | 98,450                                       | 208,997                             | 895,821                            | 94,285                                                | 764,349          | 87,717                                       | 9,297,253         |
| <b>Gains/(losses) recognised in net result</b>                                                               |                         |                                 |                          |                         |                                 |                              |                                              |                                     |                                    |                                                       |                  |                                              |                   |
| Recognition/(derecognition), write-on/(write-down) of assets                                                 | (4,672)                 | (161,118)                       | -                        | (11,549)                | (42,298)                        | (13,384)                     | 10,056                                       | (36,073)                            | 34,860                             | -                                                     | (38)             | (1)                                          | (224,217)         |
|                                                                                                              | (4,672)                 | (161,118)                       | -                        | (11,549)                | (42,298)                        | (13,384)                     | 10,056                                       | (36,073)                            | 34,860                             | -                                                     | (38)             | (1)                                          | (224,217)         |
| <b>Gains/(losses) recognised in other economic flows – other comprehensive income</b>                        |                         |                                 |                          |                         |                                 |                              |                                              |                                     |                                    |                                                       |                  |                                              |                   |
| Revaluation increments/(decrements)                                                                          | 4,726                   | 422,120                         | (1,336)                  | 668,330                 | 43,615                          | 3,752                        | 49,970                                       | -                                   | 60,592                             | -                                                     | 2,454,627        | -                                            | 3,706,396         |
|                                                                                                              | 4,726                   | 422,120                         | (1,336)                  | 668,330                 | 43,615                          | 3,752                        | 49,970                                       | -                                   | 60,592                             | -                                                     | 2,454,627        | -                                            | 3,706,396         |
| <b>Transfers in/(out) through contributions by owner</b>                                                     |                         |                                 |                          |                         |                                 |                              |                                              |                                     |                                    |                                                       |                  |                                              |                   |
| Transfers in/(out) – third party                                                                             | -                       | 3,573                           | -                        | -                       | (2,934)                         | -                            | -                                            | (4,022)                             | -                                  | -                                                     | -                | -                                            | (3,383)           |
| Transfers in/(out) – other capital contributions                                                             | -                       | -                               | -                        | -                       | (11,916)                        | (6,229)                      | -                                            | -                                   | -                                  | -                                                     | -                | -                                            | (18,145)          |
|                                                                                                              | -                       | 3,573                           | -                        | -                       | (14,850)                        | (6,229)                      | -                                            | (4,022)                             | -                                  | -                                                     | -                | -                                            | (21,528)          |
| <b>Balance at 30 June 2026</b>                                                                               | <b>101,216</b>          | <b>4,478,686</b>                | <b>4,143</b>             | <b>3,242,558</b>        | <b>193,758</b>                  | <b>17,953</b>                | <b>158,476</b>                               | <b>168,902</b>                      | <b>991,273</b>                     | <b>94,285</b>                                         | <b>3,218,938</b> | <b>87,716</b>                                | <b>12,757,904</b> |

Note:

(i) Net transfers from assets under construction.

(ii) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value.

# Reconciliation of Level 3 fair value movements (continued)

|                                                                                       | Freehold land \$'000 | Land and unused roads \$'000 | National parks \$'000 | State forests \$'000 | Conservation reserves \$'000 | Metropolitan parks \$'000 | Land used for operational purposes \$'000 | Land purchase in progress \$'000 | Buildings and structures \$'000 | RoU buildings and structures \$'000 | Roads \$'000 | Plant and equipment other than RoU \$'000 | Total \$'000 |
|---------------------------------------------------------------------------------------|----------------------|------------------------------|-----------------------|----------------------|------------------------------|---------------------------|-------------------------------------------|----------------------------------|---------------------------------|-------------------------------------|--------------|-------------------------------------------|--------------|
| <b>Balance at 1 July 2024</b>                                                         | 103,151              | 4,611,361                    | 5,479                 | 2,590,144            | 159,879                      | 117,938                   | 57,099                                    | 119,728                          | 993,525                         | 103,769                             | 815,561      | 90,690                                    | 9,768,324    |
| Purchases/(sales)                                                                     | 2                    | (438)                        | -                     | -                    | 1                            | 387                       | -                                         | 29,411                           | (370)                           | 3,588                               | 1,490        | 12,371                                    | 46,442       |
| Transfers in/(out) of Level 3 – assets classified as held for sale                    | -                    | (3,850)                      | -                     | -                    | -                            | -                         | (135)                                     | -                                | -                               | -                                   | -            | -                                         | (3,985)      |
| Transfers in/(out) – free of charge                                                   | -                    | -                            | -                     | -                    | -                            | -                         | -                                         | -                                | -                               | -                                   | -            | -                                         | -            |
| Transfers in/(out) – from other categories <sup>(i)</sup>                             | 1,203                | 397                          | -                     | 1                    | 28,923                       | 1,386                     | -                                         | (31,912)                         | 24,156                          | -                                   | 1,189        | 2,605                                     | 27,948       |
| Depreciation expense                                                                  | -                    | -                            | -                     | -                    | -                            | -                         | -                                         | -                                | (53,035)                        | (7,622)                             | (28,292)     | (15,702)                                  | (104,651)    |
|                                                                                       | 104,356              | 4,607,470                    | 5,479                 | 2,590,145            | 188,803                      | 119,711                   | 56,964                                    | 117,227                          | 964,276                         | 99,735                              | 789,948      | 89,964                                    | 9,734,078    |
| <b>Gains/(losses) recognised in net result</b>                                        |                      |                              |                       |                      |                              |                           |                                           |                                  |                                 |                                     |              |                                           |              |
| Recognition/(derecognition), write-on/(write-down) of assets                          | (1,198)              | 11,953                       | -                     | (4,152)              | (79)                         | -                         | -                                         | -                                | (5,103)                         | -                                   | (6)          | 18                                        | 1,433        |
|                                                                                       | (1,198)              | 11,953                       | -                     | (4,152)              | (79)                         | -                         | -                                         | -                                | (5,103)                         | -                                   | (6)          | 18                                        | 1,433        |
| <b>Gains/(losses) recognised in other economic flows – other comprehensive income</b> |                      |                              |                       |                      |                              |                           |                                           |                                  |                                 |                                     |              |                                           |              |
| Revaluation increments/(decrements)                                                   | -                    | -                            | -                     | -                    | -                            | -                         | -                                         | -                                | -                               | -                                   | -            | -                                         | -            |
|                                                                                       | -                    | -                            | -                     | -                    | -                            | -                         | -                                         | -                                | -                               | -                                   | -            | -                                         | -            |
| <b>Transfers in/(out) through contributions by owner</b>                              |                      |                              |                       |                      |                              |                           |                                           |                                  |                                 |                                     |              |                                           |              |
| Transfers in/(out) – third party                                                      | -                    | (12,755)                     | -                     | (45)                 | -                            | -                         | -                                         | -                                | -                               | -                                   | -            | -                                         | (12,800)     |
| Transfers in/(out) – other capital contributions                                      | -                    | (4,998)                      | -                     | (171)                | (132)                        | -                         | -                                         | 4,022                            | 2,719                           | -                                   | -            | 213                                       | 1,653        |
|                                                                                       | -                    | (17,753)                     | -                     | (216)                | (132)                        | -                         | -                                         | 4,022                            | 2,719                           | -                                   | -            | 213                                       | (11,147)     |
| <b>Balance at 30 June 2025</b>                                                        | 103,158              | 4,601,670                    | 5,479                 | 2,585,777            | 188,592                      | 119,711                   | 56,964                                    | 121,249                          | 961,892                         | 99,735                              | 789,942      | 90,195                                    | 9,724,364    |

Note:

(i) Net transfers from assets under construction.

### Description of significant unobservable inputs to Level 3 valuations

| 2026 and 2025          | Valuation technique      | Significant Unobservable Inputs <sup>(i)</sup>                    |
|------------------------|--------------------------|-------------------------------------------------------------------|
| Specialised land       | Market approach          | Community Service Obligation adjustment                           |
| Specialised buildings  | Current replacement cost | Direct cost per square metre Useful life of specialised buildings |
| Specialised structures | Current replacement cost | Cost per structure Useful life of specialised structures          |
| Roads                  | Current replacement cost | Cost per kilometre Useful life of roads                           |
| Plant and equipment    | Current replacement cost | Cost per unit Useful life of plant and equipment                  |

Note

(i) Costs per unit are estimated by external valuers and/or management taking into consideration various attributes of the assets.

## 5.2 Joint operations

Joint arrangements are contractual arrangements between the department and one or more other parties to undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities of the joint arrangement require the unanimous consent of the parties sharing control.

Interests in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. For joint operations, the department recognises in its financial statements: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities that it had incurred; its revenue from the sale of its share of the output from the joint operation and its expenses, including its share of any expenses incurred jointly.

The department has determined that the state's interest in the entities below are classified as joint operations as per AASB 11 *Joint Arrangements*.

| Name of entity              | Principal activity                                            | Country of incorporation | Ownership interest |           |
|-----------------------------|---------------------------------------------------------------|--------------------------|--------------------|-----------|
|                             |                                                               |                          | 2026<br>%          | 2025<br>% |
| Royal Melbourne Showgrounds | To host a variety of events for the public at the Showgrounds | Australia                | 50                 | 50        |
| Biosciences Research Centre | To continue to provide a world-class research facility        | Australia                | 75                 | 75        |

## Royal Melbourne Showgrounds

### Background to the arrangement

The state entered into a joint operation with the Royal Agricultural Society of Victoria Limited (RASV) in October 2003 to redevelop the Royal Melbourne Showgrounds. Two joint operations structures were established, an unincorporated joint operation to carry out and deliver the joint operations project, and an incorporated joint operation entity, Showgrounds Nominees Pty Ltd, to hold the assets of the joint operation and to enter into agreements on behalf of the state and RASV.

In June 2006, Showgrounds Nominees Pty Ltd entered into a Development and Operations Agreement (on behalf of the state and RASV) with the concessionaire, PPP Solutions (Showgrounds) Nominee Pty Ltd, to design, construct, finance and maintain the new facilities at the showgrounds. The project operation term is 25 years from the date of commercial acceptance of completed works which occurred in August 2006. The showgrounds buildings will revert to the joint operation on the conclusion of the arrangement. The PPP arrangement has subsequently been assessed as a lease as per AASB 16. Payments to PPP Solutions (Showgrounds) Nominee Pty Ltd over the term of the arrangement will be accounted for as lease repayments (to cover the design/construct/finance) and operating and maintenance costs for on-going maintenance of the facility. The department's share of these commitments is reported in Note 7.3.4.

The state's initial contribution to the joint operation is \$100.7 million (expressed in 2004 dollars) while RASV has contributed its freehold title to the showgrounds land valued at \$51 million in June 2005.

In May 2020, RASV advised the state that it was unable to meet its share of the quarterly service payments to the Concessionaire. Accordingly, in May 2020, in addition to its share of the joint operations, the controlling department, at the time, (DJPR) recognised a financial guarantee liability amounting to \$61.12 million in relation to this obligation. As the guarantee was called upon by RASV it reduced and the balance transferred to DEECA on 1 January 2023 was \$45.08 million. This liability is disclosed in Note 6.3. Since June 2020, the state has provided RASV with a loan to fulfil its obligation to pay RASV's proportion of quarterly service fee payments to the Concessionaire.

## Biosciences Research Centre

### Background to the arrangement

In April 2008, the state entered into a joint operation agreement with La Trobe University (La Trobe) to establish a world class research facility on the University's campus in Bundoora, AgriBio, Centre for AgriBioscience. The project operation term is 25 years from the date of commercial acceptance of completed works which occurred in August 2006. The joint operation project is being delivered under the Partnerships Victoria Policy framework.

A similar structure to the Showgrounds Joint operation has been adopted comprising an unincorporated joint operation to carry out and deliver the joint operation project. An incorporated joint operation entity, Biosciences Research Centre Pty Ltd holds the assets of the joint operation and enters into agreements on behalf of the state and La Trobe. The state's contribution to the joint operation is \$227.3 million (expressed in May 2009 dollars).

On 30 April 2009, Biosciences Research Centre Pty Ltd entered into a project agreement (on behalf of the state and La Trobe) with Plenary Research Pty Ltd (the Concessionaire) to design, construct, finance and maintain the facility over the project's operating term. The project's operating term is 25 years from the date of commercial acceptance which occurred 18 July 2012. The PPP arrangement has subsequently been assessed as a lease as per AASB 16. Payments to Plenary Research Pty Ltd over the term of the arrangement will be accounted for as lease repayments (to cover the design/construct/finance) and operating and maintenance costs for on-going maintenance of the facility. The department's share of these commitments is reported in Note 7.3.4.

In accordance with the joint operation agreement, the participants are required to fund the administration expenses of the joint operation in equal shares of 50% each. In addition, La Trobe contributes on a quarterly basis, 25% of the general facilities management, maintenance and minor work costs associated with the services.

The department pays quarterly service payments in full each quarter as they fall due. In December 2015, La Trobe exercised the right to pay all of its remaining service payments, hence its share of funding obligation in full. Accordingly, the state (via the controlling department) has recognised a 100% share in the joint operation's lease liability.

### Department's interest in joint operations

The department's interest in assets, liabilities, income, and expenses in the above joint operations is detailed below. The amounts are included in the department's financial statements in the same financial statement line. Contingent liabilities and commitments arising from the department's interests in joint operations are disclosed in Note 7.5 – Commitments for expenditure and Note 8.2 – Contingent assets and contingent liabilities.

|                                                        | Royal Melbourne Showgrounds |                | Bioscience Research Centre |                  |
|--------------------------------------------------------|-----------------------------|----------------|----------------------------|------------------|
|                                                        | 2026<br>\$'000              | 2025<br>\$'000 | 2026<br>\$'000             | 2025<br>\$'000   |
| <b>Assets</b>                                          |                             |                |                            |                  |
| <b>Current assets</b>                                  |                             |                |                            |                  |
| Cash and deposits                                      | 394                         | 372            | –                          | –                |
| Receivables                                            | 202                         | 388            | 3,890                      | 4,197            |
| Accrued income                                         | 285                         | 277            | 9,991                      | 7,797            |
| Prepayments                                            | 379                         | 184            | –                          | –                |
| Property, plant and equipment – at cost <sup>(i)</sup> | 99,135                      | 109,865        | 68,226                     | 74,596           |
| <b>Liabilities</b>                                     |                             |                |                            |                  |
| Leases                                                 | 22,815                      | 26,073         | 209,226                    | 219,278          |
| Payables                                               | 1,796                       | 1,785          | 9,991                      | 7,797            |
| Other liabilities                                      | 1,817                       | 1,872          | –                          | –                |
| <b>Net assets recognised</b>                           | <b>73,967</b>               | <b>81,356</b>  | <b>(137,110)</b>           | <b>(140,485)</b> |
| Income                                                 | 830                         | 815            | 52,741                     | 41,301           |
| Expenses                                               | (4,796)                     | (5,069)        | (51,979)                   | (41,495)         |
| <b>Net gain/(loss)</b>                                 | <b>(3,966)</b>              | <b>(4,254)</b> | <b>762</b>                 | <b>(194)</b>     |

(i) As a result of a change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026.

The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value.

## Note 6. Other assets and liabilities

### Introduction

This section sets out those assets and liabilities that arose from the department's controlled operations.

### Structure

- 6.1 Receivables
- 6.2 Financial instruments at fair value through net result
- 6.3 Payables
  - 6.3.1 Maturity analysis of contractual payables
- 6.4 Other provisions
  - 6.4.1 Reconciliation of movement in other provisions
- 6.5 Other financial liabilities

### 6.1 Receivables

|                                                             | 2026<br>\$'000   | 2025<br>\$'000   |
|-------------------------------------------------------------|------------------|------------------|
| <b>Current receivables</b>                                  |                  |                  |
| <b>Contractual</b>                                          |                  |                  |
| Trade and other receivables                                 | 31,599           | 37,729           |
| Concessional loans – Solar Victoria <sup>(i)</sup>          | 43,371           | 40,835           |
| Allowance for impairment losses of contractual receivables  | (2,727)          | (2,942)          |
| Other loans – Rural Assistance Commissioner <sup>(ii)</sup> | 26,765           | 487              |
| Other Receivables                                           | 31,551           | –                |
| Accrued income                                              | 11,624           | 3,151            |
|                                                             | 142,183          | 79,260           |
| <b>Statutory</b>                                            |                  |                  |
| Amounts owing from Victorian government                     | 639,308          | 683,813          |
| Landfill levies receivable                                  | 334,395          | 238,843          |
| Other receivables                                           | 7,197            | 6,734            |
| GST input tax credit recoverable                            | 17,799           | 6,379            |
|                                                             | 998,699          | 935,769          |
| <b>Total current receivables</b>                            | <b>1,140,882</b> | <b>1,015,029</b> |
| <b>Non-current receivables</b>                              |                  |                  |
| <b>Contractual</b>                                          |                  |                  |
| Other receivables                                           | 19,726           | 19,726           |
| Concessional loans – Solar Victoria <sup>(i)</sup>          | 43,921           | 55,317           |
| Other loans – Rural Assistance Commissioner <sup>(ii)</sup> | 34,672           | 73,422           |
|                                                             | 98,319           | 148,465          |
| <b>Statutory</b>                                            |                  |                  |
| Amounts owing from Victorian government                     | 181,698          | 199,326          |
| <b>Total non-current receivables</b>                        | <b>280,017</b>   | <b>347,791</b>   |
| <b>Total receivables</b>                                    | <b>1,420,899</b> | <b>1,362,820</b> |

Note

(i) Relates to concessional loan provided by the State as part of the Solar Homes Program.

(ii) Loans provided by the Rural Assistance Commissioner as part of rural assistance schemes provided to farmers which is guaranteed by the Commonwealth. See Note 7.2 – Borrowings for advances from Commonwealth relating to the Federal Government's concessional loan scheme with the Department of Agriculture and Water Resources.



Contractual receivables (consisting of trade receivables, concessional loans and accrued income) are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The department determines the present value of the concessional loans receivable by discounting the future expected cash flows at a market comparable interest rate. The department holds the contractual receivables with the objective to collect the contractual cash flows (comprising of interest and principal for concessional loans) and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The department applies AASB 9 for initial measurement of the statutory receivables. As a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the department's impairment policies, the department's exposure to credit risk, and the calculation of the loss allowance are set out in Note 8.1.3.

The movement in the allowance of \$215,000 (2025: decrease of \$879,000) was recognised in the operating result for the current financial year. The average credit period on sales of goods and services and for other receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 10.0% (2025: 10.0%) on the outstanding balance of invoices relating to land licences. The interest rate is determined under the *Penalty Interest Rate Act 1983*.

No interest is charged on accrued income for the outstanding balance. An allowance is made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. No such allowance has been made in this financial year for accrued receivables.

## 6.2 Financial instruments at fair value through net result

|                                  | 2026<br>\$'000 | 2025<br>\$'000 |
|----------------------------------|----------------|----------------|
| <b>Financial assets</b>          |                |                |
| Derivative financial instruments | 15,194         | 525,145        |
| <b>Liabilities</b>               |                |                |
| Associated financial liabilities | –              | –              |

Note: On 1 July 2025, DEECA transferred (via contributed capital) 6 derivative contracts to the SEC Victoria, an additional contract also met the threshold for de-recognition and was de-recognised via the operating statement.

### Financial instruments: Categorisation

To assist Victoria achieve its legislated renewable energy use targets (VRET), the department entered into contracts to support the construction of renewable energy generators to feed into the National Electricity Market (NEM). The contracts, which include future settlements of Contract for Differences and rights to large-scale generation certificates (LGCs) from/to proponents, have been classified as financial derivative instruments and are measured at fair value through profit and loss (net result) in accordance with AASB 9.

### Initial recognition

Derivative financial instruments are initially recognised in the balance sheet at their fair value at the time the department becomes party to the contractual provisions of the instrument. This is when the proponent has satisfied the contract's conditions precedent. Income or expense recognised represents the fair value of the expected future settlements at the initial recognition.

Initial recognition of off-market instruments may be delayed until such point in time when the department is able to reliably estimate the fair value for those derivatives for which unobservable data inputs are used as part of the valuation techniques.

### Subsequent measurement

After initial recognition, the department measures the financial instruments at fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the comprehensive operating statement as an 'other economic flow' included in the net result (refer to Note 9.2).

### Financial instruments: Net holding gain/(loss) on financial instruments by category

Refer to Note 8.1.2 for the net holding gain/(loss) from derivative financial instruments.

### Financial risk management objectives and policies

Refer to Note 8.1.3 for further financial instrument disclosure relating to risk management objectives and policies. Following are the financial risks related to the derivatives in this note. Refer to Note 8.1.3 for disclosures related to other financial instruments.

#### (a) Financial instruments: Credit risk

Credit risk refers to the possibility of the department's counterparty defaulting on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

The department's credit risk arises mainly from in-the-money receipts due from renewable energy generators (consisting of both the Contracts for Difference and the delivery of LGCs). The present value of the future cash flows relating to in-the-money receipts are reflected on the balance sheet as a favourable derivative financial instrument (asset position).

The department determines its maximum exposure to credit risk relating to derivative financial instruments on each reporting date as the sum of the nominal values of all forecasted net cash receipts where the floating price due by the proponent exceeds the fixed price payable by the state over the remaining contract term. The department reduces some of its exposure to credit risk from derivative financial instruments contracted with unrated renewable energy generators by obtaining collateral security in the form of a bank guarantee or security deposit. Collateral is obtained annually in advance and is only valid for a year from issue date. The value of each year's collateral is determined as the estimate net cash inflows from proponents in the year. The credit risk associated to the market-to-market of the remaining term of the contracts not covered by collateral is managed on the basis of the department's net exposure to each proponent's group of financial assets and financial liabilities.

#### (a) Financial instruments: Credit risk – continued

|                                           |                        |                                           |                           |                 | 2026                                         |
|-------------------------------------------|------------------------|-------------------------------------------|---------------------------|-----------------|----------------------------------------------|
|                                           | External credit rating | Maximum exposure <sup>(i)</sup><br>\$'000 | Collateral held<br>\$'000 | Collateral type | Net carrying value <sup>(ii)</sup><br>\$'000 |
| <b>Contractual financial assets</b>       |                        |                                           |                           |                 |                                              |
| Derivative financial instruments          | Unrated                | 23,927                                    | 3,800                     | Bank guarantee  | 15,194                                       |
| <b>Total contractual financial assets</b> |                        | <b>23,927</b>                             | <b>3,800</b>              |                 | <b>15,194</b>                                |

Note:

(i) This represents the sum of all in-the-money cash receipts due in respect to the Contract for Difference.

(ii) The carrying value of \$15.194 million represents a derivative asset position which is the net present value of the sum of all net cash receipts, net cash payments and LGCs. LGCs are not linked to cash flows.

|                                           |                        |                                           |                           |                 | 2025                                         |
|-------------------------------------------|------------------------|-------------------------------------------|---------------------------|-----------------|----------------------------------------------|
|                                           | External credit rating | Maximum exposure <sup>(i)</sup><br>\$'000 | Collateral held<br>\$'000 | Collateral type | Net carrying value <sup>(ii)</sup><br>\$'000 |
| <b>Contractual financial assets</b>       |                        |                                           |                           |                 |                                              |
| Derivative financial instruments          | Unrated                | 594,006                                   | 9,625                     | Bank guarantee  | 525,145                                      |
| <b>Total contractual financial assets</b> |                        | <b>594,006</b>                            | <b>9,625</b>              |                 | <b>525,145</b>                               |

Note:

(i) This represents the sum of all in-the-money cash receipts due in respect to the Contract for Difference.

(ii) The carrying value of \$525.145 million represents a derivative asset position which is the net present value of the sum of all net cash receipts, net cash payments and LGCs. LGCs are not linked to cash flows.

### (b) Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department is exposed to liquidity risk from the out-of-money payments due to the renewable energy generators over the term of support agreement. The department determines its exposure to liquidity risk at each reporting date as the sum of the nominal value of all forecasted cash payments. Refer to Note 8.1.3(b) for further financial instrument disclosures relating to liquidity risk.

The carrying amount recorded in the following table represents the department's maximum exposure to liquidity risk relating to derivative financial instruments.

|                                          | 2026                   |                                   |                              |                                |
|------------------------------------------|------------------------|-----------------------------------|------------------------------|--------------------------------|
|                                          | Up to 1 year<br>\$'000 | Between 1<br>to 5 years<br>\$'000 | 5 years<br>or more<br>\$'000 | Total <sup>(i)</sup><br>\$'000 |
| <b>Contractual financial liabilities</b> |                        |                                   |                              |                                |
| Derivative financial instruments         | –                      | 663                               | 1,923                        | 2,586                          |

|                                          | 2025                   |                                   |                              |                                |
|------------------------------------------|------------------------|-----------------------------------|------------------------------|--------------------------------|
|                                          | Up to 1 year<br>\$'000 | Between 1<br>to 5 years<br>\$'000 | 5 years<br>or more<br>\$'000 | Total <sup>(i)</sup><br>\$'000 |
| <b>Contractual financial liabilities</b> |                        |                                   |                              |                                |
| Derivative financial instruments         | 8,808                  | 36,517                            | 29,648                       | 74,973                         |

Note:

- (i) The amount disclosed in the above table is the nominal amount. This represents the sum of all out-of-money cash payments due in respect to the Contract for Difference.

### (c) Financial instruments: Market risk

The department's exposures to market risk are primarily through interest rate risk and market conditions. Objectives, policies and processes used to manage each of these risks is disclosed below and also in Note 8.1.3(c).

#### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The department manages the fair value interest rate risks relating to the derivative financial instruments by placing a Payment Cap clause in its contractual agreements with proponents to limit the value of the department's liability over the term of the contracts. The respective Payment Caps applied to contractual arrangements are determined as part of the department's Auction tender processes and escalate at a fixed 4% per annum.

#### Equity price risk

The department is exposed to equity market price risk through its derivative forward sale contracts of large-scale generation certificates with external market participants. The entering of forward sale contracts forms part of the department's risk management policies to ensure that potential losses on sale of excess large-scale generation certificates are limited to forward contract values, reducing exposure to significant market volatility resulting from the expected oversupply of large-scale generation certificates.

There were no open and unsettled forward sale or purchase transactions for the year ended 30 June 2026 or 30 June 2025.

### Fair value determination

The fair value of derivative financial instruments is based on the discounted cash flow technique. The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of derivatives. Significant inputs in applying this technique include wholesale electricity price forecasts, LGC price forecasts, discount rate and credit value adjustment as outlined in the table below.

The assumptions underpinning the wholesale electricity prices forecast used for performing the fair value assessment for the current financial year, included detailed consideration of factors influencing demand and supply fluctuations in the energy market, including the energy market's transition into a renewable energy future.

In the absence of an active market, the fair value of the department's derivative contracts for difference and the LGCs receivable are valued using unobservable inputs such as wholesale electricity prices forecast provided by an independent advisory firm and comparable risk free rates of zero coupon government bonds. In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the instrument. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are unobservable, the department categorises these investments as Level 3.

#### Fair value measurement at end of reporting period using:

|                                  | Carrying<br>amount<br>\$'000 | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 |
|----------------------------------|------------------------------|-------------------|-------------------|-------------------|
| <b>2026</b>                      |                              |                   |                   |                   |
| Derivative financial assets      | 15,194                       | –                 | –                 | 15,194            |
| Associated financial liabilities | –                            | –                 | –                 | –                 |
| <b>2025</b>                      |                              |                   |                   |                   |
| Derivative financial assets      | 525,145                      | –                 | –                 | 525,145           |
| Derivative financial liabilities | –                            | –                 | –                 | –                 |

There have been no transfers between levels during the period.

### Reconciliation of Level 3 fair value movements

|                                         | Financial asset at fair<br>value through net result |                | Financial liability at fair<br>value through net result |                | Total          |                |
|-----------------------------------------|-----------------------------------------------------|----------------|---------------------------------------------------------|----------------|----------------|----------------|
|                                         | 2026<br>\$'000                                      | 2025<br>\$'000 | 2026<br>\$'000                                          | 2025<br>\$'000 | 2026<br>\$'000 | 2025<br>\$'000 |
| Opening balance                         | 525,145                                             | 68,901         | –                                                       | (14,913)       | 525,145        | 53,988         |
| Total gains or losses recognised in:    |                                                     |                |                                                         |                |                |                |
| Net result                              | 2,679                                               | 513,848        | –                                                       | 15,744         | 2,679          | 529,592        |
| Other comprehensive income              | –                                                   | –              | –                                                       | –              | –              | –              |
| Settlements                             | –                                                   | (57,604)       | –                                                       | (831)          | –              | (58,435)       |
| De-recognition of financial instruments | (512,630)                                           |                | –                                                       |                | (512,630)      |                |
| <b>Closing balance</b>                  | <b>15,194</b>                                       | <b>525,145</b> | <b>–</b>                                                | <b>–</b>       | <b>15,194</b>  | <b>525,145</b> |

### Material estimation uncertainty

The following table demonstrates the possible effects on the valuation resulting from a change in inputs.

#### Description of Level 3 valuation techniques used and key inputs to valuation – 2026

|                                  | Valuation technique <sup>(i)</sup> | Significant unobservable inputs <sup>(i)</sup>                                          | Sensitivity <sup>(i)</sup> | Range \$'000            | Increase \$'000 | Decrease \$'000 |
|----------------------------------|------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|-------------------------|-----------------|-----------------|
| Financial derivative instruments | Discounted cash flow method        | Wholesale electricity price forecasts                                                   | 10%                        | \$36.68 – \$229.52/ MWh | 5,579           | (5,573)         |
|                                  |                                    | LGC price forecasts                                                                     | 10%                        | \$5.18 – \$7.70/ MWh    | 118             | (118)           |
|                                  |                                    | Discount rate – Risk free rates of zero coupon government bonds (2,3,5,10 years tenors) | 1%                         | 5.73% – 3.41%           | (1,058)         | 1,153           |
|                                  |                                    | Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M       | 1%                         | 1.88% – 0%              | (804)           | (680)           |
|                                  |                                    |                                                                                         |                            |                         |                 |                 |

#### Description of Level 3 valuation techniques used and key inputs to valuation – 2025

|                                  | Valuation technique <sup>(i)</sup> | Significant unobservable inputs <sup>(i)</sup>                                          | Sensitivity <sup>(i)</sup> | Range \$'000            | Increase \$'000 | Decrease \$'000 |
|----------------------------------|------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|-------------------------|-----------------|-----------------|
| Financial derivative instruments | Discounted cash flow method        | Wholesale electricity price forecasts                                                   | 10%                        | \$44.53 – \$257.13/ MWh | 154,416         | (154,425)       |
|                                  |                                    | LGC price forecasts                                                                     | 10%                        | \$10.80 – \$20.08/ MWh  | 11,748          | (14,967)        |
|                                  |                                    | Discount rate – Risk free rates of zero coupon government bonds (2,3,5,10 years tenors) | 1%                         | 5.35% – 2.41%           | (26,000)        | 27,370          |
|                                  |                                    | Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M       | 1%                         | 2.17% – 0.17%           | (24,812)        | 26,638          |
|                                  |                                    |                                                                                         |                            |                         |                 |                 |

Note:

- (i) Illustrations on the valuation techniques, significant unobservable inputs and the related quantitative range of those inputs are indicative and should not be directly used without consultation with entities' independent valuer.

## 6.3 Payables

|                                     | 2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------|----------------|----------------|
| <b>Contractual</b>                  |                |                |
| Trade creditors                     | 3,993          | 11,342         |
| Accrued grants and other transfers  | 80,408         | 65,195         |
| Capital accruals                    | 6,433          | 11,467         |
| Other payables and accrued expenses | 105,470        | 113,787        |
| Financial guarantee                 | 24,291         | 29,761         |
|                                     | 220,595        | 231,552        |
| <b>Statutory</b>                    |                |                |
| Advances                            | –              | 23,166         |
| Taxes payables                      | 2,485          | 4,150          |
|                                     | 2,485          | 27,316         |
| <b>Total payables</b>               | <b>223,080</b> | <b>258,868</b> |
| <b>Represented by:</b>              |                |                |
| Current payables                    | 198,789        | 216,989        |
| Non-current payables                | 24,291         | 41,879         |
| <b>Total payables</b>               | <b>223,080</b> | <b>258,868</b> |

Payables includes short and long term trade debt and accounts payable, grants, taxes and interest payable, and other financial liabilities.

Payables consist of:

- Contractual payables, such as trade creditors and accruals, classified as financial instruments and measured at amortised cost. Trade creditors and accruals represent liabilities for goods and services provided to the department prior to the end of the financial year that are unpaid.
- Statutory payables, such as goods and services tax and fringe benefits tax payables, and advances from the Public Account, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The department is required to comply with the Victorian Government fair payment policy in which invoices with a contract value of less than \$3.0million are paid within 10days of receipt of a correct and complete invoice.

The average credit period is 30 days. No interest is charged on the trade creditors or other payables for the first 30 days from the date of the invoice. Thereafter, interest may be charged at differing rates determined by the individual trade arrangements entered into.

### Financial guarantee

In May 2020, RASV advised the State that it was unable to meet its share of the quarterly service payments to the Concessionaire. Accordingly in May 2020, the controlling department at the time (DJPR) recognised a financial guarantee liability amounting to \$61.12 million in relation to this obligation. On 1 January 2023, as part of the MoG arrangements, this liability was transferred to the department at its carrying value of \$45.08 million. Since June 2020, as and when required, the State has provided the RASV with a loan to fulfil its obligation to pay RASV's proportion of quarterly service fee payments to the Concessionaire. The loan is recognised as a non current contractual receivable. The guarantee unwinds with the passage of time.

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised.

In the determination of fair value, consideration is given to factors including the overall capital management/ prudential supervision framework in operation, the protection provided by the State Government by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the department in the event of default.

### Advances

Advances mainly include advances from the Public Account made pursuant to section 37 of the *Financial Management Act 1994* and represent payments made in advance of receiving appropriation funding. These advances are recognised at the gross value of amounts owing and are not discounted to the present value of future cash flows.

### 6.3.1 Maturity analysis of contractual payables

|                                     | Maturity dates            |                          |                                            |                                             |                                            |                                    |                                   |
|-------------------------------------|---------------------------|--------------------------|--------------------------------------------|---------------------------------------------|--------------------------------------------|------------------------------------|-----------------------------------|
|                                     | Carrying amount<br>\$'000 | Nominal amount<br>\$'000 | Less than 1 month <sup>(i)</sup><br>\$'000 | 1 month – 3 months <sup>(i)</sup><br>\$'000 | 3 months – 1 year <sup>(i)</sup><br>\$'000 | 1-5 years <sup>(i)</sup><br>\$'000 | 5+ years <sup>(i)</sup><br>\$'000 |
| <b>2026</b>                         |                           |                          |                                            |                                             |                                            |                                    |                                   |
| Trade creditors                     | 3,993                     | 4,484                    | 2,860                                      | 14                                          | 1,609                                      | –                                  | –                                 |
| Accrued grants and other transfers  | 80,408                    | 80,408                   | 80,408                                     | –                                           | –                                          | –                                  | –                                 |
| Capital accruals                    | 6,433                     | 6,433                    | 6,433                                      | –                                           | –                                          | –                                  | –                                 |
| Other payables and accrued expenses | 105,470                   | 105,556                  | 105,556                                    | –                                           | –                                          | –                                  | –                                 |
| Financial guarantee                 | 24,291                    | 30,771                   | –                                          | 1,503                                       | 4,517                                      | 23,893                             | 859                               |
| <b>Total</b>                        | <b>220,595</b>            | <b>227,652</b>           | <b>195,258</b>                             | <b>1,517</b>                                | <b>6,126</b>                               | <b>23,893</b>                      | <b>859</b>                        |
| <b>2025</b>                         |                           |                          |                                            |                                             |                                            |                                    |                                   |
| Trade creditors                     | 11,342                    | 11,642                   | 10,048                                     | 24                                          | 1,570                                      | –                                  | –                                 |
| Accrued grants and other transfers  | 65,195                    | 65,195                   | 65,195                                     | –                                           | –                                          | –                                  | –                                 |
| Capital accruals                    | 11,467                    | 11,467                   | 11,467                                     | –                                           | –                                          | –                                  | –                                 |
| Other payable and accrued expenses  | 113,787                   | 113,787                  | 113,787                                    | –                                           | –                                          | –                                  | –                                 |
| Financial guarantee                 | 29,761                    | 37,097                   | –                                          | 1,483                                       | 4,457                                      | 23,918                             | 7,240                             |
| <b>Total</b>                        | <b>231,552</b>            | <b>239,188</b>           | <b>200,497</b>                             | <b>1,507</b>                                | <b>6,027</b>                               | <b>23,918</b>                      | <b>7,240</b>                      |

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.



## 6.4 Other provisions

|                                           | 2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------------|----------------|----------------|
| <b>Current other provisions</b>           |                |                |
| Land purchases                            | 67,129         | 67,129         |
| Solar programs                            | 12,021         | 10,964         |
| Onerous lease contracts                   | 1,976          | 873            |
| Other provisions                          | 23,180         | 26,085         |
| Mine site rehabilitation                  | 7,932          | 8,450          |
| <b>Total current other provisions</b>     | <b>112,238</b> | <b>113,501</b> |
| <b>Non-current other provisions</b>       |                |                |
| Onerous lease contracts                   | 2,778          | 4,284          |
| <b>Total non-current other provisions</b> | <b>2,778</b>   | <b>4,284</b>   |
| <b>Total other provisions</b>             | <b>115,016</b> | <b>117,785</b> |

Other provisions are recognised when the department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The future sacrifice of economic benefits includes costs associated with land purchases, Solar programs, LGCs, onerous lease contracts, insurance claims, restoration and rehabilitation related to bushfire activities involving the department, mine site rehabilitation and other environmental activities such as native vegetation offsets.

The amount recognised as a liability is the best estimate to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

### Onerous contracts

An onerous contract is considered to exist when the unavoidable cost of meeting the contractual obligations exceeds the estimated economic benefits to be received.

Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the estimated economic benefits to be received. This provision represents the present value of the future lease payments that the department is presently obligated to make in respect of onerous lease contracts under lease agreements, less income expected to be earned on the lease including estimated future sublease income. The estimate may vary as a result of changes in utilisation of the leased premises and sublease arrangements where applicable. The unexpired term of the leases vary up to a maximum of 15 years.

### Note 6.4.1 Reconciliation of movement in other provisions

|                                                                                      | Land<br>purchases<br>\$'000 | Solar<br>programs<br>\$'000 | Onerous lease<br>contracts<br>\$'000 | Mine site<br>rehabilitation<br>\$'000 | Other<br>\$'000 | Total<br>\$'000 |
|--------------------------------------------------------------------------------------|-----------------------------|-----------------------------|--------------------------------------|---------------------------------------|-----------------|-----------------|
| <b>Balance at 1 July 2025</b>                                                        | <b>67,129</b>               | <b>10,964</b>               | <b>5,157</b>                         | <b>8,450</b>                          | <b>26,085</b>   | <b>117,785</b>  |
| Additional provisions recognised                                                     | –                           | 9,167                       | –                                    | –                                     | 9,955           | 19,122          |
| Reductions arising from payments/<br>other sacrifices of future economic<br>benefits | –                           | (8,110)                     | (1,808)                              | (518)                                 | (12,860)        | (23,296)        |
| Increase/(reductions) resulting<br>from re-measurement or settlement<br>without cost | –                           | –                           | (13)                                 | –                                     | –               | (13)            |
| Unwind of discount and effect<br>of changes in the discount rate                     | –                           | –                           | 1,418                                | –                                     | –               | 1,418           |
| <b>Balance at 30 June 2026</b>                                                       | <b>67,129</b>               | <b>12,021</b>               | <b>4,754</b>                         | <b>7,932</b>                          | <b>23,180</b>   | <b>115,016</b>  |
| Current                                                                              | 67,129                      | 12,021                      | 1,976                                | 7,932                                 | 23,180          | 112,238         |
| Non-current                                                                          | –                           | –                           | 2,778                                | –                                     | –               | 2,778           |
| <b>Balance at 30 June 2026</b>                                                       | <b>67,129</b>               | <b>12,021</b>               | <b>4,754</b>                         | <b>7,932</b>                          | <b>23,180</b>   | <b>115,016</b>  |

## 6.5 Other financial liabilities

|                                          | 2026<br>\$'000 | 2025<br>\$'000 |
|------------------------------------------|----------------|----------------|
| <b>Other financial liabilities</b>       |                |                |
| Other financial liabilities              | 217,860        | 214,409        |
| <b>Total other financial liabilities</b> | <b>217,860</b> | <b>214,409</b> |

The liability relates to support to secure Victoria's energy supply and support for the transition to renewable energy generation. Other financial liabilities are recognised on the date on which DEECA entered into these contracts and are measured at amortised cost.

The department's policy in managing the risks inherent in these arrangements is disclosed in Note 8.1.3.

## Note 7. How we financed our operations

### Introduction

This section provides information on the sources of finance utilised by the department during its operations, along with interest expenses, the cost of borrowings and other information related to financial activities of the department. This section includes disclosures of balances that are financial instruments and Note 8.1 and 8.3 provides additional, specific financial instrument disclosures.

### Structure

- 7.1 Cash flow information and balances
  - 7.1.1 Reconciliation of net result for the period to net cash flow from operating activities
- 7.2 Borrowings
  - 7.2.1 Maturity analysis of borrowings
  - 7.2.2 Interest expense
- 7.3 Lease liabilities (department as lessee)
  - 7.3.1 Right-of-use assets
  - 7.3.2 Amounts recognised in the comprehensive operating statement
  - 7.3.3 Amounts recognised in the cash flow statement
  - 7.3.4 Commissioned public private partnerships accounted for as leases
- 7.4 Trust account balances
- 7.5 Commitments for expenditure
  - 7.5.1 Public private partnership (PPP) commitment

### 7.1 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents includes cash and short term investments, as indicated in the reconciliation below.

|                                                               | 2026<br>\$'000   | 2025<br>\$'000 |
|---------------------------------------------------------------|------------------|----------------|
| <b>Cash and cash deposits</b>                                 |                  |                |
| Cash at bank and on hand                                      | 618              | 3,186          |
| Funds held in trust – cash                                    | 786,886          | 676,637        |
| Funds held in trust – deposits at call                        | 854,603          | 874,463        |
| <b>Total cash and deposits disclosed in the balance sheet</b> | <b>1,642,107</b> | 1,554,286      |
| <b>Balance as per cash flow statement</b>                     | <b>1,642,107</b> | 1,554,286      |

Due to the State of Victoria's investment policy and government funding arrangements, the department does not hold a large cash reserve in its bank accounts. Cash received by the department from the generation of income is generally paid into the state's bank account, known as the Public Account. Similarly, any departmental expenditure, including those in the form of cheques drawn by the department for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account would remit to the department the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the department's suppliers or creditors. These funding arrangements often result in the department having a notional shortfall in the cash at bank required for payment of unrepresented cheques at reporting date.

Funds held in trust include cash and term deposits and include a number of trust accounts managed and controlled by the department. Refer to Note 7.4.

### 7.1.1 Reconciliation of net result for the period to net cash flow from operating activities

|                                                                                                                    | 2026<br>\$'000   | 2025<br>\$'000 |
|--------------------------------------------------------------------------------------------------------------------|------------------|----------------|
| <b>Net result for the period</b>                                                                                   | <b>(115,191)</b> | <b>574,530</b> |
| <b>Non-cash movements</b>                                                                                          |                  |                |
| Depreciation and amortisation                                                                                      | 114,990          | 120,437        |
| Net (gain)/loss on disposal of property, plant and equipment and large-scale generation certificates held for sale | (12,844)         | (9,811)        |
| Net recognition/(de-recognition) of non-financial assets                                                           | 226,056          | (1,433)        |
| Write-down of property, plant, equipment and intangible assets                                                     | 22,306           | 6,121          |
| Concessional loan interest                                                                                         | 2,840            | 2,828          |
| Net (gain)/loss on disposal of financial instruments                                                               | (2,276)          | (484,015)      |
| Net gain arising from revaluation of employee benefits                                                             | (7,217)          | (703)          |
| Net (gain)/loss on disposal of biological assets                                                                   | (1,686)          | (1,116)        |
| Fair value of assets or services received free of charge                                                           | –                | (4,022)        |
| Initial recognition (income)/expense from financial instruments                                                    | 100,409          | (12,184)       |
| Other provision discount rate adjustments                                                                          | (402)            | (1,983)        |
| <b>Movements in assets and liabilities</b>                                                                         |                  |                |
| (Increase)/decrease in receivables                                                                                 | (70,648)         | (9,323)        |
| (Increase)/decrease in inventories                                                                                 | (18,187)         | 5,082          |
| (Increase)/decrease in prepayments                                                                                 | (32,708)         | (15,391)       |
| Increase/(decrease) in payables                                                                                    | 29,205           | (32,476)       |
| Increase/(decrease) in provisions                                                                                  | (18,322)         | (1,445)        |
| Increase/(decrease) in other liabilities                                                                           | 2,568            | 3,341          |
| <b>Net cash flows from operating activities</b>                                                                    | <b>218,893</b>   | <b>138,437</b> |

### 7.2 Borrowings

|                                                                      | 2026<br>\$'000 | 2025<br>\$'000 |
|----------------------------------------------------------------------|----------------|----------------|
| <b>Current Borrowings<sup>(i)</sup></b>                              |                |                |
| Lease liabilities – motor vehicle                                    | 29,850         | 24,276         |
| Lease liabilities – buildings and structures                         | 1,421          | 1,043          |
| Lease liabilities – Public private partnership (PPP) <sup>(ii)</sup> | 15,069         | 13,310         |
| Advances from the Commonwealth <sup>(iii)</sup>                      | 25,845         | 428            |
| <b>Total current borrowings</b>                                      | <b>72,185</b>  | <b>39,057</b>  |
| <b>Non-Current Borrowings<sup>(i)</sup></b>                          |                |                |
| Lease liabilities – motor vehicle                                    | 48,365         | 48,269         |
| Lease liabilities – buildings and structures                         | 2,845          | 2,475          |
| Lease liabilities – Public private partnership (PPP) <sup>(ii)</sup> | 216,973        | 232,041        |
| Advances from the Commonwealth <sup>(iii)</sup>                      | 35,125         | 75,981         |
| <b>Total non-current borrowings</b>                                  | <b>303,308</b> | <b>358,766</b> |
| <b>Total borrowings</b>                                              | <b>375,493</b> | <b>397,823</b> |

Note:

(i) Secured by the leased assets.

(ii) The department's share of PPPs as part of joint operations. Refer to Note 5.4.

(iii) Relate to Rural Assistance Commissioner concessional loans. Refer to Note 9.4.

Borrowings refer to interest bearing liabilities which are lease liabilities that relate to buildings and structures, and motor vehicles leased through the VicFleet and Fleet Plus lease facilities.

Borrowings are classified as financial instruments. The department classifies its interest-bearing liabilities as financial liabilities at amortised cost subsequent to initial recognition.

During the current and prior year, there were no defaults and breaches of any of the loans.

## 7.2.1 Maturity analysis of Borrowings

|                                | Carrying<br>amount<br>\$'000 | Nominal<br>amount<br>\$'000 | Maturity dates                 |                                 |                                |                     |                    |
|--------------------------------|------------------------------|-----------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------|--------------------|
|                                |                              |                             | Less than<br>1 month<br>\$'000 | 1 month –<br>3 months<br>\$'000 | 3 months<br>– 1 year<br>\$'000 | 1-5 years<br>\$'000 | 5+ years<br>\$'000 |
| 2026                           |                              |                             |                                |                                 |                                |                     |                    |
| Lease liabilities              | 314,523                      | 430,104                     | 9,516                          | 12,919                          | 45,815                         | 194,726             | 167,128            |
| Advances from the Commonwealth | 60,970                       | 60,970                      | 428                            | –                               | 25,417                         | 35,125              | –                  |
| <b>Total</b>                   | <b>375,493</b>               | <b>491,074</b>              | <b>9,944</b>                   | <b>12,919</b>                   | <b>71,232</b>                  | <b>229,851</b>      | <b>167,128</b>     |
| 2025                           |                              |                             |                                |                                 |                                |                     |                    |
| Lease liabilities              | 321,414                      | 455,945                     | 6,081                          | 12,312                          | 42,530                         | 192,257             | 202,765            |
| Advances from the Commonwealth | 76,409                       | 76,409                      | –                              | 400                             | –                              | 76,009              | –                  |
| <b>Total</b>                   | <b>397,823</b>               | <b>532,354</b>              | <b>6,081</b>                   | <b>12,712</b>                   | <b>42,530</b>                  | <b>268,266</b>      | <b>202,765</b>     |

## 7.2.2 Interest expense

|                                                   | 2026<br>\$'000  | 2025<br>\$'000  |
|---------------------------------------------------|-----------------|-----------------|
| <b>Interest expense</b>                           |                 |                 |
| Interest on leases                                | (4,131)         | (2,527)         |
| Interest on leases - PPP (Joint Venture Share)    | (22,544)        | (23,406)        |
| Concessional loan discount on initial recognition | (6,791)         | (11,333)        |
| Other interest expense                            | (3,450)         | (4,050)         |
| <b>Total interest expense</b>                     | <b>(36,916)</b> | <b>(41,316)</b> |

Interest expense is costs incurred in connection with leasing arrangements and the wind back of interest relating to make good provisions.

Concessional loan discount on initial recognition includes interest expense calculated using the effective interest method as described in AASB 9 *Financial Instruments*.

Interest expense is recognised in the period in which it is incurred.

### 7.3 Lease liabilities (department as lessee)

Information about leases for which the department is a lessee is presented below.

#### The Department's leasing activities

The department leases office accommodation, motor vehicles, and various other assets for fire emergency purposes.

Office accommodation is mostly leased from the Accommodation, Carpool and Library Services (ACLS), part of the Department of Government Services.

Motor vehicles are leased through the VicFleet and Fleet Plus lease facilities. The lease term is the period over which the vehicle is to be leased. Generally, vehicles must be retained for three years or 60,000 kilometres for VicFleet vehicles and 15 years for FleetPartners vehicles, whichever occurs first. On disposal of the vehicle any profit or loss on sale is borne by the department.

Other leased assets include airport hangars, and emergency management system hosting and storage. These assets are leased to assist the department in delivering its fire and emergency management outputs. The assets are leased for a period between one and 3 years.

The other leases the department recognises relates to its joint operations share of public private partnership (PPP) arrangements which have been determined to meet the definition of a lease. Refer to Note 7.3.4.

At 30 June 2026, the department was committed to short term leases. The total commitment at the end of the financial year is disclosed in Note 7.5.

#### Leases at significantly below-market terms and conditions

From 1 January 2023, the department holds land under a concessionary lease arrangement through its Biosciences Research Centre joint operation. The Biosciences research facility is constructed on this land. The concessionary lease has a term of 25 years concluding in August 2036 with an option to renew for another 25 years. Rental charge is \$1 per annum.

#### 7.3.1 Right-of-use assets

Right-of-use assets are presented in Note 5.

#### 7.3.2 Amounts recognised in the comprehensive operating statement

The following amounts are recognised in the comprehensive operating statement relating to leases:

|                                                                         | 2026<br>\$'000  | 2025<br>\$'000  |
|-------------------------------------------------------------------------|-----------------|-----------------|
| Interest on lease liabilities                                           | (4,131)         | (2,527)         |
| Interest on PPP related lease liabilities                               | (22,544)        | (23,406)        |
| Expenses relating to low value and short term leases                    | (223)           | (155)           |
| <b>Total amount recognised in the comprehensive operating statement</b> | <b>(26,898)</b> | <b>(26,088)</b> |

#### 7.3.3 Amounts recognised in the cash flow statement

The following amounts are recognised in the cash flow statement for the year ended 30 June 2026 relating to leases:

|                                      | 2026<br>\$'000  | 2025<br>\$'000  |
|--------------------------------------|-----------------|-----------------|
| <b>Total cash outflow for leases</b> | <b>(29,405)</b> | <b>(28,818)</b> |

For any new contracts entered into the department considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the department assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the department and for which the supplier does not have substantive substitution rights;
- the department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use.
- the department has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.
- This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

#### **Separation of lease and non-lease components**

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

#### **Recognition and measurement of leases as a lessee**

##### **Lease Liability – initial measurement**

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the department's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments);
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

##### **Lease Liability – subsequent measurement**

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

##### **Short-term leases and leases of low value assets**

The department has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

##### **Presentation of right-of-use assets and lease liabilities**

The department presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

#### **7.3.4 Commissioned public private partnerships accounted for as leases (as part of joint operations)**

Public private partnerships (PPP) involve 2 payments streams:

- Service fee payments which relate to the financing of the asset
- Operating and maintenance costs which relate to the on-going operation and maintenance of the assets

The department has determined that its share of PPP service fee payments that relate to the below project facilities are accounted for as leases and disclosed in Note 7.3 and its share of operating and maintenance costs are expensed when incurred and disclosed as commitments in Note 7.5.

##### **Royal Melbourne Showground**

The department received a share in the Royal Melbourne Showgrounds joint operation as part of the Machinery of Government changes which took effect on 1 January 2023. The joint operation entity, in 2006 had entered into a PPP arrangement with PPP Solutions (Showgrounds) Nominee Pty Ltd to design, construct, finance and maintain the new facilities at the showgrounds. The PPP arrangement has been assessed as lease under the requirements of AASB 16. For more information on the arrangement refer to Note 5.4.



### Biosciences Research Centre

The department received a share in the Biosciences Research Centre joint operation as part of the Machinery of Government changes which took effect on 1 January 2023. The joint operation entity, in 2009 had entered into a PPP arrangement with Plenary Research Pty Ltd (the Concessionaire) to design, construct, finance and maintain the Biosciences Research Centre. The PPP arrangement has been assessed as lease under the requirements of AASB 16. For more information on the arrangement refer to Note 5.4.

|                                                                   | Minimum future lease payments |                | Present value of minimum future lease payments |                |
|-------------------------------------------------------------------|-------------------------------|----------------|------------------------------------------------|----------------|
|                                                                   | 2026<br>\$'000                | 2025<br>\$'000 | 2026<br>\$'000                                 | 2025<br>\$'000 |
| <b>Commissioned PPP related finance lease liabilities payable</b> |                               |                |                                                |                |
| Not longer than 1 year                                            | 33,570                        | 32,984         | 31,884                                         | 31,326         |
| Longer than 1 year but not longer than 5 years                    | 140,403                       | 137,925        | 108,811                                        | 106,871        |
| Longer than 5 years                                               | 167,128                       | 203,176        | 91,347                                         | 107,154        |
| <b>Minimum future lease payments</b>                              | <b>341,101</b>                | <b>374,085</b> | <b>232,042</b>                                 | <b>245,351</b> |
| Less: future finance charges                                      | (109,059)                     | (128,734)      | –                                              | –              |
| <b>Present value of minimum lease payments</b>                    | <b>232,042</b>                | <b>245,351</b> | <b>232,042</b>                                 | <b>245,351</b> |
| Included in the financial statements as:                          |                               |                |                                                |                |
| Current borrowings lease liabilities (Note 7.2)                   | –                             | –              | 15,069                                         | 13,310         |
| Non current borrowings lease liabilities (Note 7.2)               | –                             | –              | 216,973                                        | 232,041        |
| <b>Total</b>                                                      | <b>–</b>                      | <b>–</b>       | <b>232,042</b>                                 | <b>245,351</b> |

## 7.4 Trust account balances

The department has responsibility for transactions and balances relating to trust funds held. No third party funds were held under management for either 2025–26 or 2024–25. The following is a listing of trust account balances in cash and deposits relating to trust accounts controlled and administered by the department.

|                                                                                                                                                                                                                                                                                                                                            | 2026                   |                       |                       |                           |                                |                               | 2025                  |                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|-------------------------------|-----------------------|-----------------------|
|                                                                                                                                                                                                                                                                                                                                            | Balance at 1 July 2025 | Total receipts \$'000 | Total payments \$'000 | Total Transfer out \$'000 | Balance at 30 June 2026 \$'000 | Balance at 1 July 2024 \$'000 | Total receipts \$'000 | Total payments \$'000 |
| <b>Controlled trusts</b>                                                                                                                                                                                                                                                                                                                   |                        |                       |                       |                           |                                |                               |                       |                       |
| <b>Cash, deposits and investments</b>                                                                                                                                                                                                                                                                                                      |                        |                       |                       |                           |                                |                               |                       |                       |
| <b>Albury Wodonga Land Transfer</b>                                                                                                                                                                                                                                                                                                        |                        |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives funding and earns interest for the appropriate management and protection of land transferred from the Albury Wodonga Corporation.                                                                                   | 607                    | 24                    | –                     | –                         | 631                            | 591                           | 26                    | (10)                  |
|                                                                                                                                                                                                                                                                                                                                            |                        |                       |                       |                           |                                |                               |                       | 607                   |
| <b>Animals In Research and Teaching Welfare Fund</b>                                                                                                                                                                                                                                                                                       |                        |                       |                       |                           |                                |                               |                       |                       |
| Established under the <i>Prevention of Cruelty to Animals Act 1986</i> to record the receipt and disbursement of funds collected for monitoring and reporting on compliance by animal research and teaching establishments.                                                                                                                | 2,092                  | 1,640                 | (2,672)               | –                         | 1,060                          | 2,322                         | 1,611                 | (1,841)               |
|                                                                                                                                                                                                                                                                                                                                            |                        |                       |                       |                           |                                |                               |                       | 2,092                 |
| <b>Bulgana Green Power Hub Trust Account</b>                                                                                                                                                                                                                                                                                               |                        |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> for the delivery of the Bulgana Green Power Hub. It is the single point of administration for receipt and holding of revenues received, net Contract for Difference net payments received by and paid to proponent and settlement of Base payments due to the proponent. | 49,011                 | 12,567                | –                     | –                         | 61,578                         | 40,767                        | 11,744                | (3,500)               |
|                                                                                                                                                                                                                                                                                                                                            |                        |                       |                       |                           |                                |                               |                       | 49,011                |
| <b>Casino Area Works Trust</b>                                                                                                                                                                                                                                                                                                             |                        |                       |                       |                           |                                |                               |                       |                       |
| Operates under schedule 5 of the <i>Casino (Management Agreement) (Amendment) Act 1996</i> to be applied to works for the general improvement of facilities in the Melbourne casino area.                                                                                                                                                  | –                      | –                     | –                     | –                         | –                              | –                             | –                     | –                     |
| <b>Department Suspense</b>                                                                                                                                                                                                                                                                                                                 |                        |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a working account. It holds all generic unclaimed funds until they have been identified.                                                                                                                                                                              | 147                    | –                     | –                     | –                         | 147                            | 147                           | –                     | –                     |
|                                                                                                                                                                                                                                                                                                                                            |                        |                       |                       |                           |                                |                               |                       | 147                   |

|                                                                                                                                                                                                                                                                                                          | 2026                          |                       |                       |                           |                                | 2025                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|--------------------------------|
|                                                                                                                                                                                                                                                                                                          | Balance at 1 July 2025 \$'000 | Total receipts \$'000 | Total payments \$'000 | Total Transfer out \$'000 | Balance at 30 June 2026 \$'000 | Balance at 30 June 2025 \$'000 |
| <b>Controlled trusts</b>                                                                                                                                                                                                                                                                                 |                               |                       |                       |                           |                                |                                |
| <b>Cash, deposits and investments</b>                                                                                                                                                                                                                                                                    |                               |                       |                       |                           |                                |                                |
| <b>Disease Compensation Funds</b>                                                                                                                                                                                                                                                                        |                               |                       |                       |                           |                                |                                |
| Established under section 5 of the <i>Livestock Disease Control Act 1994</i> to support the control and eradication of any outbreak and to provide compensation for livestock destroyed due to suffering or suspected of suffering from diseases.                                                        | 64,089                        | 7,724                 | (6,485)               | –                         | 65,328                         | 64,089                         |
| <b>DTF VicFleet</b>                                                                                                                                                                                                                                                                                      |                               |                       |                       |                           |                                |                                |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives funding and makes payments in relation to the government motor vehicle pool.                                                                                                      | 7,535                         | 9,206                 | (6,600)               | –                         | 10,141                         | 7,535                          |
| <b>Forest By-products Trust Account</b>                                                                                                                                                                                                                                                                  |                               |                       |                       |                           |                                |                                |
| Operates under s19 of the <i>Financial Management Act 1994</i> to receive funds from the sale of by-products generated by forest and fire management activities and, after accounting for costs of administering the By-Products Framework, transfer these funds to Traditional Owners or First Peoples. | –                             | 432                   | –                     | –                         | 432                            | –                              |
| <b>Goulburn Murray Water Connections Project Trust</b>                                                                                                                                                                                                                                                   |                               |                       |                       |                           |                                |                                |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives fees and disburses payments in relation to the delivery of the Goulburn Murray Water connections and irrigations modernisation program.                                           | 548                           | 1                     | –                     | –                         | 549                            | 548                            |
| <b>Inter-departmental Transfer Trust</b>                                                                                                                                                                                                                                                                 |                               |                       |                       |                           |                                |                                |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> to record inter-departmental transfers when no other trust arrangement exists.                                                                                                                                                         | 30,813                        | 52,551                | (47,509)              | –                         | 35,855                         | 30,813                         |
| <b>Melbourne Strategic Assessment Trust Account</b>                                                                                                                                                                                                                                                      |                               |                       |                       |                           |                                |                                |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives fees and disburses payments in relation to the delivery of the Melbourne Strategic Assessment Program.                                                                            | 69,352                        | 43,096                | (44,852)              | –                         | 67,596                         | 69,352                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2026                          |                       |                       |                           |                                | 2025                           |         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|--------------------------------|---------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Balance at 1 July 2025 \$'000 | Total receipts \$'000 | Total payments \$'000 | Total Transfer out \$'000 | Balance at 30 June 2026 \$'000 | Balance at 30 June 2025 \$'000 |         |
| <b>Controlled trusts</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                       |                       |                           |                                |                                |         |
| <b>Cash, deposits and investments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                       |                       |                           |                                |                                |         |
| <b>Municipal and Industrial Landfill Levy Trust Account</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               |                       |                       |                           |                                |                                |         |
| Established under s70F of the <i>Environment Protection Act 1970</i> and operates under s19 of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives municipal and industrial landfill levies from the Environment Protection Authority as specified in s448 of the <i>Environment Protection Act 2017</i> and manages payments to environmental agencies with the remaining balance transferred to the Sustainability Fund Trust Account in accordance with s449(2) of the Act. | -                             | 505,878               | (505,878)             | -                         | -                              | -                              | -       |
| <b>Native Vegetation Landowner Fund</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                               |                       |                       |                           |                                |                                |         |
| Operates under s19 of the <i>Financial Management Act 1994</i> to manage the offset arrangements to compensate for the biodiversity impacts from the removal, destruction or lopping of native vegetation.                                                                                                                                                                                                                                                                                                               | -                             | 56,453                | (13,263)              | -                         | 43,190                         | -                              | -       |
| <b>Parks and Reserves Trust Account</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                               |                       |                       |                           |                                |                                |         |
| Operates under s153A of the <i>Water Industry Act 1994</i> as a specific purpose operating account. It receives the Metropolitan Parks Improvement Rate and makes payments for the management and control of open spaces, parks and waterways in metropolitan area.                                                                                                                                                                                                                                                      | 229,468                       | 227,375               | (221,586)             | -                         | 235,257                        | 227,570                        | 229,468 |
| <b>Plant and Machinery Trust Account</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                       |                       |                           |                                |                                |         |
| Operates under s23 of the <i>Conservation, Forests and Lands Act 1987</i> as a specific purpose operating account. It receives funding and makes payments for the renewal, replacement, operation, maintenance and repair of plant and machinery.                                                                                                                                                                                                                                                                        | 2,755                         | 3,742                 | (4,223)               | -                         | 2,274                          | 13,576                         | 2,755   |
| <b>Project Trust Account</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                       |                           |                                |                                |         |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives income and makes payments associated with services the department has been contracted to supply on a fee for service basis.                                                                                                                                                                                                                                                                       | 394,690                       | 431,472               | (452,866)             | -                         | 373,296                        | 395,506                        | 394,690 |

|                                                                                                                                                                                                                                                                                                       | 2026                          |                       |                       |                           |                                | 2025                          |                       |                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|-------------------------------|-----------------------|-----------------------|
|                                                                                                                                                                                                                                                                                                       | Balance at 1 July 2025 \$'000 | Total receipts \$'000 | Total payments \$'000 | Total Transfer out \$'000 | Balance at 30 June 2026 \$'000 | Balance at 1 July 2024 \$'000 | Total receipts \$'000 | Total payments \$'000 |
| <b>Controlled trusts</b>                                                                                                                                                                                                                                                                              |                               |                       |                       |                           |                                |                               |                       |                       |
| <b>Cash, deposits and investments</b>                                                                                                                                                                                                                                                                 |                               |                       |                       |                           |                                |                               |                       |                       |
| <b>Recycling Victoria Fund</b>                                                                                                                                                                                                                                                                        |                               |                       |                       |                           |                                |                               |                       |                       |
| Established under the <i>Circular Economy (Waste Reduction and Recycling) Act 2021</i> to record the receipt and disbursement of funds for the container deposits scheme and the waste to energy scheme.                                                                                              | 2,923                         | 6,503                 | (5,622)               | -                         | 3,804                          | -                             | 9,776                 | (6,853)               |
|                                                                                                                                                                                                                                                                                                       |                               |                       |                       |                           |                                |                               |                       | 2,923                 |
| <b>Recycling Victoria Trust Account</b>                                                                                                                                                                                                                                                               |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It holds funds as security to ensure all obligations are met in relation to the tripartite contracts between DEECA, contractors in the waste and recycling industry and local governments. | 3,703                         | -                     | -                     | -                         | 3,703                          | 3,703                         | -                     | -                     |
|                                                                                                                                                                                                                                                                                                       |                               |                       |                       |                           |                                |                               |                       | 3,703                 |
| <b>Renewable Energy Certificate Purchasing Initiative Trust Account</b>                                                                                                                                                                                                                               |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. Maintains a single point of administration for revenue holding, consultancy fee, administrative costs, staffing and training.                                                              |                               |                       |                       |                           |                                |                               |                       |                       |
| Payments are received from the Sustainability Fund for implementing the Renewable Certificate Purchasing Initiative and for purchasing Large-scale Generation Certificates.                                                                                                                           | 46,558                        | 15,316                | (13,325)              | -                         | 48,549                         | 44,533                        | 7,158                 | (5,133)               |
|                                                                                                                                                                                                                                                                                                       |                               |                       |                       |                           |                                |                               |                       | 46,558                |
| <b>Revenue Suspense</b>                                                                                                                                                                                                                                                                               |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a departmental account. It records all unknown revenue receipts; funds are held until receipts are identified.                                                                                                                   | 36                            | 8                     | -                     | -                         | 44                             | 29                            | 7                     | -                     |
|                                                                                                                                                                                                                                                                                                       |                               |                       |                       |                           |                                |                               |                       | 36                    |
| <b>State Development Special Projects</b>                                                                                                                                                                                                                                                             |                               |                       |                       |                           |                                |                               |                       |                       |
| Established under section 19 of the <i>Financial Management Act 1994</i> , to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the State of Victoria.                                                                         | 237                           | -                     | -                     | -                         | 237                            | 237                           | -                     | -                     |
|                                                                                                                                                                                                                                                                                                       |                               |                       |                       |                           |                                |                               |                       | 237                   |

|                                                                                                                                                                                                                                                                                                                                                                                                       | 2026                          |                       |                       |                           |                                | 2025                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|--------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                       | Balance at 1 July 2025 \$'000 | Total receipts \$'000 | Total payments \$'000 | Total Transfer out \$'000 | Balance at 30 June 2026 \$'000 | Balance at 30 June 2025 \$'000 |
| <b>Controlled trusts</b>                                                                                                                                                                                                                                                                                                                                                                              |                               |                       |                       |                           |                                |                                |
| <b>Cash, deposits and investments</b>                                                                                                                                                                                                                                                                                                                                                                 |                               |                       |                       |                           |                                |                                |
| <b>Stores Suspense</b>                                                                                                                                                                                                                                                                                                                                                                                |                               |                       |                       |                           |                                |                                |
| Operates under s23 of the <i>Conservation, Forests and Lands Act 1987</i> as a specific purpose operating account. It receives funding and makes payments for the purchase of stores and the cost of manufacturing articles for stock.                                                                                                                                                                | 14,139                        | 19,097                | (18,277)              | -                         | 14,959                         | 14,139                         |
| <b>Sustainability Fund Trust Account</b>                                                                                                                                                                                                                                                                                                                                                              |                               |                       |                       |                           |                                |                                |
| Established under s70F of the <i>Environment Protection Act 1970</i> and operates under s19 of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages grants fostering environmentally sustainable uses of resources, waste management best practice, greenhouse gas reduction and adapting to climate change.                                                  | 545,714                       | 291,745               | (270,260)             | -                         | 567,199                        | 545,714                        |
| <b>Treasury Trust – Floods</b>                                                                                                                                                                                                                                                                                                                                                                        |                               |                       |                       |                           |                                |                                |
| Operates under s19 of the <i>Financial Management Act 1994</i> as a shared operating account. It makes state funds available for the restoration of assets and public facilities damaged in floods.                                                                                                                                                                                                   | 937                           | -                     | -                     | -                         | 937                            | 937                            |
| <b>Vacant Land Conservation Covenants Trust Account</b>                                                                                                                                                                                                                                                                                                                                               |                               |                       |                       |                           |                                |                                |
| Operates under Section 9 of <i>Victorian Conservation Trust Act 1972</i> to cover the cost of conservation covenants between landowners and the Trust for Nature to protect biodiversity on private land.                                                                                                                                                                                             | 2,000                         | -                     | (80)                  | -                         | 1,920                          | 2,000                          |
| <b>Victorian Renewable Energy Target Auction Trust Account</b>                                                                                                                                                                                                                                                                                                                                        |                               |                       |                       |                           |                                |                                |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> for the delivery of the <i>Victorian Renewable Energy Target 2017</i> Reverse Auction Support Agreements. It is the single point of administration for receipt and holding of revenues received, net Contract for Difference net payments received by and paid to proponents and settlement of Base payments due to the proponents. | 83,746                        | 19,197                | (140)                 | -                         | 102,803                        | 83,746                         |
| <b>Total controlled trusts</b>                                                                                                                                                                                                                                                                                                                                                                        | 1,551,100                     | 1,704,027             | (1,613,638)           | -                         | 1,641,489                      | 1,551,100                      |

|                                                                                                                                                                                                                  | 2026                          |                       |                       |                           | 2025                           |                               |                       |                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|-------------------------------|-----------------------|-----------------------|
|                                                                                                                                                                                                                  | Balance at 1 July 2025 \$'000 | Total receipts \$'000 | Total payments \$'000 | Total Transfer out \$'000 | Balance at 30 June 2026 \$'000 | Balance at 1 July 2024 \$'000 | Total receipts \$'000 | Total payments \$'000 |
| <b>Administered trusts</b>                                                                                                                                                                                       |                               |                       |                       |                           |                                |                               |                       |                       |
| <b>Cash, deposits and investments</b>                                                                                                                                                                            |                               |                       |                       |                           |                                |                               |                       |                       |
| <b>CH Barbour Forestry Foundation</b>                                                                                                                                                                            |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations.                            | 9                             | -                     | -                     | -                         | 9                              | 9                             | -                     | -                     |
| <b>J Gilmore Farm Water Supply and Hanslow Cup</b>                                                                                                                                                               |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donation.                             | 50                            | 2                     | -                     | -                         | 52                             | 48                            | 2                     | -                     |
| <b>Lysterfield Reclamation Levy</b>                                                                                                                                                                              |                               |                       |                       |                           |                                |                               |                       |                       |
| Established under section 7 of the <i>Extractive Industries (Lysterfield) Act 1986</i> for the purposes of applying monies received in the trust to the reclamation of certain lands in accordance with the Act. | 5,574                         | 463                   | -                     | -                         | 6,037                          | 5,441                         | 133                   | -                     |
| <b>Paid Parental Leave Treasury Trust Fund</b>                                                                                                                                                                   |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a working account. It receives funds from the Commonwealth to meet the eligible costs of parental leave for departmental employees.         | 192                           | -                     | (14)                  | -                         | 178                            | 95                            | 97                    | -                     |
| <b>Public Service Commuters' Club</b>                                                                                                                                                                            |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19 of the <i>Financial Management Act 1994</i> as a working account. It services loans to staff for the purchase of yearly tickets and funds are recouped through staff salaries and wages.      | 378                           | 30                    | -                     | -                         | 408                            | 379                           | -                     | (1)                   |



|                                                                                                                                                                                                                                                                                                     | 2026                          |                       |                       |                           | 2025                           |                               |                       |                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|-------------------------------|-----------------------|-----------------------|
|                                                                                                                                                                                                                                                                                                     | Balance at 1 July 2025 \$'000 | Total receipts \$'000 | Total payments \$'000 | Total Transfer out \$'000 | Balance at 30 June 2026 \$'000 | Balance at 1 July 2024 \$'000 | Total receipts \$'000 | Total payments \$'000 |
| <b>Administered trusts</b>                                                                                                                                                                                                                                                                          |                               |                       |                       |                           |                                |                               |                       |                       |
| <b>Cash, deposits and investments</b>                                                                                                                                                                                                                                                               |                               |                       |                       |                           |                                |                               |                       |                       |
| <b>Securities Trust Fund</b>                                                                                                                                                                                                                                                                        |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19 of the <i>Financial Management Act 1994</i> as a working account. It receives and holds bonds for use by third parties of public land.                                                                                                                                           | 112                           | -                     | -                     | -                         | 112                            | 112                           | 2                     | (2)                   |
| <b>Sidney Plowman Award</b>                                                                                                                                                                                                                                                                         |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations.                                                                                                               | 28                            | 1                     | -                     | -                         | 29                             | 27                            | 1                     | -                     |
| <b>Treasury Trust</b>                                                                                                                                                                                                                                                                               |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a working account. It records the receipt and disbursement of unclaimed and unidentified monies such as unrepresented cheques, surplus cash, unidentified remittances etc.                                                     | 109                           | 14                    | (26)                  | -                         | 97                             | 153                           | 2                     | (46)                  |
| <b>Victorian Desalination Project Trust Account</b>                                                                                                                                                                                                                                                 |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages and quarantines adjustment payments to AquaSure and any associated efficiencies and savings that arise relating to water orders placed with the Victorian Desalination Plant. | 39,196                        | 1,470                 | (3,899)               | -                         | 36,767                         | 37,509                        | 1,687                 | -                     |
| <b>Victorian State Foresters' Association</b>                                                                                                                                                                                                                                                       |                               |                       |                       |                           |                                |                               |                       |                       |
| Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donation.                                                                                                                | 9                             | -                     | -                     | -                         | 9                              | 9                             | -                     | -                     |
| <b>Total administered trusts</b>                                                                                                                                                                                                                                                                    | <b>45,657</b>                 | <b>1,980</b>          | <b>(3,939)</b>        | <b>-</b>                  | <b>43,698</b>                  | <b>43,782</b>                 | <b>1,924</b>          | <b>(49)</b>           |

## 7.4 Trust account balances – continued

### Trust Accounts opened or closed by the department during 2025–26

#### Opened

Following trust accounts were opened during the year.

- Forest By-products Trust Account
- Native Vegetation Landowner Fund

#### Closed

No trust accounts were closed during the year.

Following trust accounts were transferred to EPA on 30 June 2026, as part of the portfolio entity changes in 2025–26:

- Recycling Victoria Fund
- Recycling Victoria Trust Account

### Third party funds under management

No third party funds were held under management for either 2025–26 or 2024–25.

## 7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts.

Operating commitments represents future expenditure arising from contracts and include commitments for future good and services. Capital commitments represents future expenditure arising from contracts and include construction of buildings, roads, structures and software and the purchase of plant, equipment and intangible assets.

The department's lease commitment relates to short-term leases (with lease term equal or less than 12 months) and low value leases (with asset value equal or less than \$10,000) on various plant and equipment.

These commitments are recorded below at nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### Nominal amounts

|                                                           | Less than<br>1 year<br>\$'000 | 1-5 years<br>\$'000 | 5+ years<br>\$'000 | Total<br>\$'000  |
|-----------------------------------------------------------|-------------------------------|---------------------|--------------------|------------------|
| <b>2026</b>                                               |                               |                     |                    |                  |
| Operating commitments payable                             | 154,975                       | 158,001             | 4,472              | <b>317,448</b>   |
| Lease and accommodation commitments payable               | 7,240                         | 15,658              | 4,710              | <b>27,608</b>    |
| Grant commitments payable                                 | 284,566                       | 99,399              | 1,004              | <b>384,969</b>   |
| Capital expenditure commitments payable                   | 72,665                        | 32,939              | 26,189             | <b>131,793</b>   |
| PPP commitments payable                                   | 19,120                        | 85,094              | 106,177            | <b>210,391</b>   |
| <b>Total commitments (inclusive of GST)</b>               | <b>538,566</b>                | <b>391,091</b>      | <b>142,553</b>     | <b>1,072,210</b> |
| Less: GST recoverable from the Australian Taxation Office |                               |                     |                    | <b>(97,474)</b>  |
| <b>Total commitments (exclusive of GST)</b>               |                               |                     |                    | <b>974,736</b>   |

|                                                           | Less than<br>1 year<br>\$'000 | 1-5 years<br>\$'000 | 5+ years<br>\$'000 | Total<br>\$'000  |
|-----------------------------------------------------------|-------------------------------|---------------------|--------------------|------------------|
| <b>2025</b>                                               |                               |                     |                    |                  |
| Operating commitments payable                             | 225,174                       | 339,091             | 6,004              | 570,269          |
| Lease and accommodation commitments payable               | 7,794                         | 21,691              | 5,803              | 35,287           |
| Grant commitments payable                                 | 165,160                       | 172,197             | 4,452              | 341,809          |
| Capital expenditure commitments payable                   | 33,911                        | 38,932              | –                  | 72,843           |
| PPP commitments payable                                   | 27,104                        | 72,143              | 133,859            | 233,106          |
| <b>Total commitments (inclusive of GST)</b>               | <b>459,142</b>                | <b>644,054</b>      | <b>150,118</b>     | <b>1,253,314</b> |
| Less: GST recoverable from the Australian Taxation Office |                               |                     |                    | <b>(113,938)</b> |
| <b>Total commitments (exclusive of GST)</b>               |                               |                     |                    | <b>1,139,376</b> |

### 7.5.1 Public private partnership (PPP) commitments

The department sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as PPPs. The PPP arrangements below relate to 2 joint arrangements. The amounts disclosed below in the note corresponds to department's share.

In the more common form used for these arrangements, the department pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as either a lease, a service concession arrangement or construction of an item of property, plant and equipment. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive operating statement as they are incurred. At the end of the concession period, the land and state works, together with the constructed facilities, will be returned to the department. The table below shows the commitments for operating and maintaining the asset. Refer to Note 7.3.4 for information on the financing component of the PPP.

|                                                     | Operating<br>commitments <sup>(i)</sup><br>Present value<br>2026<br>\$'000 | Operating<br>commitments <sup>(i)</sup><br>Nominal value<br>2026<br>\$'000 | Operating<br>commitments <sup>(i)</sup><br>Present value<br>2025<br>\$'000 | Operating<br>commitments <sup>(i)</sup><br>Nominal value<br>2025<br>\$'000 |
|-----------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <b>Commissioned PPP commitments payable</b>         |                                                                            |                                                                            |                                                                            |                                                                            |
| Royal Melbourne Showgrounds <sup>(ii)</sup>         | 13,072                                                                     | 16,969                                                                     | 14,671                                                                     | 19,967                                                                     |
| Biosciences Research Centre <sup>(iii)</sup>        | 122,435                                                                    | 193,422                                                                    | 132,660                                                                    | 213,139                                                                    |
| Total commitments payable to PPP                    | 135,507                                                                    | 210,391                                                                    | 147,331                                                                    | 233,106                                                                    |
| <b>Commissioned PPP commitments receivable</b>      |                                                                            |                                                                            |                                                                            |                                                                            |
| Royal Melbourne Showgrounds <sup>(ii)</sup>         | 6,536                                                                      | 8,484                                                                      | 7,336                                                                      | 9,983                                                                      |
| Biosciences Research Centre <sup>(iii)</sup>        | 10,189                                                                     | 15,858                                                                     | 10,426                                                                     | 16,910                                                                     |
| GST recoverable from the Australian Taxation Office | 12,319                                                                     | 19,126                                                                     | 13,394                                                                     | 21,191                                                                     |
| Total commitments receivable for PPP                | 29,044                                                                     | 43,468                                                                     | 31,156                                                                     | 48,084                                                                     |
| Net commitments for PPPs                            | 106,463                                                                    | 166,923                                                                    | 116,176                                                                    | 185,021                                                                    |

- (i) Commitments relate to operating maintenance and life cycle costs. For the Biosciences Research Centre this excludes pass through costs related to utilities, waste management and insurance on the basis that they are variable in nature and cannot be reliably estimated.
- (ii) The figures represent 100% of the total commitment under the terms of the PPP with the concessionaire offset by a 50% of the quarterly service payment recoupment under the terms of the joint arrangement with Royal Melbourne Showgrounds. DEECA has recognised a financial guarantee liability in relation to the receivable from Royal Melbourne Showgrounds refer Note 7.2.1.
- (iii) The figures represent 100% of the operating commitment under the terms of the PPP with the concessionaire, offset by a 25% of the general operating costs recoupment from La Trobe University under the terms of the joint arrangement. In 2016, La Trobe University has prepaid the net present value of its commitment to fund 25% of the Biosciences Research Centre operating costs resulting in the DJPR (the department that controlled the joint operations at the time) recognising a liability for this prepayment that will be offset against the Bioscience Research Centre operating costs over the remaining contract term. This liability was transferred to DEECA on 1 January 2023.

## Note 8. Risks, contingencies and valuation judgements

### Introduction

The department is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instruments' specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the department related mainly to fair value determination.

### Use of judgements and estimates

The fair value of derivative financial instruments is determined based on prices directly observable in the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximise the use of observable market inputs. In circumstances where this is not possible, management assess the complexity of assumptions and methodologies used to estimate input data as complex and engage third party industry experts to assist with the development of the most appropriate range of estimations.

Judgement was required in determining how to best obtain market data inputs for the fair value calculations. The department elected to appoint a third party expert to provide price forecast data estimations. Specific decisions were made with the third-party expert to incorporate some of the observable assumptions and adopt a return on investment approach to estimate the wholesale electricity price forecasts.

Management revises the estimates and assumptions periodically and the effects of any changes are reflected through profit and loss if they only involve that period. If the revision involves both the current and the future periods, the change is recognised in the period in which the revision is made and in the related future periods.

### Derivative financial instruments

Methodologies and assumptions used by external providers to determine the appropriate forecast to apply as part of the valuation.

In accordance with AASB 13, the department includes a measurement of credit risk, both counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), to adjust the fair value of financial instruments for the corresponding amount of counterparty risk, using the method discussed in Note 6.2 Financial instruments at fair value through net result.

### Structure

- 8.1 Financial instruments specific disclosures
  - 8.1.1 Financial instruments: Categorisation
  - 8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category
  - 8.1.3 Financial risk management objectives and policies
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination
  - 8.3.1 Fair value determination of financial assets and liabilities

Management considers that the data relating to wholesale electricity price forecasts are the most significant inputs used in determining the fair value of derivative financial instruments.

Wholesale electricity price is considered one of the key areas of estimation involved in the valuation. Management undertook a detailed process to understand the method.

The calculation of the fair value of certain financial assets and liabilities require the judgements, estimates and assumptions relating to future events.

The estimates and assumptions made are based on previous experience and other factors that management considers reasonable in the circumstances, but that are inherently uncertain and unpredictable. Unexpected events or circumstances may arise. Furthermore, the department is subject to risks and uncertainties which may result in the actual amounts deviating from the estimates.

It may become necessary to change estimates made previously due to changes in the assumptions on which the previous estimates were based or due to knowledge or subsequent events.

### Expected credit losses on contractual receivables at amortised cost

The loss allowances for contractual receivables are based on assumptions about risk of default and expected loss rates. The department uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the department's past history and existing market conditions as well as forward-looking estimates at the end of each reporting period.

## 8.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the department's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Guarantees issued on behalf of the department are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

### Categories of financial assets

#### Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met, and the assets are not designated as fair value through net result:

- the assets are held by the department to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The department recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

#### Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, the department may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

### Categories of financial liabilities

**Financial liabilities at fair value through net result** are categorised as such at trade date if they are classified as held for trading or designated as such upon initial recognition.

Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through profit and loss are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequent to initial recognition, any changes in fair value are recognised in the net result as other economic flows.

**Financial liabilities at amortised cost** are initially recognised on the date they originate. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the interest-bearing liability, using the effective interest method (refer to Note 9.14 Glossary of technical terms).

The department recognises the following liabilities in this category:

- payables (excluding statutory payables);
- borrowings (including lease liabilities) and
- other financial liabilities.

**Derivative financial instruments** are classified as fair value through net result. Refer to Note 6.2 for further details on derivative financial instruments.

### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to receive cash flows from the asset have expired; or
- the department retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the department has transferred its rights to receive cash flows from the asset and either:
  - a) has transferred substantially all the risks and rewards of the asset
  - b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the department's continuing involvement in the asset.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

### **Reclassification of financial instruments**

Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the department's business model for managing its financial assets has changed such that its previous model would no longer apply.

However, the department is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian government departments are required to apply the PMF under the Standing Directions 2018 under the FMA.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

## Financial instruments: Categorisation

|                                                             | 2026                                      |                                                                                  |                                                |                  | 2025                                      |                                                                                  |                                                |                  |
|-------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------|------------------|-------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------|------------------|
|                                                             | Financial assets at amortised cost \$'000 | Financial assets/liabilities designated at fair value through profit/loss \$'000 | Financial liabilities at amortised cost \$'000 | Total \$'000     | Financial assets at amortised cost \$'000 | Financial assets/liabilities designated at fair value through profit/loss \$'000 | Financial liabilities at amortised cost \$'000 | Total \$'000     |
| <b>Contractual financial assets</b>                         |                                           |                                                                                  |                                                |                  |                                           |                                                                                  |                                                |                  |
| <b>Cash and deposits</b>                                    |                                           |                                                                                  |                                                |                  |                                           |                                                                                  |                                                |                  |
| Cash, deposits on call and term deposits less than 3 months | 1,642,107                                 | –                                                                                | –                                              | 1,642,107        | 1,554,286                                 | –                                                                                | –                                              | 1,554,286        |
| <b>Receivables<sup>(i)</sup></b>                            |                                           |                                                                                  |                                                |                  |                                           |                                                                                  |                                                |                  |
| Trade and other receivables                                 | 82,876                                    | –                                                                                | –                                              | 82,876           | 57,455                                    | –                                                                                | –                                              | 57,455           |
| Concessional loans – Solar                                  | 87,292                                    | –                                                                                | –                                              | 87,292           | 96,152                                    | –                                                                                | –                                              | 96,152           |
| Other loans – RAC                                           | 61,437                                    | –                                                                                | –                                              | 61,437           | 73,909                                    | –                                                                                | –                                              | 73,909           |
| <b>Derivative financial instruments</b>                     | –                                         | 15,194                                                                           | –                                              | 15,194           | –                                         | 525,145                                                                          | –                                              | 525,145          |
| <b>Total contractual financial assets</b>                   | <b>1,873,712</b>                          | <b>15,194</b>                                                                    | <b>–</b>                                       | <b>1,888,906</b> | <b>1,781,802</b>                          | <b>525,145</b>                                                                   | <b>–</b>                                       | <b>2,306,947</b> |
| <b>Contractual financial liabilities</b>                    |                                           |                                                                                  |                                                |                  |                                           |                                                                                  |                                                |                  |
| <b>Payables<sup>(ii)</sup></b>                              |                                           |                                                                                  |                                                |                  |                                           |                                                                                  |                                                |                  |
| Trade creditors                                             | –                                         | –                                                                                | 3,993                                          | 3,993            | –                                         | –                                                                                | 11,342                                         | 11,342           |
| Accrued grants and other transfers                          | –                                         | –                                                                                | 80,408                                         | 80,408           | –                                         | –                                                                                | 65,195                                         | 65,195           |
| Capital accruals                                            | –                                         | –                                                                                | 6,433                                          | 6,433            | –                                         | –                                                                                | 11,467                                         | 11,467           |
| Other payable and accrued expenses                          | –                                         | –                                                                                | 105,470                                        | 105,470          | –                                         | –                                                                                | 113,787                                        | 113,787          |
| Financial guarantee                                         | –                                         | –                                                                                | 24,291                                         | 24,291           | –                                         | –                                                                                | 29,761                                         | 29,761           |
| <b>Other financial liabilities</b>                          | <b>–</b>                                  | <b>–</b>                                                                         | <b>217,860</b>                                 | <b>217,860</b>   | <b>–</b>                                  | <b>–</b>                                                                         | <b>214,409</b>                                 | <b>214,409</b>   |
| <b>Borrowings</b>                                           |                                           |                                                                                  |                                                |                  |                                           |                                                                                  |                                                |                  |
| <b>Lease liabilities</b>                                    | <b>–</b>                                  | <b>–</b>                                                                         | <b>314,523</b>                                 | <b>314,523</b>   | <b>–</b>                                  | <b>–</b>                                                                         | <b>321,414</b>                                 | <b>321,414</b>   |
| Advances from Commonwealth                                  | –                                         | –                                                                                | 60,970                                         | 60,970           | –                                         | –                                                                                | 76,409                                         | 76,409           |
| <b>Associated financial liabilities</b>                     | <b>–</b>                                  | <b>–</b>                                                                         | <b>–</b>                                       | <b>–</b>         | <b>–</b>                                  | <b>–</b>                                                                         | <b>–</b>                                       | <b>–</b>         |
| <b>Other liabilities</b>                                    | <b>–</b>                                  | <b>–</b>                                                                         | <b>6,429</b>                                   | <b>6,429</b>     | <b>–</b>                                  | <b>–</b>                                                                         | <b>7,246</b>                                   | <b>7,246</b>     |
| <b>Total contractual financial liabilities</b>              | <b>–</b>                                  | <b>–</b>                                                                         | <b>820,377</b>                                 | <b>820,377</b>   | <b>–</b>                                  | <b>–</b>                                                                         | <b>851,030</b>                                 | <b>851,030</b>   |

Note:

- (i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e., amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$1,189.294 million (2025: \$1,147.259 million) – Refer to Note 6.1 Receivables.
- (ii) The amount of payables disclosed excludes statutory payables (i.e. Advances from the Public Account and taxes payable) totalling \$2.485 million (2025: \$27.173 million) – Refer to Note 6.3 Payables.



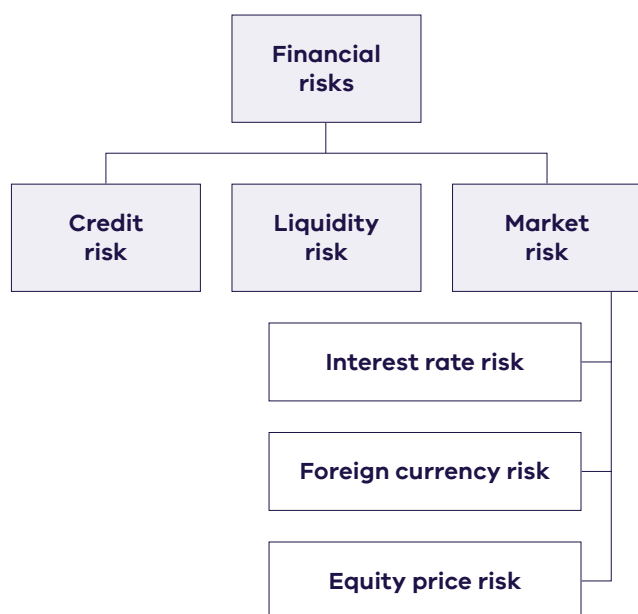
### 8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

|                                                                   | 2026                                 |                                                     |                              |                 |
|-------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------|------------------------------|-----------------|
|                                                                   | Net holding<br>gain/(loss)<br>\$'000 | Total<br>interest<br>income/<br>(expense)<br>\$'000 | Impairment<br>loss<br>\$'000 | Total<br>\$'000 |
| <b>Contractual financial assets</b>                               |                                      |                                                     |                              |                 |
| Financial assets at amortised cost – other than on derecognition  | –                                    | 44,836                                              | 215                          | 45,051          |
| Financial assets at fair value through net result                 | 2,061                                | –                                                   | –                            | 2,061           |
| <b>Total contractual financial assets</b>                         | <b>2,061</b>                         | <b>44,836</b>                                       | <b>215</b>                   | <b>47,112</b>   |
| <b>Contractual financial liabilities</b>                          |                                      |                                                     |                              |                 |
| Financial liabilities at amortised cost                           | –                                    | (36,916)                                            | –                            | (36,916)        |
| Financial liabilities designated at fair value through net result | –                                    | –                                                   | –                            | –               |
| <b>Total contractual financial liabilities</b>                    | <b>–</b>                             | <b>(36,916)</b>                                     | <b>–</b>                     | <b>(36,916)</b> |
|                                                                   |                                      |                                                     |                              |                 |
|                                                                   | 2025                                 |                                                     |                              |                 |
|                                                                   | Net holding<br>gain/(loss)<br>\$'000 | Total<br>interest<br>income/<br>(expense)<br>\$'000 | Impairment<br>loss<br>\$'000 | Total<br>\$'000 |
| <b>Contractual financial assets</b>                               |                                      |                                                     |                              |                 |
| Financial assets at amortised cost – other than on derecognition  | –                                    | 40,959                                              | 458                          | 41,417          |
| Financial assets at fair value through net result                 | 483,557                              | –                                                   | –                            | 483,557         |
| <b>Total contractual financial assets</b>                         | <b>483,557</b>                       | <b>40,959</b>                                       | <b>458</b>                   | <b>524,974</b>  |
| <b>Contractual financial liabilities</b>                          |                                      |                                                     |                              |                 |
| Financial liabilities at amortised cost                           | –                                    | (41,316)                                            | –                            | (41,316)        |
| Financial liabilities designated at fair value through net result | –                                    | –                                                   | –                            | –               |
| <b>Total contractual financial liabilities</b>                    | <b>–</b>                             | <b>(41,316)</b>                                     | <b>–</b>                     | <b>(41,316)</b> |

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents and financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and
- for financial assets and liabilities designated at fair value through net result, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

### 8.1.3 Financial risk management objectives and policies



The department's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The department's financial risk management program seeks to manage these risks and the associated volatility of its financial performance, in accordance with its financial risk management policy.

The department uses different methods to measure and manage the different risks to which it is exposed. The primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the department.

The main purpose in holding financial instruments is to prudently manage the department's financial risks within the government policy parameters.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above is disclosed throughout the financial statement notes.

#### (a) Financial instruments: Credit risk

Credit risk refers to the possibility of the department's counter party defaulting on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with contractual financial assets with the main debtor as the Victorian Government is considered minimal. For all other contractual financial assets other than those with government, credit assessments are required where \$5,000 or more of goods and services are provided. If a customer has a credit rating of less than a Triple-B rating, collateral security in the form of a bank guarantee or security deposit is obtained to reduce the department's credit risk exposure. The collateral security does not apply to the Solar Victoria loans as these loans are less than \$5,000. Refer to Note 6.2 for credit risk relating to derivative financial instruments.

## Credit quality of financial assets

|                                                                                        | 2026                                                  |                                                     |                                                      |                                         |                         |                  |
|----------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|-----------------------------------------|-------------------------|------------------|
|                                                                                        | Financial institution<br>(AA credit rating)<br>\$'000 | Government agencies<br>(AA credit rating)<br>\$'000 | Government agencies<br>(BBB credit rating)<br>\$'000 | Other (min BBB credit rating)<br>\$'000 | Other unrated<br>\$'000 | Total<br>\$'000  |
| <b>Contractual financial assets</b>                                                    |                                                       |                                                     |                                                      |                                         |                         |                  |
| <b>Financial assets with loss allowance measured at 12-month expected credit loss:</b> |                                                       |                                                     |                                                      |                                         |                         |                  |
| Cash and deposits (not assessed for impairment due to materiality)                     | 1,642,107                                             | –                                                   | –                                                    | –                                       | –                       | 1,642,107        |
| Concessional loans – Solar                                                             | –                                                     | –                                                   | –                                                    | –                                       | 87,292                  | 87,292           |
| Other loans – RAC                                                                      | –                                                     | –                                                   | –                                                    | –                                       | 61,437                  | 61,437           |
| <b>Financial assets with loss allowance measured at lifetime expected credit loss:</b> |                                                       |                                                     |                                                      |                                         |                         |                  |
| Trade receivables applying the simplified approach for impairment                      | –                                                     | –                                                   | –                                                    | –                                       | 82,876                  | 82,876           |
| <b>Total contractual financial assets<sup>(i)</sup></b>                                | <b>1,642,107</b>                                      | <b>–</b>                                            | <b>–</b>                                             | <b>–</b>                                | <b>231,605</b>          | <b>1,873,712</b> |

Note:

- (i) The total amounts disclosed here exclude statutory amounts (e.g., amounts owing from Victorian Government and GST input tax credit recoverable) and derivatives.

|                                                                                        | 2025                                                  |                                                     |                                                      |                                         |                         |                  |
|----------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|-----------------------------------------|-------------------------|------------------|
|                                                                                        | Financial institution<br>(AA credit rating)<br>\$'000 | Government agencies<br>(AA credit rating)<br>\$'000 | Government agencies<br>(BBB credit rating)<br>\$'000 | Other (min BBB credit rating)<br>\$'000 | Other unrated<br>\$'000 | Total<br>\$'000  |
| <b>Contractual financial assets</b>                                                    |                                                       |                                                     |                                                      |                                         |                         |                  |
| <b>Financial assets with loss allowance measured at 12-month expected credit loss:</b> |                                                       |                                                     |                                                      |                                         |                         |                  |
| Cash and deposits (not assessed for impairment due to materiality)                     | 1,554,286                                             | –                                                   | –                                                    | –                                       | –                       | 1,554,286        |
| Concessional loans – Solar                                                             | –                                                     | –                                                   | –                                                    | –                                       | 96,152                  | 96,152           |
| Other loans – RAC                                                                      | –                                                     | –                                                   | –                                                    | –                                       | 73,909                  | 73,909           |
| <b>Financial assets with loss allowance measured at lifetime expected credit loss:</b> |                                                       |                                                     |                                                      |                                         |                         |                  |
| Trade receivables applying the simplified approach for impairment                      | –                                                     | –                                                   | –                                                    | –                                       | 57,455                  | 57,455           |
| <b>Total contractual financial assets<sup>(i)</sup></b>                                | <b>1,554,286</b>                                      | <b>–</b>                                            | <b>–</b>                                             | <b>–</b>                                | <b>227,516</b>          | <b>1,781,802</b> |

Note:

- (i) The total amounts disclosed here exclude statutory amounts (e.g., amounts owing from Victorian Government and GST input tax credit recoverable) and derivatives.

### Impairment of financial assets under AASB 9

The department records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the department's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

### Contractual receivables at amortised cost

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the department's receivables.

The department applies both the AASB 9 simplified approach and the general approach to measure expected credit losses.

### Simplified approach

The simplified approach is applied for all contractual receivables that result from transactions within the scope of AASB 15 *Revenue from Contracts* (i.e., trade receivables) using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The expected credit loss is \$190,000 (2025 \$533,000).

The department has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the department's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

### Contractual receivables

|                                                                 | Current | Less than<br>1 month | 1-3 months | 3-6 months | 6 month-<br>1 year | 1-5 years | Total  |
|-----------------------------------------------------------------|---------|----------------------|------------|------------|--------------------|-----------|--------|
| <b>2026</b>                                                     |         |                      |            |            |                    |           |        |
| Gross carrying amount of<br>contractual receivables<br>(\$'000) | 53,540  | 3,639                | 3,851      | 426        | 3,578              | 17,842    | 82,876 |
|                                                                 | Current | Less than<br>1 month | 1-3 months | 3-6 months | 6 month-<br>1 year | 1-5 years | Total  |
| <b>2025</b>                                                     |         |                      |            |            |                    |           |        |
| Gross carrying amount of<br>contractual receivables<br>(\$'000) | 28,734  | 450                  | 8,795      | 1,023      | 152                | 18,301    | 57,455 |

### General approach – Solar concessional loans

The general approach is applied to contractual receivables that contain a significant financing component such as concessional loans advanced to customers. The general approach defines the expected credit loss (ECL) to be function of the risk dimensions, being the probability of default (PD), loss given default (LGD) and exposure at default (EAD). In addition, the department considers the time value of money by applying an appropriate discount factor to the expected credit loss model.

In assessing the ECL for the current financial year, the department considered the impact that current economic conditions might have on the ability of customers to make future repayments on their outstanding concessional loan balances. This was done through utilisation of an estimated unemployment rate in the ECL calculation. The estimated unemployment rate for the State of Victoria was published by the Australian Bureau of Statistics in June 2026.

The department considers the probability of default upon initial recognition of a contractual asset containing a significant financing component and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the department compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A provision is not calculated for Rural Assistance Commissioner (RAC) loans as these are supported by the Commonwealth.

Regardless of the analysis above, a significant increase in credit risk is presumed if a customer under the concessional loan scheme is more than 90 days past due in making a contractual payment.

### Contractual assets containing a significant financing component

|                                 | Outstanding<br>balance<br>\$'000 | Expected<br>credit loss<br>\$'000 | Coverage<br>ratio<br>% |
|---------------------------------|----------------------------------|-----------------------------------|------------------------|
| <b>2026</b>                     |                                  |                                   |                        |
| Stage 1 – Performing loans      | 93,573                           | 161                               | 0.17                   |
| Stage 2 – Underperforming loans | 1,408                            | 275                               | 19.53                  |
| Stage 3 – Non-performing loans  | 3,909                            | 1,948                             | 49.83                  |
| <b>Loss allowance</b>           | <b>98,890</b>                    | <b>2,384</b>                      | <b>2.41</b>            |
|                                 | Outstanding<br>balance<br>\$'000 | Expected<br>credit loss<br>\$'000 | Coverage<br>ratio<br>% |
| <b>2025</b>                     |                                  |                                   |                        |
| Stage 1 – Performing loans      | 104,225                          | 241                               | 0.23                   |
| Stage 2 – Underperforming loans | 2,467                            | 484                               | 19.62                  |
| Stage 3 – Non-performing loans  | 2,709                            | 1,684                             | 62.16                  |
| <b>Loss allowance</b>           | <b>109,401</b>                   | <b>2,409</b>                      | <b>2.20</b>            |

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

|                                                                                   | 2026<br>\$'000 | 2025<br>\$'000 |
|-----------------------------------------------------------------------------------|----------------|----------------|
| <b>Balance at 1 July</b>                                                          | <b>2,942</b>   | 3,821          |
| Reversal of unused provision recognised in the net result                         | (773)          | (941)          |
| Reversal of provision of receivables written off during the year as uncollectible | –              | –              |
| Increase in provision recognised in the net result                                | 558            | 62             |
| <b>Balance at 30 June</b>                                                         | <b>2,727</b>   | 2,942          |

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

### Statutory receivables at amortised cost

The department's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. The department has recognised no loss allowance.

### **(b) Financial instruments: Liquidity risk**

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department operates under the government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 10 days from the date of resolution.

The department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. The department manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings and financial exposure by senior management, including monthly reviews on current and future borrowing levels and financial exposure requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's double-A, which assists in accessing debt market at a lower interest rate).

The department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount detailed for contractual payables in Note 6.3.1, and the carrying amount of derivative financial instruments recorded in Note 6.2(b) represents the department's maximum exposure to liquidity risk.

### **(c) Financial instruments: Market risk**

The department's exposures to market risk are primarily through interest rate and equity price risk with insignificant exposure to foreign currency risks. Objectives, policies and processes used to manage cash flow interest rate risk is disclosed below, refer to note 6.2 for other market risks

#### **Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The department has minimal exposure to cash flow interest rate risk which arises predominantly from cash and deposits in the Centralised Banking System (CBS) and from liabilities and receivables bearing variable interest rates.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the department's sensitivity to interest rate risk are set out in the table that follows.

## Interest rate exposure of financial instruments

|                                     |                                                      | Interest rate exposure       |                                     |                                        |                                       |
|-------------------------------------|------------------------------------------------------|------------------------------|-------------------------------------|----------------------------------------|---------------------------------------|
|                                     | Weighted<br>average<br>effective<br>interest<br>rate | Carrying<br>amount<br>\$'000 | Fixed<br>interest<br>rate<br>\$'000 | Variable<br>interest<br>rate<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 |
| 2026                                |                                                      |                              |                                     |                                        |                                       |
| Financial assets                    |                                                      |                              |                                     |                                        |                                       |
| Cash and deposits                   |                                                      |                              |                                     |                                        |                                       |
| Cash and deposits on call           | 3.97%                                                | 1,642,107                    | –                                   | 854,603                                | 787,504                               |
| Receivables <sup>(i)</sup>          |                                                      |                              |                                     |                                        |                                       |
| Trade and other receivables         |                                                      | 82,876                       | –                                   | –                                      | 82,876                                |
| Concessional loans – Solar          |                                                      | 87,292                       | –                                   | –                                      | 87,292                                |
| Other loans – RAC                   | 4.37%                                                | 61,437                       | 61,437                              | –                                      | –                                     |
| Derivative financial Instruments    |                                                      | 15,194                       | –                                   | –                                      | 15,194                                |
| Total financial assets              |                                                      | 1,888,906                    | 61,437                              | 854,603                                | 972,866                               |
| Financial liabilities               |                                                      |                              |                                     |                                        |                                       |
| Payables <sup>(iii)</sup>           |                                                      |                              |                                     |                                        |                                       |
| Trade creditors                     |                                                      | 3,993                        | –                                   | –                                      | 3,993                                 |
| Accrued grants and other transfers  |                                                      | 80,408                       | –                                   | –                                      | 80,408                                |
| Capital accruals                    |                                                      | 6,433                        | –                                   | –                                      | 6,433                                 |
| Other payables and accrued expenses |                                                      | 105,470                      | –                                   | –                                      | 105,470                               |
| Financial guarantee                 |                                                      | 24,291                       | –                                   | –                                      | 24,291                                |
| Other financial liabilities         | 1.61%                                                | 217,860                      | 217,860                             | –                                      | –                                     |
| Borrowings                          |                                                      |                              |                                     |                                        |                                       |
| Lease liabilities                   | 5.22%                                                | 314,523                      | 314,523                             | –                                      | –                                     |
| Advances from Commonwealth          | 4.37%                                                | 60,970                       | 60,970                              | –                                      | –                                     |
| Associated financial liability      |                                                      | –                            | –                                   | –                                      | –                                     |
| Other liabilities                   |                                                      | 6,429                        | –                                   | –                                      | 6,429                                 |
| Total financial liabilities         |                                                      | 820,377                      | 593,353                             | –                                      | 227,024                               |

### Note

- (i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e. amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$1,189.294 million – Refer to Note 6.1 Receivables
- (ii) The amount of payables disclosed excludes statutory payables (i.e., advances from the Public Account and taxes payable) totalling \$2.485 million. Refer to Note 6.3 Payables.



## Interest rate exposure of financial instruments (continued)

|                                     | Weighted<br>average<br>effective<br>interest<br>rate | Interest rate exposure       |                                     |                                        |                                       |
|-------------------------------------|------------------------------------------------------|------------------------------|-------------------------------------|----------------------------------------|---------------------------------------|
|                                     |                                                      | Carrying<br>amount<br>\$'000 | Fixed<br>interest<br>rate<br>\$'000 | Variable<br>interest<br>rate<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 |
| 2025                                |                                                      |                              |                                     |                                        |                                       |
| <b>Financial assets</b>             |                                                      |                              |                                     |                                        |                                       |
| <b>Cash and deposits</b>            |                                                      |                              |                                     |                                        |                                       |
| Cash and deposits on call           | 4.38%                                                | 1,554,286                    | –                                   | 874,463                                | 679,823                               |
| <b>Receivables<sup>(i)</sup></b>    |                                                      |                              |                                     |                                        |                                       |
| Trade and other receivables         |                                                      | 57,455                       | –                                   | –                                      | 57,455                                |
| Concessional loans – Solar          |                                                      | 96,152                       | –                                   | –                                      | 96,152                                |
| Other loans – RAC                   | 4.37%                                                | 73,909                       | 73,909                              | –                                      | –                                     |
| Derivative financial Instruments    |                                                      | 525,145                      | –                                   | –                                      | 525,145                               |
| <b>Total financial assets</b>       |                                                      | <b>2,306,947</b>             | <b>73,909</b>                       | <b>874,463</b>                         | <b>1,358,575</b>                      |
| <b>Financial liabilities</b>        |                                                      |                              |                                     |                                        |                                       |
| <b>Payables<sup>(ii)</sup></b>      |                                                      |                              |                                     |                                        |                                       |
| Trade creditors                     |                                                      | 11,342                       | –                                   | –                                      | 11,342                                |
| Accrued grants and other transfers  |                                                      | 65,195                       | –                                   | –                                      | 65,195                                |
| Capital accruals                    |                                                      | 11,467                       | –                                   | –                                      | 11,467                                |
| Other payables and accrued expenses |                                                      | 113,787                      | –                                   | –                                      | 113,787                               |
| Financial guarantee                 |                                                      | 29,761                       | –                                   | –                                      | 29,761                                |
| Other financial liabilities         | 1.61%                                                | 214,409                      | 214,409                             | –                                      | –                                     |
| <b>Borrowings</b>                   |                                                      |                              |                                     |                                        |                                       |
| Lease liabilities                   | 4.32%                                                | 321,414                      | 321,414                             | –                                      | –                                     |
| Advances from Commonwealth          | 4.37%                                                | 76,409                       | 76,409                              | –                                      | –                                     |
| Associated financial liability      |                                                      | –                            | –                                   | –                                      | –                                     |
| Other liabilities                   |                                                      | 7,246                        | –                                   | –                                      | 7,246                                 |
| <b>Total financial liabilities</b>  |                                                      | <b>851,030</b>               | <b>612,232</b>                      | <b>–</b>                               | <b>238,798</b>                        |

### Note

- (i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e. amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$1,201.819 million – Refer to Note 6.1 Receivables
- (ii) The amount of payables disclosed excludes statutory payables (i.e., advances from the Public Account and taxes payable) totalling \$27.173 million. Refer to Note 6.3 Payables.

## Interest rate risk sensitivity

### Sensitivity disclosure analysis and assumptions

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the department believes the following movements are 'reasonably possible' over the next 12 months (the cash rate is sourced from the Reserve Bank of Australia):

movement of 100 basis points up and 100 basis points down (2025: 100 basis points up and 100 basis points down) in market interest rates (AUD);

The tables that follow show the impact on the department's net result and equity for each category of financial instrument held by the department at the end of the reporting period, if the above movements were to occur.

|                                       | 2026 Interest rate risk   |                                                      |                                                    |
|---------------------------------------|---------------------------|------------------------------------------------------|----------------------------------------------------|
|                                       | Carrying amount<br>\$'000 | -1.0%<br>(-100 basis points)<br>Net result<br>\$'000 | 1.0%<br>(100 basis points)<br>Net result<br>\$'000 |
| <b>Contractual financial assets:</b>  |                           |                                                      |                                                    |
| Cash and cash deposits <sup>(i)</sup> | 1,642,107                 | (8,546)                                              | 8,546                                              |
| <b>Total impact</b>                   |                           | <b>(8,546)</b>                                       | <b>8,546</b>                                       |

|                                      | 2025 Interest rate risk   |                                                      |                                                    |
|--------------------------------------|---------------------------|------------------------------------------------------|----------------------------------------------------|
|                                      | Carrying amount<br>\$'000 | -1.0%<br>(-100 basis points)<br>Net result<br>\$'000 | 1.0%<br>(100 basis points)<br>Net result<br>\$'000 |
| <b>Contractual financial assets:</b> |                           |                                                      |                                                    |
| Cash and cash deposits (i)           | 1,554,286                 | (8,745)                                              | 8,745                                              |
| <b>Total impact</b>                  |                           | <b>(8,745)</b>                                       | <b>8,745</b>                                       |

Note:

- (i) All cash and cash equivalents are held in Australian dollars. \$854.603 million (2025: \$874.463 million) cash and cash equivalents were held on deposit at variable interest rates. The remainder of the balance was held in non-interest bearing accounts. This item is not subject to any other identified risk sensitivities.

### Foreign currency risk

The department had no exposure to foreign currency risk as at either 30 June 2026 or 30 June 2025.

### Equity price risk

The department's exposure to equity price risk is outlined in Note 6.2 Derivative financial instruments.

## 8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statement and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

### Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the entity
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

|                                                    | 2026<br>\$'000 | 2025<br>\$'000 |
|----------------------------------------------------|----------------|----------------|
| <b>Quantifiable contingent assets</b>              |                |                |
| The department does not have any contingent assets | –              | –              |
| <b>Quantifiable contingent liabilities</b>         |                |                |
| Damages claims                                     | 100            | 100            |
| Public liability insurance claims <sup>(i)</sup>   | 958            | 1,201          |
| Other contingent liabilities <sup>(ii)</sup>       | 15,500         | 15,500         |
| Mining site rehabilitation bonds <sup>(iii)</sup>  | 271,495        | 421,001        |
| <b>Total quantifiable contingent liabilities</b>   | <b>288,053</b> | <b>437,801</b> |

### Quantifiable contingent liabilities

#### (i) Public liability insurance claims

These claims relate to various personal expense matters resulting from serious injury and natural disasters.

#### (ii) Other contingent liabilities

The other contingent liabilities relate to various compensation claims.

#### (iii) Mining site rehabilitation bonds

This contingent liability has been raised as per the requirements under the *Mineral Resources (Sustainable Development) Act 1990*, which stipulate that the holders of an exploration or mining licence, or extractive industry work authority are required to rehabilitate their earth resources sites (details of responsibility in the Act), and failure to do so by them, may result in the state being liable to rehabilitate the sites under the Act. The contingent liability represents an estimate of the state's possible financial exposure, in the event that authority holders with a rehabilitation bond shortfall default on their obligations and the state makes a determination to rehabilitate the sites.

During 2025–26, the contingent liability for mining site rehabilitation bonds decreased by \$149.506 million to \$271.495 million (2025: \$421.001 million). The main drivers for the decrease were a \$94.795 million reduction from adopting revised quarry rehabilitation rates following recommendations from the Independent Quarry Bond Review and the removal of \$25.715 million in contingent liabilities for companies in administration after \$0.379 million of rehabilitation bonds were realised. The remaining decrease reflects updated assessments of priority sites and receipt of more than \$20 million in additional bonds, progressive rehabilitation and the return of 69 bonds, regulatory changes that enabled revised rehabilitation outcomes, and implementation of the Financial Hardship Policy.

### Unquantifiable contingent liabilities

The department has the following unquantifiable contingent liabilities.

#### Native Titles

In 2025–26 there are 9 active native title claims in relation to Victorian land and resources. This is an increase from 6 active claims in 2024–25. No material losses are anticipated in respect of these contingencies.

#### Contaminated land

The Environment Protection Authority Victoria (EPA) has issued DEECA with 2 notices to investigate named parcels of land for potential contamination. Further investigation and assessment are required to determine the nature and extent of the contamination, the remediation activities necessary to comply with the notice, and the associated costs. Accordingly, the remediation costs cannot yet be reliably estimated.

#### Yallourn Power Station safety net

The government has reached an agreement with Energy Australia (EA) to ensure an orderly transition as EA implements the closure of the Yallourn Power Station in June 2028.

The agreement includes, should it be needed, a safety net to avoid an unplanned exit from Yallourn. As part of this safety net, under certain scenarios, the state agrees to provide partial support to EA in the event of exceptional costs incurred in the operation of the Yallourn Power Station.

This support will help to ensure Yallourn's workers and Victoria's energy system have sufficient time to plan for the plant's closure. The possible liability depends on a number of future events and cannot be reliably and readily quantified.

#### Royal Melbourne Showgrounds redevelopment

The State has entered into an agreement with Royal Agricultural Society of Victoria (RASV) pursuant to which the state agrees to support certain payment obligations of RASV that may arise under the Non-Core Development Agreement subject to the RASV complying with certain obligations as set out in that Deed. The possible liability depends on a number of future events and cannot be reliably and readily quantified.

### Mining site rehabilitation bonds

The State has called in rehabilitation bonds at specific sites where the licence holder has not completed the rehabilitation requirements of the approved work plan, licence conditions, or specific code of practice. An assessment of these sites is ongoing to determine the scope of works required (if any) to address environmental and other risks associated with the rehabilitation of these sites. The possible liability cannot be reliably and readily quantified until the reviews are completed.

#### Opal Australian Paper

On 22 September 2025, Opal Australian Paper lodged a Supreme Court action against the State for not fulfilling its obligations to supply native timber under the *Forests (Wood Pulp Agreement) Act 1996*. The State will defend against this claim but as this matter is still in the legal process it is impracticable to quantify the amount of any potential final liability claim at this time.

## 8.3 Fair value determination

This section sets out information on how the department determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- Contractual financial assets and liabilities at fair value through net result (financial derivatives)
- Property, plant and equipment
- Non-financial physical assets classified as held for sale

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

The department determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

### Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The department determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year.

### How fair value disclosures are structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
  - in respect of those assets and liabilities subject to fair value determination using Level 3 inputs
  - a reconciliation of the movements in fair values from the beginning of the year to the end
  - details of significant unobservable inputs used in the fair value determination.

This is divided between disclosures in connection with fair value determination for financial assets and liabilities (refer to Note 8.3.1 and Note 6.2) and non-financial physical assets (refer to Note 5.1.3 and Note 5.2.1).

### 8.3.1 Fair value determination of financial assets and liabilities

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices.
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly.
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2025–26 reporting period. These financial instruments include:

| Financial assets              | Financial liabilities                 |
|-------------------------------|---------------------------------------|
| Cash and deposits             | Payables                              |
| Receivables                   |                                       |
| • Trade and other receivables | • Trade creditors                     |
|                               | • Accrued grants and other transfers  |
|                               | • Capital accruals                    |
|                               | • Other payables and accrued expenses |
|                               | Borrowings                            |
|                               | • Lease liabilities                   |
|                               | • Other liabilities                   |

## Note 9. Other disclosures

### Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

### Structure

- 9.1 Ex gratia expenses
- 9.2 Other economic flows included in net result
- 9.3 Equity
  - 9.3.1 Physical asset revaluation surplus
  - 9.3.2 Capital contributions transferred to portfolio entities
- 9.4 Entities consolidated pursuant to section 53(1)(b) of the FMA
- 9.5 Changes in accounting policy
- 9.6 Responsible persons
- 9.7 Remuneration of executive officers
- 9.8 Remuneration of auditors
- 9.9 Related parties
- 9.10 Other accounting policies
- 9.11 Post balance date events
- 9.12 Australian Accounting Standards issued that are not yet effective
- 9.13 Style conventions
- 9.14 Glossary of technical terms

## 9.1 Ex gratia expenses

No ex gratia payments were made by the department during 2026 (2025 \$nil).

## 9.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- disposals of financial assets and derecognition of financial liabilities
- realised and unrealised gains and losses from revaluations of financial instruments at fair value
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates
- re-measurement of other provisions.

|                                                                                                                    | 2026<br>\$'000   | 2025<br>\$'000 |
|--------------------------------------------------------------------------------------------------------------------|------------------|----------------|
| <b>Net gain/(loss) on non-financial assets</b>                                                                     |                  |                |
| Net gain/(loss) on disposal of property, plant and equipment and large scale generation certificates held for sale | 12,844           | 9,811          |
| Net recognition/(de-recognition) of non-financial assets                                                           | (226,056)        | 1,433          |
| Write-on/( write-down) of property, plant and equipment, intangible assets and inventories                         | (22,306)         | (6,121)        |
| Net gain/(loss) on disposal of biological assets                                                                   | 1,686            | 1,116          |
| <b>Total net gain/(loss) on non-financial assets</b>                                                               | <b>(233,832)</b> | <b>6,239</b>   |
| <b>Net gain/(loss) on financial instruments</b>                                                                    |                  |                |
| Impairment of receivables                                                                                          | 215              | 727            |
| Impairment of loans receivables                                                                                    | –                | (269)          |
| Net gain/(loss) arising from the revaluation of financial assets and liabilities at fair value                     | 2,061            | 483,557        |
| <b>Total net gain/(loss) on financial instruments</b>                                                              | <b>2,276</b>     | <b>484,015</b> |
| <b>Other gains from other economic flows</b>                                                                       |                  |                |
| Net gain arising from revaluation of employee benefits                                                             | 7,217            | 703            |
| Other provision discount rate adjustments                                                                          | 402              | 1,983          |
| <b>Total other gain/(loss) from other economic flows</b>                                                           | <b>7,619</b>     | <b>2,686</b>   |
| <b>Total other economic flows included in net result</b>                                                           | <b>(223,937)</b> | <b>492,940</b> |

The net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

### Net gain/(loss) on disposal of property, plant and equipment

Any gain or loss on the disposal of property, plant and equipment is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

### Recognition and derecognition of non-financial assets

Land is recognised under the categories set out at Note 5.1 Property, plant and equipment when the department identifies specific parcels of land, park, forest or reserve that it controls, and their cost can be reliably determined. The department considers relevant information from land management databases and systems, such as the use and purpose for which a particular parcel has been reserved for, to determine the parcels of Crown land over which it has control and responsibility. Where land has been received at no cost the fair value is determined by the Valuer-General Victoria.

Other government entities are able to change the status of Crown land through grants and reservations made under legislation that is not administered by either of the Ministers who hold portfolio responsibility (for example, Crown grants may be issued under the *Project Development and Construction Management Act 1994*). The department's policy is to recognise the effect of such changes when it is made aware of the change in status.

Land is derecognised when it is not eligible to be treated as a return of equity to other government entities or when the information is available in the Land Information Management System regarding changes to area size. Gains or losses on the recognition or derecognition of land are recognised in the net result (other economic flows).



## 9.2 Other economic flows included in net result – continued

### Write-down of property, plant and equipment and intangible assets

The department will recognise a write-down of property, plant and equipment and intangible assets when there is evidence that there is a change in the market value or an equipment breakdown. This is identified through impairment and useful life reviews.

### Net gain/(loss) arising from the revaluation of financial assets at fair value.

Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the comprehensive operating statement as an 'other economic flow' included in the net result.

## 9.3 Equity

### 9.3.1 Asset revaluation surplus

|                                                                                                                                     | 2026<br>\$'000    | 2025<br>\$'000 |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|
| <b>Physical asset revaluation surplus</b>                                                                                           |                   |                |
| Balance at 1 July                                                                                                                   | 6,692,330         | 6,692,330      |
| <i>Increment/(decrement) on revaluation during the year resulting from:</i>                                                         |                   |                |
| Buildings and structures                                                                                                            | 60,677            | –              |
| Road                                                                                                                                | 2,454,628         | –              |
| Historic and cultural assets                                                                                                        | –                 | –              |
| Crown land – Land, unused roads                                                                                                     | 910,494           | –              |
| Freehold land                                                                                                                       | 4,725             | –              |
| Crown land – Land used for operational purposes                                                                                     | 49,970            | –              |
| Crown land – State forests                                                                                                          | 668,329           | –              |
| Crown land – National parks                                                                                                         | (1,336)           | –              |
| Crown land – Conservation reserves                                                                                                  | 43,614            | –              |
| Crown land – Metropolitan parks                                                                                                     | 3,752             | –              |
| <b>Subtotal</b>                                                                                                                     | <b>4,194,853</b>  | –              |
| Biological asset revaluation                                                                                                        | –                 | –              |
| <b>Total increment/(decrement) on revaluation during the year to be included in Operating Statement under other economic flows:</b> | <b>4,194,853</b>  | –              |
| <b>Balance at 30 June</b>                                                                                                           | <b>10,887,183</b> | 6,692,330      |
| Net change in physical asset revaluation surplus                                                                                    | 4,194,853         | –              |

### Nature and purpose of physical asset revaluation surplus

The physical asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

### 9.3.2 Capital contributions transferred to portfolio entities

|                                                                      | 2026<br>\$'000   | 2025<br>\$'000 |
|----------------------------------------------------------------------|------------------|----------------|
| <b>Capital contributions transferred to portfolio entities</b>       |                  |                |
| Contributions to Parks Victoria                                      | 17,332           | 24,810         |
| Contribution to Environment Protection Authority                     | –                | –              |
| Contributions to water authorities                                   | 266,640          | 36,066         |
| Contributions to Zoological Parks and Gardens Board of Victoria      | –                | 2,812          |
| Contribution to Royal Botanic Gardens Board                          | –                | 1,448          |
| Contribution to SEC Victoria Pty Ltd <sup>(i)</sup>                  | 647,106          | 344,000        |
| Contribution to Administered entity (for Marinus Link Pty Ltd)       | 177,381          | 78,462         |
| Contribution to VicGrid Body Corporate                               | (12,952)         | –              |
| Contribution to Great Ocean Road Coastal and Parks Authority         | 4,238            | –              |
| <b>Total capital contributions transferred to portfolio entities</b> | <b>1,099,745</b> | <b>487,598</b> |

Note: (i) includes VRET cash contributions

### 9.3.2 Capital contributions transferred to portfolio entities (continued)

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the department.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

### 9.4 Entities consolidated pursuant to section 53(1)(b) of the FMA

From 1 January 2023, the following 2 entities have been combined into the department's financial statements pursuant to a determination made by the Minister for Finance under section 53(1)(b) of the *Financial Management Act 1994*:

- Rural Assistance Commissioner (RAC)
- Mine Land Rehabilitation Authority (MLRA) - ceased operations on 20 March 2026 and the entity was abolished on 15 April 2026. The department includes the results of the MLRA up to the date of abolishment.

|                                            | DEECA             |                   | RAC            |                | MLRA           |                | Eliminations and adjustments |                | DEECA combined group |                   |
|--------------------------------------------|-------------------|-------------------|----------------|----------------|----------------|----------------|------------------------------|----------------|----------------------|-------------------|
|                                            | 2026<br>\$'000    | 2025<br>\$'000    | 2026<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000               | 2025<br>\$'000 | 2026<br>\$'000       | 2025<br>\$'000    |
| Total revenue and income from transactions | 3,513,878         | 3,303,509         | 110            | 569            | 2,349          | 2,353          | (2,353)                      | (2,353)        | 3,513,984            | 3,304,078         |
| Net result from transactions               | 108,313           | 81,494            | (285)          | (37)           | 718            | 133            | –                            | –              | 108,746              | 81,590            |
| <b>Total assets</b>                        | <b>16,965,334</b> | <b>13,348,060</b> | <b>63,407</b>  | <b>79,083</b>  | <b>–</b>       | <b>460</b>     | <b>–</b>                     | <b>–</b>       | <b>17,028,741</b>    | <b>13,427,603</b> |
| <b>Total liabilities</b>                   | <b>1,108,738</b>  | <b>1,166,807</b>  | <b>61,210</b>  | <b>76,601</b>  | <b>–</b>       | <b>347</b>     | <b>–</b>                     | <b>–</b>       | <b>1,169,948</b>     | <b>1,243,755</b>  |

## 9.5 Changes in accounting policy

### Right-of-use assets – Subsequent measurement

From 1 July 2025, the department has voluntarily changed its accounting policy for subsequent measurement of right-of-use assets arising from non-concessionary leases from fair value to cost. The change aligns treatment to the updated Financial Reporting Direction 104 *Leases*.

Previously, the department had measured all right-of-use assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, the department will measure all right-of-use assets using the cost model. Right-of-use assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required; however, the cost model requires annual impairment assessments in accordance with AASB 136.

Upon the adoption of the cost model, the department has applied a modified retrospective approach. The approach takes the right-of-use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right-of-use asset's opening balances on application of the cost model.

Accordingly, the comparative information presented is not restated and is reported at the previously determined fair value.

### Impacts on financial statements

On transition to the cost model, there was no impact on the department's financial statements. No impairment was identified by the department for the right-of-use asset held as at 30 June 2026.

## 9.6 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

The persons who held the positions of Ministers and Accountable Officers in the department are as follows:

| Name                         | Position                                                                                                             | Period                              |
|------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| The Hon. Lily D'Ambrosio MP  | Minister for Climate Action<br>Minister for Energy and Resources<br>Minister for the State<br>Electricity Commission | 1 July 2025 to 30 June 2026         |
| The Hon. Steve Dimopoulos MP | Minister for Environment                                                                                             | 1 July 2025 to 14 April 2026        |
| The Hon. Enver Erdogan MP    | Minister for Environment                                                                                             | 15 April 2026 to 30 June 2026       |
| The Hon. Ros Spence MP       | Minister for Agriculture                                                                                             | 1 July 2025 to 14 April 2026        |
| The Hon. Michaela Settle     | Minister for Agriculture                                                                                             | 15 April 2026 to 30 June 2026       |
| The Hon. Gayle Tierney MP    | Minister for Water                                                                                                   | 1 July 2025 to 14 April 2026        |
| The Hon. Harriet Shing MP    | Minister for Water                                                                                                   | 15 April 2026 to 30 June 2026       |
| John Bradley PSM             | Secretary                                                                                                            | 1 July 2025 to 25 September 2025    |
| Carolyn Jackson              | Secretary (acting)                                                                                                   | 26 September 2025 to 5 October 2025 |
| Kate Houghton PSM            | Secretary                                                                                                            | 6 October 2025 to 30 June 2026      |

## Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the department during the reporting period was in the range: \$680,000 – \$690,000 (\$660,000 – \$670,000 in 2024–25).

## Acting arrangements

| Minister                     | Dates                | Acting Minister              |
|------------------------------|----------------------|------------------------------|
| Minister Lily D'Ambrosio MP  | 20 Sep – 28 Sep 2025 | Minister Gayle Tierney MP    |
|                              | 17 Oct – 20 Oct 2025 | Minister Gayle Tierney MP    |
|                              | 22 Dec – 26 Dec 2025 | Minister Steve Dimopoulos MP |
|                              | 27 Dec – 28 Dec 2025 | Minister Gayle Tierney MP    |
|                              | 5 Jan – 7 Jan 2026   | Minister Ros Spence MP       |
|                              | 12 Jan – 26 Jan 2026 | Minister Steve Dimopoulos MP |
| Minister Steve Dimopoulos MP | 3 Jul – 13 Jul 2025  | Minister Lily D'Ambrosio MP  |
|                              | 14 Jul – 27 Jul 2025 | Minister Gayle Tierney MP    |
|                              | 3 Aug – 9 Aug 2025   | Minister Lily D'Ambrosio MP  |
| Minister Ros Spence MP       | 5 Jul – 13 Jul 2025  | Minister Lily D'Ambrosio MP  |
|                              | 14 Jul – 27 Jul 2025 | Minister Gayle Tierney MP    |
|                              | 9 Jan – 25 Jan 2026  | Minister Steve Dimopoulos MP |
| Minister Gayle Tierney MP    | 1 Jul – 2 Jul 2025   | Minister Steve Dimopoulos MP |
|                              | 3 Jul – 4 Jul 2025   | Minister Ros Spence MP       |
|                              | 5 Jul – 13 Jul 2025  | Minister Lily D'Ambrosio MP  |
|                              | 29 Dec – 31 Dec 2025 | Minister Lily D'Ambrosio MP  |
|                              | 1 Jan – 4 Jan 2026   | Minister Lily D'Ambrosio MP  |
|                              | 5 Jan – 8 Jan 2026   | Minister Ros Spence MP       |
| The Hon. Enver Erdogan MP    | 9 Jan – 26 Jan 2026  | Minister Steve Dimopoulos MP |
|                              | 27 Jun – 30 Jun 2026 | Minister Lily D'Ambrosio MP  |

## 9.7 Remuneration of executive officers (including executives defined as Key Management Personnel)

The number of executive officers, other than ministers and the accountable officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include superannuation contributions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave and deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

|                                                                                                      | 2026<br>\$'000 | 2025<br>\$'000 |
|------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Remuneration of executive officers (including Key Management Personnel disclosed in Note 9.9)</b> |                |                |
| Short-term employee benefits                                                                         | 44,810         | 45,882         |
| Post-employment benefits                                                                             | 4,810          | 5,030          |
| Other long-term benefits                                                                             | 936            | 1,195          |
| Termination benefits                                                                                 | 898            | 69             |
| <b>Total remuneration of executive officers<sup>(i)(iii)(iv)</sup></b>                               | <b>51,454</b>  | <b>52,176</b>  |
| <b>Total number of executives<sup>(iv)</sup></b>                                                     | <b>207</b>     | <b>213</b>     |
| <b>Total annualised employee equivalent (AEE)<sup>(ii)(iv)</sup></b>                                 | <b>172</b>     | <b>190</b>     |

Note

- (i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the department under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.9).
- (ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.
- (iii) Remuneration for staff who have acted in executive positions over two months have been included in the table above.
- (iv) Totals include the cost incurred on executives that delivered services, as executive officers, under secondment or similar arrangements to the department, but that are employed by another public sector body.

## 9.8 Remuneration of auditors

|                                           | 2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------------|----------------|----------------|
| <b>Victorian Auditor-General's Office</b> |                |                |
| Audit of the financial statements         | 683            | 620            |
| <b>Total remuneration of auditors</b>     | <b>683</b>     | <b>620</b>     |

The remuneration of auditors is recognised in other operating expenses.

## 9.9 Related Parties

The department is a wholly owned and controlled entity of the State of Victoria. Related parties of the department include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

### Significant transactions with government related entities

The following transactions are considered to be related parties with significant transactions with the department.

The department receives parliamentary and special appropriation to draw funds out of the Consolidated Funds to be applied towards departmental outputs (see Note 2.2 Appropriations and Note 2.2.1 Summary of compliance with annual parliamentary appropriations) and income from government related entities such as grant income (see Note 2.3.4 Grants), landfill levy (see Note 2.3.2 Municipal and Industrial Waste Levy) and parks charge (see Note 2.3.3 Metropolitan Parks Improvement Rate). In addition, the department oversees administered items on behalf of the state with reference to Payments made on behalf of the state (see Note 2.2 Appropriations and Note 2.2.1 Summary of compliance with annual parliamentary appropriations) and detailed in (Note 4.2 Administered (non-controlled) items).

The department transacts with other portfolio and government agencies through transactions such as grants (Note 3.1.2 Grants and other transfers), supplies and services (Note 3.1.4 Supplies and services) and capital appropriations (Note 9.3.2 Capital contribution transferred to portfolio entities) in line with budgeted allocations.

The department has advances from government, such as those related to GST payments (required to account for timing differences). These advances are unsecured loans which bear no interest (see Note 6.3 Payables). In addition, the department leases motor vehicles for operating purposes from VicFleet (Note 7.2 Borrowings).

### Other related parties – Key management personnel (KMP)

KMP of the department includes the Portfolio Ministers (see Note 9.6), members of DEECA's Board of Management and other key leadership positions. This report also discloses the KMP of VicGrid, an administrative office incorporated into the financial statements pursuant to section 45(4) of the FMA and agencies whose financial statements have been consolidated pursuant to section 53(1)(b) of the FMA. The following table shows the department's KMP:

| Position                                                                                    | Name               | Period                      |
|---------------------------------------------------------------------------------------------|--------------------|-----------------------------|
| Secretary                                                                                   | John Bradley PSM   | 1 Jul 2025 to 25 Sep 2025   |
|                                                                                             | Carolyn Jackson    | 26 Sep 2025 to 5 Oct 2025   |
|                                                                                             | Kate Houghton      | 6 Oct 2025 to 30 Jun 2026   |
| Deputy Secretary   Corporate Services                                                       | Sally Fensling     | 1 Jul 2025 to 30 Jun 2026   |
| Deputy Secretary   Energy                                                                   | Elizabeth Molyneux | 1 Jul 2025 to 30 Jun 2026   |
| Deputy Secretary   Regions, Environment, Climate Action and First Peoples                   | Carolyn Jackson    | 1 Jul 2025 to 1 May 2026    |
|                                                                                             | Rachaele May       | 2 May 2026 to 24 May 2026   |
|                                                                                             | Stan Krpan PSM     | 25 May 2026 to 30 June 2026 |
| Deputy Secretary   Bushfire and Forest Services                                             | Kelly Crosthwaite  | 1 Jul 2025 to 30 Jun 2026   |
| Deputy Secretary   Water and Catchments                                                     | Kirsten Shelly     | 1 Jul 2025 to 30 Jun 2026   |
| Chief Executive Officer   Resources Victoria                                                | Matt Vincent       | 1 Jul 2025 to 30 Jun 2026   |
| Deputy Secretary   Chief Executive Agriculture Victoria                                     | Beth Jones         | 1 Jul 2025 to 30 Jun 2026   |
| Chief Executive Officer   Solar Victoria                                                    | Stan Krpan PSM     | 1 Jul 2025 to 24 May 2026   |
|                                                                                             | Kate Barnes        | 25 May 2026 to 30 Jun 2026  |
| Chief Fire Officer                                                                          | Chris Hardman      | 1 Jul 2025 to 30 Jun 2026   |
| <b>Personnel of administrative office incorporated pursuant to Section 45(4) of the FMA</b> |                    |                             |
| Chief Executive Officer   VicGrid Administrative Office                                     | Alistair Parker    | 1 Jul 2025 to 31 Oct 2025   |
| <b>Entities consolidated pursuant to Section 53(1)(b) of the FMA</b>                        |                    |                             |
| Rural Assistance Commissioner                                                               | Peter Tuohey       | 1 Jul 2025 to 30 Jun 2026   |
| Chief Executive Officer   Mine Land Rehabilitation Authority                                | Jennifer Brerton   | 1 Jul 2025 to 20 Mar 2026   |
| Chair   Mine Land Rehabilitation Authority                                                  | Therese Ryan       | 1 Jul 2025 to 15 Apr 2026   |

### Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the state's Annual Financial Report.

|                                                       | 2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------------------------|----------------|----------------|
| <b>Compensation of key management personnel</b>       |                |                |
| Short-term employee benefits                          | 5,152          | 5,321          |
| Post-employment benefits                              | 325            | 386            |
| Other long-term benefits                              | 108            | 133            |
| Termination benefits                                  | 99             | –              |
| <b>Total compensation of key management personnel</b> | <b>5,684</b>   | <b>5,840</b>   |

Note: The above remuneration amounts (excluding the Secretary and statutory appointments) have also been disclosed in Note 9.7 Remuneration of executive officers. Remuneration for staff who have acted in the executive position for over two months have been included in the table above and Note 9.7.

The decrease in KMP remuneration reflects the reduction in positions being assessed as KMP for the department.



### Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g., stamp duty and other government fees and charges.

Further employment processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

The Secretary and Deputy Secretary | Corporate Services both served as the board member of VicGrid State Body Corporate, from 1 July 2025 to 23 September 2025. During the same period Secretary also served as the Chair of the board.

From 24 September 2025 to 1 November 2025 the Deputy Secretary | Energy served as both the board member and the Chair of the board of VicGrid State Body Corporate. The entity was created on 15 April 2025 and is operational from 1 November 2025.

### 9.10 Other accounting policies

#### Accounting for goods and services tax (GST)

Income, expenses and non-financial assets and liabilities are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments for expenditure and contingent assets and liabilities are also stated inclusive of GST.

### 9.11 Post balance date events

Post balance date (subsequent) events are events occurring after the reporting period and before the financial statements are authorised for issue. The department recognises/discloses these events as follows:

- amounts recognised in the financial statements are adjustment where an event provides evidence or information of conditions existing at the reporting date (i.e. adjusting events)
- disclosure is made where events relate to conditions that arose after the end of the reporting period that are considered to be of material interest (i.e. non-adjusting events).

The department has identified the following are non-adjusting events:

On 30 June 2026, Sustainability Victoria ceased operations and will become a reorganising body pending legislation for its abolishment. Its functions and balances transferred to the department on 1 July 2026 and will be recognised in the 2026–27 financial statements. Sustainability Victoria will prepare 2025–26 audited annual financial statements and an annual report.

On 1 July 2026, Marinus Link Holding Company Pty Ltd was incorporated as the parent entity of Marinus Link Pty Ltd (MLPL). The ultimate ownership remained unchanged, with the Commonwealth, Victoria and Tasmania continuing as shareholders. Additionally, following the year end MLPL received a claim relating to the administration of major package contracts. As the claim has not yet been assessed and legal advice has not been obtained; no liability has been recognised as insufficient information is currently available.

On 4 August 2026

- the Hon Jaclyn Symes was sworn in as Minister for Energy and Resources, Minister for the State Electricity Commission and the Minister for Climate Action (replacing Minister D'Ambrosio) and the Minister for Environment (replacing Minister Erdogan), and
- The Hon Michaela Settle was sworn in as Minister for Water (replacing Minister Shing).

On 25 August 2026, The Governor in Council ordered the abolishment of the VicGrid Administrative Office (AO) under section 11(b) of the *Public Administration Act 2004*, effective 31 August 2026.

The VicGrid AO was established on 1 March 2024 as an interim measure to support the implementation of the Victorian Transmission Investment Framework (VITF). The VicGrid AO ceased operations on 1 November 2025 following the transfer of its functions and staff to the newly established VicGrid Body Corporate. The VicGrid AO has no ongoing functions or staff.

There are no other subsequent events to disclose.

## 9.12 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2025–26 reporting period. These accounting standards have not been applied to these financial statements. DEECA is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

| Standard / Interpretation                                                                                                                                                                                                                                             | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Applicable for annual reporting periods beginning on | Impact on financial statements                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| AASB 17 <i>Insurance Contracts</i><br>AASB 2022-8 <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i><br>AASB 2022-9 <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i> | AASB 17 replaces AASB 4 <i>Insurance Contracts</i> , AASB 1023 <i>General Insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i> for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.<br>AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.<br>AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. | 01-July-2026                                         | The department is assessing the impact of this standard.                                                        |
| AASB 2024-2 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i>                                                                                                                                            | AASB 2024-2 amends AASB 7 <i>Financial Instruments: Disclosures</i> and AASB 9 <i>Financial Instruments</i> .<br>AASB 2024-2 amends requirements relating to: <ul style="list-style-type: none"> <li>• settling financial liabilities using an electronic payment system</li> <li>• assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features</li> <li>• disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.</li> </ul>                                                                                                                         | 01-January-2026                                      | The department is assessing the impact of this standard.                                                        |
| AASB 18 <i>Presentation and Disclosure of Financial Statements</i>                                                                                                                                                                                                    | AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i> to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.<br><br>The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss.                                                                                                                                                                                                                                                                                                                                                                                                               | 01-January-2028                                      | The department is currently in the process of assessing the potential impact of these standards and amendments. |

In addition to the new standards and amendments above, the AASB has issued a number of other amending standards that are not effective for the 2025–26 reporting period. These standards are not expected to have any significant impact on public sector entities and thus have not been included in the table.

### 9.13 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows: (xxx.x) negative numbers

20xx year period

20xx–xx year period

### 9.14 Glossary of technical terms

#### Administered item

Refers to a department lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

#### Amortisation

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

#### Biological assets

Mainly comprise commercial forests and also any living animal, plant or agricultural produce that is the harvested product of biological assets.

#### Borrowings

Refers to interest-bearing liabilities mainly raised from public borrowings raised through lease liabilities, service concession arrangements and other interest-bearing arrangements. Borrowings also include non interest-bearing advances from government that are acquired for policy purposes.

#### Commitments

Include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

#### Comprehensive result

This is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

#### Controlled item

Refers to the capacity of a department to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

#### Depreciation

This is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

#### Effective interest method

The method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

#### Employee benefits expenses

Include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

#### Ex gratia expenses

The voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

#### Finance lease

This is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

#### Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Grant expenses and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

### **General government sector**

Comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

### **Grants for on-passing**

All grants paid to one institutional sector (e.g., a state general government entity) to be passed on to another institutional sector (e.g., local government or a private non-profit institution).

### **Intangible assets**

Represent identifiable non-monetary assets without physical substance.

### **Interest expense**

Represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

### **Interest income**

Includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

### **Joint ventures**

Joint ventures are contractual arrangements between the department and one or more other parties to undertake an economic activity that is subject to joint control and have right to the net assets of the arrangement. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

### **Leases**

These are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

### **Net result**

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

### **Net result from transactions/net operating balance**

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

### **Net worth**

Net worth is assets less liabilities, which is an economic measure of wealth.

### **Non-financial assets**

Non-financial assets are all assets that are not 'financial assets. It includes inventories, land, buildings, road networks, land under roads, plant and equipment, cultural and heritage assets, intangible and biological assets.

### **Non-produced assets**

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

### **Other economic flows included in net result**

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets
- fair value changes of financial instruments and agricultural assets.

### **Other economic flows – other comprehensive income**

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

- (a) changes in physical asset revaluation surplus
- (b) gains and losses on remeasuring available-for-sale financial assets.

### **Payables**

Includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

### **Produced assets**

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

### **The public non-financial corporation (PNFC) sector**

Comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the marketplace at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments that own them.

### **Receivables**

Include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

### **Sales of goods and services**

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

### **Taxation income**

Taxation income represents income received from the state's taxpayers and includes:

- levies (including the environmental levy) on statutory corporations in other sectors of government
- the Metropolitan Parks Improvement Rate
- other taxes, including landfill levies, licence and concession fees.

### **Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g., assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

# Appendices

## Appendix 1: Disclosure index

The annual report is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements.

| Legislation                                                          | Requirement                                                                        | Page reference |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------|
| <b><i>Standing Directions and Financial Reporting Directions</i></b> |                                                                                    |                |
| <b>Report of operations</b>                                          |                                                                                    |                |
| <b>Charter and purpose</b>                                           |                                                                                    |                |
| FRD 22                                                               | Manner of establishment and the relevant Ministers                                 | 8              |
| FRD 22                                                               | Purpose, functions, powers and duties                                              | 11             |
| FRD 8                                                                | Departmental objectives, indicators and outputs                                    | 15             |
| FRD 22                                                               | Key initiatives and projects                                                       | 16             |
| FRD 22                                                               | Nature and range of services provided                                              | 11             |
| <b>Management and structure</b>                                      |                                                                                    |                |
| FRD 22                                                               | Organisational structure                                                           | 13             |
| <b>Financial and other information</b>                               |                                                                                    |                |
| FRD 8                                                                | Performance against output performance measures                                    | 20             |
| FRD 8                                                                | Budget portfolio outcomes                                                          | 275            |
| FRD 10                                                               | Disclosure index                                                                   | 262            |
| FRD 12                                                               | Disclosure of major contracts                                                      | 105            |
| FRD 15                                                               | Executive disclosures                                                              | 270            |
| FRD 22                                                               | Employment and conduct principles                                                  | 70             |
| FRD 22                                                               | Occupational health and safety policy                                              | 70             |
| FRD 22                                                               | Summary of the financial results for the year                                      | 75             |
| FRD 22                                                               | Significant changes in financial position during the year                          | 75             |
| FRD 22                                                               | Major changes or factors affecting performance                                     | 75             |
| FRD 22                                                               | Subsequent events                                                                  | 257            |
| FRD 22                                                               | Application and operation of <i>Freedom of Information Act 1982</i>                | 118            |
| FRD 22                                                               | Compliance with building and maintenance provisions of <i>Building Act 1993</i>    | 120            |
| FRD 22                                                               | Statement on National Competition Policy                                           | 119            |
| FRD 22                                                               | Application and operation of the <i>Public Interest Disclosures Act 2012</i>       | 119            |
| FRD 22                                                               | Application and operation of the <i>Carers Recognition Act 2012</i>                | 121            |
| FRD 22                                                               | Details of consultancies over \$10 000                                             | 105            |
| FRD 22                                                               | Details of consultancies under \$10 000                                            | 105            |
| FRD 22                                                               | Disclosure of government advertising expenditure                                   | 115            |
| FRD 22                                                               | Disclosure of ICT expenditure                                                      | 116            |
| FRD 22                                                               | Reviews and studies expenditure                                                    | 116            |
| FRD 22                                                               | Statement of availability of other information                                     | 136            |
| FRD 22                                                               | Disclosure of emergency procurement                                                | 104            |
| FRD 22                                                               | Disclosure of social procurement activities under the Social Procurement Framework | 104            |
| FRD 22                                                               | Disclosure of procurement complaints                                               | 104            |
| FRD 24                                                               | Reporting of environmental data                                                    | 85             |
| FRD 25                                                               | Local Jobs First                                                                   | 103            |
| FRD 29                                                               | Workforce Data disclosures                                                         | 264            |
| SD 5.2                                                               | Specific requirements under Standing Direction 5.2                                 | 3              |

| Legislation                                                                                      | Requirement                                                                               | Page reference |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------|
| <b>Compliance attestation and declaration</b>                                                    |                                                                                           |                |
| SD 5.1.4                                                                                         | Attestation for compliance with Ministerial Standing Direction                            | 78             |
| SD 5.2.3                                                                                         | Declaration in report of operations                                                       | 3              |
| <b>Financial statements</b>                                                                      |                                                                                           |                |
| <b>Declaration</b>                                                                               |                                                                                           |                |
| SD 5.2.2                                                                                         | Declaration in financial statements                                                       | 139            |
| <b>Other requirements under Standing Directions 5.2</b>                                          |                                                                                           |                |
| SD 5.2.1 <sup>(a)</sup>                                                                          | Compliance with Australian accounting standards and other authoritative pronouncements    | 147            |
| SD 5.2.1 <sup>(a)</sup>                                                                          | Compliance with Standing Directions                                                       | 78             |
| SD 5.2.1 <sup>(b)</sup>                                                                          | Compliance with Model Financial Report                                                    | 139            |
| <b>Other disclosures as required by FRDs in notes to the financial statements <sup>(a)</sup></b> |                                                                                           |                |
| FRD 9                                                                                            | Departmental Disclosure of Administered Assets and Liabilities by Activity                | 179            |
| FRD 11                                                                                           | Disclosure of Ex gratia Expenses                                                          | 249            |
| FRD 13                                                                                           | Disclosure of Parliamentary Appropriations                                                | 151            |
| FRD 21                                                                                           | Disclosures of Responsible Persons and Executive Officers in the Financial Report         | 252            |
| FRD 103                                                                                          | Non-Financial Physical Assets                                                             | 192            |
| FRD 110                                                                                          | Cash Flow Statements                                                                      | 145            |
| FRD 112                                                                                          | Defined Benefit Superannuation Obligations                                                | 157            |
| FRD 114                                                                                          | Financial Instruments – general government entities and public non-financial corporations | 232            |

Note:

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

(b) Refer to the Model financial statements section (Part two) for further details.

| Legislation                                                                  | Page reference |
|------------------------------------------------------------------------------|----------------|
| <i>Freedom of Information Act 1982 (Vic) (FOI Act)</i>                       | 118            |
| <i>Building Act 1993</i>                                                     | 120            |
| <i>Public Interest Disclosures Act 2012</i>                                  | 119            |
| <i>Carers Recognition Act 2012</i>                                           | 121            |
| <i>Disability Act 2006</i>                                                   | 121            |
| <i>Local Jobs First Act 2003</i>                                             | 103            |
| <i>Financial Management Act 1994</i>                                         | 137            |
| <i>Caulfield Racecourse Reserve Act 2017</i>                                 | 122            |
| <i>Circular Economy (Waste Reduction and Recycling) Act 2021</i>             | 122            |
| <i>Flora and Fauna Guarantee Act 1988</i>                                    | 125            |
| <i>Marine and Coastal Act 2018</i>                                           | 126            |
| <i>Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020</i> | 126            |
| <i>Victorian Conservation Trust Act 1972</i>                                 | 130            |
| <i>Water Act 1989</i>                                                        | 130            |



## Appendix 2: Comparative workforce data

Table 1 provides the headcount and full-time staff equivalent (FTE) numbers of all active public service employees of DEECA employed in the last full pay period in June 2026 and in the last full pay period in June 2025 (the previous reporting period).

On 30 June 2026, DEECA employed 5,697 staff, with the full-time equivalent (FTE) of 5,462 staff across Victoria.

**Table 1: Details of DEECA employment levels in June 2026 and 2025**

### Demographic data

|                        | June 2026                               |                        |                                   |                                   |               |                                                 |                                | June 2025                               |                        |                                   |                                   |               |                                                 |                                |
|------------------------|-----------------------------------------|------------------------|-----------------------------------|-----------------------------------|---------------|-------------------------------------------------|--------------------------------|-----------------------------------------|------------------------|-----------------------------------|-----------------------------------|---------------|-------------------------------------------------|--------------------------------|
|                        | All employees<br>Number<br>(head-count) | All employees<br>(FTE) | Ongoing Full-time<br>(head-count) | Ongoing Part-time<br>(head-count) | Ongoing (FTE) | Fixed term and casual<br>Number<br>(head-count) | Fixed term and casual<br>(FTE) | All employees<br>Number<br>(head-count) | All employees<br>(FTE) | Ongoing Full-time<br>(head-count) | Ongoing Part-time<br>(head-count) | Ongoing (FTE) | Fixed term and casual<br>Number<br>(head-count) | Fixed term and casual<br>(FTE) |
| <b>Gender</b>          |                                         |                        |                                   |                                   |               |                                                 |                                |                                         |                        |                                   |                                   |               |                                                 |                                |
| Women                  | 2948                                    | 2751                   | 1833                              | 640                               | 2297          | 475                                             | 455                            | 3109                                    | 2900                   | 1863                              | 680                               | 2358          | 566                                             | 542                            |
| Men                    | 2717                                    | 2679                   | 2139                              | 101                               | 2213          | 477                                             | 466                            | 2842                                    | 2802                   | 2185                              | 102                               | 2259          | 555                                             | 544                            |
| Self-Described         | 23                                      | 22                     | 14                                | 3                                 | 16            | 6                                               | 6                              | 24                                      | 24                     | 14                                | 3                                 | 17            | 7                                               | 7                              |
| Prefer not to say      | 9                                       | 9                      | 8                                 | 0                                 | 8             | 1                                               | 1                              | 9                                       | 9                      | 8                                 | 0                                 | 8             | 1                                               | 1                              |
| <b>Total Employees</b> | <b>5697</b>                             | <b>5462</b>            | <b>3994</b>                       | <b>744</b>                        | <b>4534</b>   | <b>959</b>                                      | <b>927</b>                     | <b>5984</b>                             | <b>5735</b>            | <b>4070</b>                       | <b>785</b>                        | <b>4642</b>   | <b>1129</b>                                     | <b>1093</b>                    |
| <b>Age</b>             |                                         |                        |                                   |                                   |               |                                                 |                                |                                         |                        |                                   |                                   |               |                                                 |                                |
| 15–24                  | 198                                     | 196                    | 45                                | 2                                 | 46            | 151                                             | 150                            | 213                                     | 210                    | 60                                | 3                                 | 62            | 150                                             | 149                            |
| 25–34                  | 1227                                    | 1201                   | 800                               | 72                                | 851           | 355                                             | 351                            | 1349                                    | 1324                   | 853                               | 77                                | 911           | 419                                             | 413                            |
| 35–44                  | 1722                                    | 1625                   | 1174                              | 315                               | 1404          | 233                                             | 221                            | 1766                                    | 1665                   | 1144                              | 335                               | 1390          | 287                                             | 275                            |
| 45–54                  | 1516                                    | 1449                   | 1143                              | 241                               | 1323          | 132                                             | 126                            | 1571                                    | 1504                   | 1161                              | 252                               | 1348          | 158                                             | 156                            |
| 55–64                  | 859                                     | 827                    | 699                               | 84                                | 758           | 76                                              | 70                             | 894                                     | 862                    | 721                               | 84                                | 779           | 89                                              | 83                             |
| 65+                    | 175                                     | 162                    | 133                               | 30                                | 152           | 12                                              | 10                             | 191                                     | 170                    | 131                               | 34                                | 152           | 26                                              | 18                             |
| <b>Total Employees</b> | <b>5697</b>                             | <b>5462</b>            | <b>3994</b>                       | <b>744</b>                        | <b>4534</b>   | <b>959</b>                                      | <b>927</b>                     | <b>5984</b>                             | <b>5735</b>            | <b>4070</b>                       | <b>785</b>                        | <b>4642</b>   | <b>1129</b>                                     | <b>1093</b>                    |

## Classification data

|                                   | June 2026                         |                     |                                |                                |               |                                           |                             | June 2025                         |                     |                                |                                |               |                                           |                             |
|-----------------------------------|-----------------------------------|---------------------|--------------------------------|--------------------------------|---------------|-------------------------------------------|-----------------------------|-----------------------------------|---------------------|--------------------------------|--------------------------------|---------------|-------------------------------------------|-----------------------------|
|                                   | All employees Number (head-count) | All employees (FTE) | Ongoing Full-time (head-count) | Ongoing Part-time (head-count) | Ongoing (FTE) | Fixed term and casual Number (head-count) | Fixed term and casual (FTE) | All employees Number (head-count) | All employees (FTE) | Ongoing Full-time (head-count) | Ongoing Part-time (head-count) | Ongoing (FTE) | Fixed term and casual Number (head-count) | Fixed term and casual (FTE) |
| <b>VPS grades</b>                 |                                   |                     |                                |                                |               |                                           |                             |                                   |                     |                                |                                |               |                                           |                             |
| VPS 1                             | 1                                 | 1                   | 0                              | 0                              | 0             | 1                                         | 1                           | 0                                 | 0                   | 0                              | 0                              | 0             | 0                                         | 0                           |
| VPS 2                             | 149                               | 135                 | 72                             | 23                             | 84            | 54                                        | 50                          | 185                               | 169                 | 100                            | 26                             | 115           | 59                                        | 54                          |
| VPS 3                             | 581                               | 549                 | 422                            | 90                             | 484           | 69                                        | 65                          | 599                               | 565                 | 415                            | 96                             | 483           | 88                                        | 82                          |
| VPS 4                             | 1185                              | 1130                | 848                            | 174                            | 974           | 163                                       | 156                         | 1283                              | 1225                | 881                            | 187                            | 1017          | 215                                       | 208                         |
| VPS 5                             | 1436                              | 1376                | 1014                           | 222                            | 1184          | 200                                       | 191                         | 1503                              | 1438                | 1010                           | 228                            | 1184          | 265                                       | 254                         |
| VPS 6                             | 763                               | 739                 | 588                            | 92                             | 659           | 83                                        | 79                          | 797                               | 776                 | 624                            | 95                             | 699           | 78                                        | 77                          |
| Science Adaptives                 | 538                               | 500                 | 356                            | 116                            | 437           | 66                                        | 64                          | 574                               | 531                 | 360                            | 125                            | 445           | 89                                        | 86                          |
| Legal Adaptives                   | 17                                | 16                  | 11                             | 3                              | 13            | 3                                         | 3                           | 15                                | 14                  | 7                              | 5                              | 11            | 3                                         | 3                           |
| <b>Total VPS grades</b>           | <b>4670</b>                       | <b>4445</b>         | <b>3311</b>                    | <b>720</b>                     | <b>3835</b>   | <b>639</b>                                | <b>610</b>                  | <b>4956</b>                       | <b>4718</b>         | <b>3397</b>                    | <b>762</b>                     | <b>3953</b>   | <b>797</b>                                | <b>765</b>                  |
| <b>Senior employees</b>           |                                   |                     |                                |                                |               |                                           |                             |                                   |                     |                                |                                |               |                                           |                             |
| Principal Scientist (PS)          | 9                                 | 7                   | 4                              | 4                              | 6             | 1                                         | 1                           | 11                                | 9                   | 4                              | 4                              | 6             | 3                                         | 3                           |
| Senior Technical Specialist (STS) | 47                                | 47                  | 34                             | 2                              | 36            | 11                                        | 11                          | 40                                | 40                  | 23                             | 0                              | 23            | 17                                        | 17                          |
| Executives                        | 162                               | 161                 | 156                            | 6                              | 161           | 0                                         | 0                           | 173                               | 170                 | 163                            | 10                             | 170           | 0                                         | 0                           |
| <b>Total Senior employees</b>     | <b>218</b>                        | <b>214</b>          | <b>194</b>                     | <b>12</b>                      | <b>202</b>    | <b>12</b>                                 | <b>12</b>                   | <b>224</b>                        | <b>219</b>          | <b>190</b>                     | <b>14</b>                      | <b>199</b>    | <b>20</b>                                 | <b>20</b>                   |
| <b>Field Staff</b>                | <b>790</b>                        | <b>784</b>          | <b>470</b>                     | <b>12</b>                      | <b>478</b>    | <b>308</b>                                | <b>306</b>                  | <b>786</b>                        | <b>779</b>          | <b>465</b>                     | <b>9</b>                       | <b>471</b>    | <b>312</b>                                | <b>308</b>                  |
| <b>Other</b>                      | <b>19</b>                         | <b>19</b>           | <b>19</b>                      | <b>0</b>                       | <b>19</b>     | <b>0</b>                                  | <b>0</b>                    | <b>18</b>                         | <b>18</b>           | <b>18</b>                      | <b>0</b>                       | <b>18</b>     | <b>0</b>                                  | <b>0</b>                    |
| <b>Total employees</b>            | <b>5697</b>                       | <b>5462</b>         | <b>3994</b>                    | <b>744</b>                     | <b>4534</b>   | <b>959</b>                                | <b>927</b>                  | <b>5984</b>                       | <b>5735</b>         | <b>4070</b>                    | <b>785</b>                     | <b>4642</b>   | <b>1129</b>                               | <b>1093</b>                 |

### Notes:

- Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June each year.
- FTE means 'full-time staff equivalent' and is rounded to the nearest whole number.

- Individual FTE figures may not add to totals due to rounding.
- Employees reported with a classification of 'other' include the following categories: Trainee and Wild Dog controllers.
- Employees reported with a classification of 'Executives' includes the Accountable Officer and excludes the Chief Finance Officer who is employed by the Secretary of the Department of Treasury and Finance.
- All figures reflect employment levels during the last full pay period in June each year.
- Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies, and people who are not employees but appointees to a statutory office, as defined in the *Public Administration Act 2004*. Employees attached to the Commissioner for Environmental Sustainability are employees of the DEECA Secretary and are included in the above figures.
- Further executive reductions are expected due to decisions made in the reporting period but not able to be fully realised due to contract end dates being outside the last full pay period by 30 June 2026, right of return for eligible executives and redeployment periods being served and further workplace change processes coming to an end.
- Staff from the following 2 entities are combined into DEECA's staff numbers pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994*:
  - Rural Assistance Commissioner
  - Mine Land Rehabilitation Authority (included in the 2025 staff numbers only as the Authority ceased operations on 20 March 2026).

**Table 2: Profile of Sustainability Victoria workforce**

Sustainability Victoria was a statutory authority that facilitated and promoted environmental sustainability in the use of resources.

Following the [Independent Review of the Victorian Public Service](#), the Victorian Government implemented the review's recommendation to abolish Sustainability Victoria and the organisation ceased operating on 30 June 2026.

Employees attached to Sustainability Victoria were employees of the DEECA Secretary. As at 30 June 2026, Sustainability Victoria employed 32.7 FTE staff.

**Demographic data**

|                        | June 2026                               |                        |                                   |                                   |               |                                                 |                                | June 2025                               |                        |                                   |                                   |               |                                                 |                                |
|------------------------|-----------------------------------------|------------------------|-----------------------------------|-----------------------------------|---------------|-------------------------------------------------|--------------------------------|-----------------------------------------|------------------------|-----------------------------------|-----------------------------------|---------------|-------------------------------------------------|--------------------------------|
|                        | All employees<br>Number<br>(head count) | All employees<br>(FTE) | Ongoing Full-time<br>(head count) | Ongoing Part-time<br>(head count) | Ongoing (FTE) | Fixed term and casual<br>Number<br>(head count) | Fixed term and casual<br>(FTE) | All employees<br>Number<br>(head count) | All employees<br>(FTE) | Ongoing Full-time<br>(head count) | Ongoing Part-time<br>(head count) | Ongoing (FTE) | Fixed term and casual<br>Number<br>(head count) | Fixed term and casual<br>(FTE) |
| <b>Gender</b>          |                                         |                        |                                   |                                   |               |                                                 |                                |                                         |                        |                                   |                                   |               |                                                 |                                |
| Women                  | 24                                      | 22.9                   | 13                                | 4                                 | 15.9          | 7                                               | 7                              | 90                                      | 81                     | 25                                | 18                                | 38            | 47                                              | 43                             |
| Men                    | 10                                      | 9.8                    | 7                                 | 0                                 | 7             | 3                                               | 2.8                            | 34                                      | 33                     | 16                                | 1                                 | 17            | 17                                              | 16                             |
| Self-Described         | 0                                       | 0                      | 0                                 | 0                                 | 0             | 0                                               | 0                              | 0                                       | 0                      | 0                                 | 0                                 | 0             | 0                                               | 0                              |
| <b>Total Employees</b> | <b>34</b>                               | <b>32.7</b>            | <b>20</b>                         | <b>4</b>                          | <b>22.9</b>   | <b>10</b>                                       | <b>9.8</b>                     | <b>124</b>                              | <b>114</b>             | <b>41</b>                         | <b>19</b>                         | <b>55</b>     | <b>64</b>                                       | <b>59</b>                      |
| <b>Age</b>             |                                         |                        |                                   |                                   |               |                                                 |                                |                                         |                        |                                   |                                   |               |                                                 |                                |
| 15–24                  | 0                                       | 0                      | 0                                 | 0                                 | 0             | 0                                               | 0                              | 0                                       | 0                      | 0                                 | 0                                 | 0             | 0                                               | 0                              |
| 25–34                  | 1                                       | 0.6                    | 0                                 | 1                                 | 0.6           | 0                                               | 0                              | 18                                      | 16                     | 5                                 | 4                                 | 8             | 9                                               | 8                              |
| 35–44                  | 11                                      | 10.4                   | 8                                 | 2                                 | 9.4           | 1                                               | 1                              | 42                                      | 39                     | 11                                | 3                                 | 13            | 28                                              | 26                             |
| 45–54                  | 15                                      | 15                     | 9                                 | 0                                 | 9             | 6                                               | 6                              | 43                                      | 40                     | 18                                | 10                                | 25            | 15                                              | 15                             |
| 55–64                  | 6                                       | 5.7                    | 2                                 | 1                                 | 2.9           | 3                                               | 2.8                            | 18                                      | 17                     | 5                                 | 1                                 | 6             | 12                                              | 11                             |
| 65+                    | 1                                       | 1                      | 1                                 | 0                                 | 1             | 0                                               | 0                              | 3                                       | 3                      | 2                                 | 1                                 | 3             | 0                                               | 0                              |
| <b>Total Employees</b> | <b>34</b>                               | <b>32.7</b>            | <b>20</b>                         | <b>4</b>                          | <b>22.9</b>   | <b>10</b>                                       | <b>9.8</b>                     | <b>124</b>                              | <b>114</b>             | <b>41</b>                         | <b>19</b>                         | <b>55</b>     | <b>64</b>                                       | <b>59</b>                      |

## Classification data

|                             | June 2026                               |                        |                                   |                                   |                  |                                                 |                                | June 2025                               |                        |                                   |                                   |                  |                                                 |                                |
|-----------------------------|-----------------------------------------|------------------------|-----------------------------------|-----------------------------------|------------------|-------------------------------------------------|--------------------------------|-----------------------------------------|------------------------|-----------------------------------|-----------------------------------|------------------|-------------------------------------------------|--------------------------------|
|                             | All employees<br>Number<br>(head count) | All employees<br>(FTE) | Ongoing Full-time<br>(head count) | Ongoing Part-time<br>(head count) | Ongoing<br>(FTE) | Fixed term and casual<br>Number<br>(head count) | Fixed term and casual<br>(FTE) | All employees<br>Number<br>(head count) | All employees<br>(FTE) | Ongoing Full-time<br>(head count) | Ongoing Part-time<br>(head count) | Ongoing<br>(FTE) | Fixed term and casual<br>Number<br>(head count) | Fixed term and casual<br>(FTE) |
| <b>VPS grades</b>           |                                         |                        |                                   |                                   |                  |                                                 |                                |                                         |                        |                                   |                                   |                  |                                                 |                                |
| VPS 1                       | 0                                       | 0                      | 0                                 | 0                                 | 0                | 0                                               | 0                              | 0                                       | 0                      | 0                                 | 0                                 | 0                | 0                                               | 0                              |
| VPS 2                       | 0                                       | 0                      | 0                                 | 0                                 | 0                | 0                                               | 0                              | 1                                       | 1                      | 0                                 | 0                                 | 0                | 1                                               | 1                              |
| VPS 3                       | 2                                       | 2                      | 1                                 | 0                                 | 1                | 1                                               | 1                              | 3                                       | 3                      | 1                                 | 0                                 | 1                | 2                                               | 2                              |
| VPS 4                       | 0                                       | 0                      | 0                                 | 0                                 | 0                | 0                                               | 0                              | 26                                      | 22                     | 3                                 | 9                                 | 9                | 14                                              | 13                             |
| VPS 5                       | 18                                      | 16.9                   | 9                                 | 4                                 | 11.9             | 5                                               | 5                              | 69                                      | 64                     | 27                                | 7                                 | 32               | 35                                              | 32                             |
| VPS 6                       | 8                                       | 8                      | 8                                 | 0                                 | 8                | 0                                               | 0                              | 16                                      | 16                     | 9                                 | 3                                 | 12               | 4                                               | 4                              |
| <b>Senior employees</b>     |                                         |                        |                                   |                                   |                  |                                                 |                                |                                         |                        |                                   |                                   |                  |                                                 |                                |
| Senior Technical Specialist | 2                                       | 2                      | 2                                 | 0                                 | 2                | 0                                               | 0                              | 2                                       | 2                      | 1                                 | 0                                 | 1                | 1                                               | 1                              |
| Executives                  | 4                                       | 3.8                    | 0                                 | 0                                 | 0                | 4                                               | 3.8                            | 7                                       | 6                      | 0                                 | 0                                 | 0                | 7                                               | 6                              |
| <b>Total employees</b>      | <b>34</b>                               | <b>32.7</b>            | <b>20</b>                         | <b>4</b>                          | <b>22.9</b>      | <b>10</b>                                       | <b>9.8</b>                     | <b>124</b>                              | <b>114</b>             | <b>41</b>                         | <b>19</b>                         | <b>55</b>        | <b>64</b>                                       | <b>59</b>                      |

### Notes:

- Individual FTE figures may not add to totals due to rounding.
- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies.
- All employees have been correctly classified in workforce data collection aligned to the VPS classification structure.
- Employees attached to Sustainability Victoria were employees of the DEECA Secretary. Employee numbers are also reported in Sustainability Victoria's annual report.

**Table 3: Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff**

The following table discloses the annualised total salary for senior employees of the department, categorised by classification. The salary amount is reported as the full-time annualised salary.

| Income band (salary)  | Executives               | Senior Technical Specialist | Principal Scientist | Senior Medical Advisor | Senior Regulatory Analyst | Other    |
|-----------------------|--------------------------|-----------------------------|---------------------|------------------------|---------------------------|----------|
| < \$160,000           | 0                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$160,000 - \$179,999 | 0                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$180,000 - \$199,999 | 0                        | 3                           | 0                   | 0                      | 0                         | 0        |
| \$200,000 - \$219,999 | 50 <sup>(a)</sup>        | 23 <sup>(e)</sup>           | 7 <sup>(f)</sup>    | 0                      | 0                         | 0        |
| \$220,000 - \$239,999 | 45 <sup>(b)</sup>        | 7                           | 0                   | 0                      | 0                         | 0        |
| \$240,000 - \$259,999 | 16 <sup>(c)</sup>        | 9                           | 1                   | 0                      | 0                         | 0        |
| \$260,000 - \$279,999 | 4 <sup>(d)</sup>         | 5                           | 0                   | 0                      | 0                         | 0        |
| \$280,000 - \$299,999 | 5                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$300,000 - \$319,999 | 13                       | 0                           | 1 <sup>(g)</sup>    | 0                      | 0                         | 0        |
| \$320,000 - \$339,999 | 10                       | 0                           | 0                   | 0                      | 0                         | 0        |
| \$340,000 - \$359,999 | 5                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$360,000 - \$379,999 | 3                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$380,000 - \$399,999 | 1                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$400,000 - \$419,999 | 1                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$420,000 - \$439,999 | 1                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$440,000 - \$459,999 | 3                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$460,000 - \$479,999 | 2                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$480,000 - \$499,999 | 0                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$500,000 - \$519,999 | 2                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$520,000 - \$539,999 | 0                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$540,000 - \$559,999 | 0                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$560,000 - \$579,999 | 0                        | 0                           | 0                   | 0                      | 0                         | 0        |
| \$580,000 - \$599,999 | 0                        | 0                           | 0                   | 0                      | 0                         | 0        |
| <b>Total</b>          | <b>161<sup>(h)</sup></b> | <b>47</b>                   | <b>9</b>            | <b>0</b>               | <b>0</b>                  | <b>0</b> |

**Footnotes:**

The salaries reported above are for the full financial year, at a 1.0 FTE rate unless otherwise stated and excludes superannuation.

- a. There is one employee employed on a part-time basis at 0.8 FTE rate.
- b. There is one employee employed on a part-time basis at 0.8 FTE rate
- c. There is one employee employed on a part-time basis at 0.6 FTE rate, one at 0.8 FTE rate, and one at 0.9 FTE rate.
- d. There is one employee employed on a part-time basis at 0.8 FTE rate.
- e. There are 2 employees employed on a part-time basis at 0.8 FTE rate.
- f. There are 4 employees employed on a part-time basis at 0.5 FTE rate.
- g. There is one employee employed on a part-time basis at 0.8 FTE rate.
- h. The total does not include the Accountable Officer (Secretary).

**Executive data**

For a department, a member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of SES does not include a statutory office holder or an Accountable Officer.

The following tables disclose the SES profile of the department (Tables 4 and 5) and its portfolio agencies (Tables 6, 7 and 8) for 30 June 2026.

## Profile of DEECA Senior Executive Service staff: June 2026 and comparative variance to 2025

Table 4: Total number of SESs for the department, broken down by gender

| Class                      | All No.    | All Var. <sup>(a)</sup> | Men No.   | Men Var.   | Women No.  | Women Var. | Self-described No. | Self-described Var. |
|----------------------------|------------|-------------------------|-----------|------------|------------|------------|--------------------|---------------------|
| SES-3                      | 9          | 0                       | 3         | 0          | 6          | 0          | 0                  | 0                   |
| SES-2                      | 40         | (4)                     | 16        | (5)        | 24         | 1          | 0                  | 0                   |
| SES-1                      | 112        | (7)                     | 42        | (2)        | 70         | (5)        | 0                  | 0                   |
| <b>Total<sup>(b)</sup></b> | <b>161</b> | <b>(11)</b>             | <b>61</b> | <b>(7)</b> | <b>100</b> | <b>(4)</b> | <b>0</b>           | <b>0</b>            |

### Footnotes:

- a. The June 2026 figures disclose the variations, denoted by 'var', between the current and previous reporting periods.  
b. The total headcount does not include the Accountable Officer (Secretary).

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.6 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the department during the relevant reporting period. To assist readers, these 2 disclosures are reconciled below.

Table 5: Reconciliation of DEECA executive numbers

|                                                                                        | June 2026  | June 2025  |
|----------------------------------------------------------------------------------------|------------|------------|
| Executives                                                                             | 198        | 232        |
| Less: separations, leave without pay and VPS6 occupying long-term acting SES positions | (37)       | (60)       |
| <b>Sub Total</b>                                                                       | <b>161</b> | <b>172</b> |
| Accountable Officer (Secretary)                                                        | 1          | 1          |
| <b>Total executive numbers at 30 June<sup>(a)</sup></b>                                | <b>162</b> | <b>173</b> |

### Footnotes:

- a. The total number includes the Accountable Officer (Secretary).

## Profile of Sustainability Victoria Senior Executive Service staff: June 2026 and comparative variance to June 2025

Table 6. Total number of SES for Sustainability Victoria, broken down by gender

| Class        | All No.  | All Var.   | Men No.  | Men Var.   | Women No. | Women Var. | Self-described No. | Self-described Var. |
|--------------|----------|------------|----------|------------|-----------|------------|--------------------|---------------------|
| SES-3        | 1        | 0          | 1        | 0          | 0         | 0          | 0                  | 0                   |
| SES-2        | 1        | 1          | 1        | 1          | 0         | 0          | 0                  | 0                   |
| SES-1        | 2        | (4)        | 0        | (2)        | 2         | (2)        | 0                  | 0                   |
| <b>Total</b> | <b>4</b> | <b>(3)</b> | <b>2</b> | <b>(1)</b> | <b>2</b>  | <b>(2)</b> | <b>0</b>           | <b>0</b>            |

### Notes:

- The June 2026 figures disclose the variations, denoted above with 'Var.', between the current and previous reporting periods.



**Table 7. Reconciliation of Sustainability Victoria executive numbers**

|                                                | 2026     | 2025     |
|------------------------------------------------|----------|----------|
| Executives                                     | 4        | 4        |
| Accountable Officer (CEO)                      | 1        | 1        |
| <b>sub total</b>                               | <b>5</b> | <b>5</b> |
| <i>Less</i>                                    |          |          |
| Separations                                    | 1        | 0        |
| Leave without pay                              | 0        | 0        |
| <b>sub total</b>                               | <b>1</b> | <b>0</b> |
| <b>Total executive numbers at 30 June 2026</b> | <b>4</b> | <b>5</b> |

**Notes:**

- The 2025 figures do not reconcile with the table on page 297 of [DEECA's 2024-25 Annual Report](#) because that table included 2 Senior Technical Specialists.

**Table 8: Number of SES for DEECA's portfolio agencies as at June 2026**

| Portfolio agencies                                        | Total |      | Women |      | Men |      | Self-described |      | Prefer not to say |      |
|-----------------------------------------------------------|-------|------|-------|------|-----|------|----------------|------|-------------------|------|
|                                                           | No.   | Var. | No.   | Var. | No. | Var. | No.            | Var. | No.               | Var. |
| Agriculture Victoria Services Pty Ltd                     | 1     | (1)  | 1     | (1)  | 0   | 0    | 0              | 0    | 0                 | 0    |
| Alpine Resorts Victoria                                   | 4     | (2)  | 3     | (1)  | 1   | (1)  | 0              | 0    | 0                 | 0    |
| Barwon Coast Committee of Management                      | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Barwon Region Water Corporation                           | 22    | 0    | 13    | 1    | 9   | (1)  | 0              | 0    | 0                 | 0    |
| Barwon Region Water Corporation (Asset Solutions)         | 5     | 1    | 4     | 1    | 1   | 0    | 0              | 0    | 0                 | 0    |
| Bellarine Bayside Foreshore Committee of Management (Inc) | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Capel Sound Foreshore Committee of Management Inc         | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Central Gippsland Region Water Corporation                | 5     | 0    | 1     | 0    | 4   | 0    | 0              | 0    | 0                 | 0    |
| Central Highlands Region Water Corporation                | 4     | (1)  | 1     | (1)  | 3   | 0    | 0              | 0    | 0                 | 0    |
| Coliban Region Water Corporation                          | 10    | 0    | 3     | (1)  | 7   | 1    | 0              | 0    | 0                 | 0    |
| Corangamite Catchment Management Authority                | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Dairy Food Safety Victoria                                | 2     | 0    | 1     | 0    | 1   | 0    | 0              | 0    | 0                 | 0    |
| East Gippsland Catchment Management Authority             | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| East Gippsland Region Water Corporation                   | 5     | 0    | 1     | 0    | 4   | 0    | 0              | 0    | 0                 | 0    |
| Energy Safe Victoria                                      | 5     | 1    | 3     | 1    | 2   | 0    | 0              | 0    | 0                 | 0    |
| Environment Protection Authority                          | 17    | 9    | 10    | 4    | 6   | 4    | 1              | 1    | 0                 | 0    |
| Gippsland and Southern Rural Water Corporation            | 3     | (2)  | 2     | 0    | 1   | (2)  | 0              | 0    | 0                 | 0    |
| Glenelg Hopkins Catchment Management Authority            | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Goulburn Broken Catchment Management Authority            | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Goulburn Murray Rural Water Corporation                   | 9     | 0    | 3     | 0    | 6   | 0    | 0              | 0    | 0                 | 0    |
| Goulburn Valley Region Water Corporation                  | 6     | 0    | 3     | 0    | 3   | 0    | 0              | 0    | 0                 | 0    |

| Portfolio agencies                             | Total |      | Women |      | Men |      | Self-described |      | Prefer not to say |      |
|------------------------------------------------|-------|------|-------|------|-----|------|----------------|------|-------------------|------|
|                                                | No.   | Var. | No.   | Var. | No. | Var. | No.            | Var. | No.               | Var. |
| Grampians Wimmera Mallee Water Corporation     | 4     | 0    | 2     | 0    | 2   | 0    | 0              | 0    | 0                 | 0    |
| Great Ocean Road Coast and Parks Authority     | 9     | 6    | 6     | 5    | 3   | 1    | 0              | 0    | 0                 | 0    |
| Greater Western Water                          | 4     | (3)  | 3     | (1)  | 1   | (2)  | 0              | 0    | 0                 | 0    |
| Lower Murray Urban and Rural Water Corporation | 4     | (1)  | 2     | (1)  | 2   | 0    | 0              | 0    | 0                 | 0    |
| Mallee Catchment Management Authority          | 2     | 0    | 1     | 0    | 1   | 0    | 0              | 0    | 0                 | 0    |
| Melbourne Market Authority                     | 3     | 0    | 2     | 1    | 1   | (1)  | 0              | 0    | 0                 | 0    |
| Melbourne Water Corporation                    | 5     | (1)  | 2     | (2)  | 3   | 1    | 0              | 0    | 0                 | 0    |
| North Central Catchment Management Authority   | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| North East Catchment Management Authority      | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| North East Region Water Corporation            | 5     | 0    | 1     | (1)  | 4   | 1    | 0              | 0    | 0                 | 0    |
| Parks Victoria                                 | 23    | (3)  | 12    | (2)  | 11  | (1)  | 0              | 0    | 0                 | 0    |
| Phillip Island Nature Park Board of Management | 2     | 0    | 1     | 0    | 1   | 0    | 0              | 0    | 0                 | 0    |
| PrimeSafe                                      | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Royal Botanic Gardens Board                    | 5     | 0    | 3     | 0    | 2   | 0    | 0              | 0    | 0                 | 0    |
| SEC Victoria Pty Ltd                           | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| South East Water Corporation                   | 9     | 1    | 3     | (1)  | 6   | 2    | 0              | 0    | 0                 | 0    |
| South Gippsland Region Water Corporation       | 6     | 3    | 2     | 0    | 4   | 3    | 0              | 0    | 0                 | 0    |
| Sustainability Victoria                        | 3     | (3)  | 2     | (2)  | 0   | (2)  | 0              | 0    | 1                 | 1    |
| Trust for Nature (Victoria)                    | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Veterinary Practitioners Registration Board    | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| VicGrid                                        | 32    | 14   | 15    | 9    | 17  | 6    | 0              | (1)  | 0                 | 0    |
| Wannon Region Water Corporation                | 5     | 0    | 1     | 0    | 4   | 0    | 0              | 0    | 0                 | 0    |
| West Gippsland Catchment Management Authority  | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Westernport Region Water Corporation           | 2     | 0    | 0     | 0    | 2   | 0    | 0              | 0    | 0                 | 0    |
| Wimmera Catchment Management Authority         | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Working Heritage Incorporated                  | 0     | 0    | 0     | 0    | 0   | 0    | 0              | 0    | 0                 | 0    |
| Yarra Valley Water Corporation                 | 6     | 0    | 4     | 0    | 2   | 0    | 0              | 0    | 0                 | 0    |

**Notes:**

- For the purpose of this table, executive officers are defined as SES-1, SES-2, SES-3, PESES-1, PESES-2 and PESES-3 employees who have significant management responsibility and receive a total remuneration package of \$225,000 or more.
- Figures reflect executive employment levels as at the last full pay period in June 2026.
- The difference between the June 2026 and June 2025 figures is denoted by 'var'. June 2025 figures have been revised since their publication in the DEECA Annual Report 2024-25.
- Executives on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies have been excluded from this table.
- Figures exclude accountable officers (department heads, CEOs or equivalent) in line with FRD 15.
- Data is sourced from the Victorian Public Sector Commission. Data is subject to change, with validation remaining in progress.

### Appendix 3: Occupational Health and Safety performance measures

| Measure                             | Key performance indicator                                                                                                                 | 2025-26 <sup>(a)</sup>            | 2024-25 <sup>(b)</sup> | 2023-24             |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------|---------------------|
| Incidents                           | Incidents                                                                                                                                 | 1559                              | 1595                   | 1138 <sup>(c)</sup> |
|                                     | Incident rate per 100 FTE                                                                                                                 | 28.55                             | 27.81                  | 19.57               |
|                                     | Number of incidents requiring first aid (and/or further medical treatment)                                                                | 155                               | 159                    | 154                 |
|                                     | Percentage of reported incidents investigated                                                                                             | 100%                              | 100%                   | 100%                |
| Hazards                             | Number of hazards reported                                                                                                                | 402                               | 345                    | 262                 |
|                                     | Rate per 100 FTE                                                                                                                          | 7.36                              | 6.00                   | 4.60                |
| WorkCover Claims <sup>(d)(e)</sup>  | Number of standard claims                                                                                                                 | 96                                | 90                     | 89                  |
|                                     | Rate per 100 FTE                                                                                                                          | 1.76                              | 1.56                   | 1.43                |
|                                     | Number of lost time claims                                                                                                                | 73                                | 63                     | 66 <sup>(d)</sup>   |
|                                     | Rate per 100 FTE                                                                                                                          | 1.34                              | 1.10                   | 1.06                |
|                                     | Number of claims exceeding 13 weeks                                                                                                       | 6                                 | 17                     | 15                  |
|                                     | Rate per 100 FTE                                                                                                                          | 0.09                              | 0.30                   | 0.24                |
| Fatalities                          | Fatality claims                                                                                                                           | 0                                 | 0                      | 0                   |
| Claim costs <sup>(e)</sup>          | Average cost per standard claim                                                                                                           | \$36,160                          | \$65,107               | \$85,929            |
| Return to Work (RTW) <sup>(e)</sup> | Percentage of RTW arrangements initiated for claims by premium period                                                                     | 55%                               | 81%                    | 80%                 |
| Legislative compliance              | Number of WorkSafe Victoria Notices issued                                                                                                | 5                                 | 4                      | 3                   |
| Management commitment               | Evidence of safety and wellbeing policy statement, objectives, regular reporting to senior management and plans                           | Completed                         | Completed              | Completed           |
|                                     | Evidence of safety and wellbeing criteria in purchasing guidelines (including goods, services and personnel)                              | Completed                         | Completed              | Completed           |
| Consultation and participation      | Number of quarterly OHS Committee meetings                                                                                                | 4                                 | 3                      | 4                   |
|                                     | Evidence of agreed structure of designated workgroups (DWG), health and safety representatives (HSR) and issue resolution processes (IRP) | Review in progress <sup>(f)</sup> | Completed              | Completed           |
|                                     | Compliance with agreed structure on DWGs, HSRs and IRPs                                                                                   | Review in progress <sup>(f)</sup> | Completed              | Completed           |
| Risk management                     | Percentage of internal audits/ inspections conducted as planned                                                                           | 97%                               | 100%                   | 100%                |
|                                     | Number of issues identified and actioned arising from:                                                                                    |                                   |                        |                     |
|                                     | Internal audits <sup>(g)</sup>                                                                                                            | 317                               | 276                    | 149                 |
|                                     | HSR provisional improvement notices (PINs)                                                                                                | 2                                 | 0                      | 0                   |
|                                     | WorkSafe notices                                                                                                                          | 5                                 | 4                      | 3                   |
| OHS Training                        | Induction                                                                                                                                 | 80% <sup>(h)</sup>                | 69% <sup>(h)</sup>     | 47%                 |
|                                     | Management training                                                                                                                       | 82% <sup>(h)</sup>                | 72% <sup>(h)</sup>     | 24%                 |
|                                     | Contractors, temporary workers, and visitors <sup>(i)</sup>                                                                               | Provided                          | Provided               | Provided            |
| Percentage of HSRs trained          | Upon acceptance of role <sup>(j)</sup>                                                                                                    | 25%                               | 18%                    | 39%                 |
|                                     | Retraining (refresher) <sup>(j)</sup>                                                                                                     | 17%                               | 14%                    | 9%                  |

#### Footnotes:

- a. All figures relating to 'per 100 FTE' are based on FTE counts as at 30 June 2026.
- b. Previous year incident and hazard figures are subject to adjustments in later years as reports are updated and amended.
- c. 2023-24 reporting captures all incident data from 2 incident and hazard management systems (POSSUM and SafeWell) as DEECA transitioned from the old system (POSSUM) to SafeWell in December 2023.
- d. Data is sourced from the Victorian WorkCover Authority. This excludes external contractors/consultants and temporary staff employed by employment agencies.
- e. Claim figures will vary after the time of reporting as claims are continually adjusted and amended.
- f. A DEECA-wide review was mandated by WorkSafe, with the review and updated documentation as required, expected to be completed by mid 2026-27.
- g. Internal audits refers to the total number of Safety and Wellbeing Advisor reviews undertaken for the year.
- h. This figure captures staff that have completed core safety and wellbeing induction courses (Induction eLearn, Induction checklist, Workplace Emergency Evacuation Information) and excludes non-payroll staff, Committee members and Commissioners.
- i. The department does not have a mechanism to record the completion rate of training undertaken by contractors, temporary staff and visitors, however the department does provide induction to contractors, temporary staff and visitors.
- j. Upon acceptance and refresher training are not mandatory for health and safety representatives.

## Appendix 4: Budget portfolio outcomes

The budget portfolio outcomes provide a comparison between the actual financial statements of DEECA and the forecast financial information as published in Budget Paper No.5 Statement of Finances (BP5).

The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of cash flows, statement of changes in equity and administered items statement for the full financial year ending 30 June 2026.

The budget portfolio outcomes have been prepared on a consolidated basis and include portfolio entities, such as those listed below. Financial transactions and balances are classified into either controlled or administered categories. The budget portfolio outcome statements are not subject to audit by the Victorian Auditor-General's Office (VAGO) and are not prepared on the same basis as the department's financial statements, as the outcomes include the financial information of entities such as:

- Office of the Commissioner for Environmental Sustainability
- Rural Assistance Commissioner
- Victorian Environmental Water Holder.

### Financial performance – operating statement

In 2025-26, the budget portfolio (comprising the department and entities such as those listed above) recorded an end-of-year actual operating surplus of \$105 million compared with a 2025-26 published budget net operating surplus of \$60 million.

The movement in DEECA's operating surplus reflects lower-than-expected expenses following a lower uptake of the Solar Homes program. DEECA also received reimbursements from VicGrid following its establishment as a State Business Corporation on 1 November 2025 that were not included in the published budget. This has been partially offset by additional grants paid out of the Parks and Reserves Trust and lower-than-expected income from the Melbourne Strategic Assessment levy, coupled with higher-than-expected expenditure associated with the Western Grassland Reserve.

The actual income for 2025-26 was higher than the published budget by \$755 million, and aligns with the increase in actual expenses, which exceeded the published budget by \$710 million. This is primarily due to additional funding supplementation in 2025-26 for various preparedness, response and recovery related initiatives to manage bushfire emergency events and additional funding for drought support packages.

This movement in DEECA's financial results reflects additional resources allocated to deliver on the government's objectives and outcomes throughout the financial year. The major revenue and expense variances include additional funding for the following initiatives:

#### Emergency preparedness, response and recovery

DEECA received additional funding to deliver emergency preparedness, response and recovery activities for bushfires across Victoria. This funding was directed towards responding to bushfire events (\$154 million), emergency preparedness (\$83 million) and fuel management (\$15 million). The government also provided additional funding towards various relief and recovery initiatives (\$58 million).

#### Drought Support

DEECA received additional funding in 2025-26 for the Government's Drought Support Package to provide support and assistance to farmers and their families affected by drought conditions (\$96 million).

#### Release of contingency funding

Funding previously announced but held in contingency also contributed to higher revenue for DEECA and funding of related expenses. This primarily included funding for the Forest Contractor Strategy (\$45 million). This initiative engages contractors that were directly impacted by the end of commercial native timber harvesting in vital forest and fire management works.

Contingency funding was also released during the year for the Power Saving Bonus for vulnerable consumers (\$33 million). This initiative provided a one-off \$100 payment to eligible Victorian concession card households that use the Victorian Energy Compare website to identify cheaper electricity offers. The initiative also expanded the Energy Assistance Program to ensure vulnerable and hard-to-reach consumers can access tailored support to reduce their energy costs and engage effectively with the energy market.

## Financial position – balance sheet

Net assets as at June 2026 were higher than the published budget by \$3,593 million. This is primarily attributed to the scheduled 5-year revaluation of property, plant and equipment assets at the end of the financial year.

## Statement of cash flows

The overall cash position at the end of the 2025-26 financial year was \$1.592 billion, which is \$5 million higher than the published budget for 2025-26. Net cashflow from operating activities was lower than the published budget by \$202 million, primarily due to lower-than-expected revenues from the development within the Melbourne Strategic Assessment program area.

## Administered items statement

DEECA is responsible for administering revenue on behalf of the State, including Victoria's share of the Murray-Darling Basin Authority, the Victorian Desalination Plant and funding Victoria's National Energy Market obligations.

The net result is \$113 million higher than the published budget, primarily due to lower-than-expected payments into the Consolidated Fund from the sale of Renewable Energy Certificates. These contracts were transferred to the State Electricity Commission for ongoing management, effective from 1 July 2025. The result was also higher than the published budget as a result of fewer Renewable Energy Certificates needing to be surrendered to offset energy consumption for the Victorian Desalination Project, resulting from a lower 50 gigalitre (50GL) water order.

Detailed financial results for the 2025-26 portfolio budget and actual results are included in the following pages.

**Table 1. Operating statement for the financial year ended 30 June 2026**

| Operating Statement – Controlled                                                          | Actuals<br>2025-26<br>(\$m) | Published<br>Budget<br>2025-26<br>(\$m) | Variance<br>(\$m) | Variance<br>(%) | Variance<br>notes |
|-------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------|-------------------|-----------------|-------------------|
| <b>Net result from continuing operations</b>                                              |                             |                                         |                   |                 |                   |
| <b>Income from transactions</b>                                                           |                             |                                         |                   |                 |                   |
| Output appropriations                                                                     | 2,270                       | 1,654                                   | 616               | 37%             | 1                 |
| Special appropriations                                                                    | 3                           | -                                       | 3                 | 100%            | 2                 |
| Interest income                                                                           | 45                          | 49                                      | (4)               | (8%)            | 3                 |
| Sales of goods and services                                                               | 225                         | 131                                     | 94                | 72%             | 4                 |
| Grants                                                                                    | 64                          | 33                                      | 31                | 95%             | 5                 |
| Fair value of assets and services received<br>free of charge or for nominal consideration | 20                          | 20                                      | -                 | 0%              |                   |
| Other revenue and income                                                                  | 838                         | 822                                     | 15                | 2%              |                   |
| <b>Total income from transactions</b>                                                     | <b>3,465</b>                | <b>2,710</b>                            | <b>755</b>        | <b>28%</b>      |                   |
| <b>Expenses from transactions</b>                                                         |                             |                                         |                   |                 |                   |
| Employee benefits                                                                         | 956                         | 755                                     | 201               | 27%             | 6                 |
| Depreciation                                                                              | 115                         | 126                                     | (11)              | (9%)            | 7                 |
| Interest expense                                                                          | 37                          | 35                                      | 2                 | 5%              | 8                 |
| Grants expense                                                                            | 1,382                       | 1,056                                   | 326               | 31%             | 9                 |
| Other operating expenses                                                                  | 871                         | 679                                     | 192               | 28%             | 10                |
| <b>Total expenses from transactions</b>                                                   | <b>3,360</b>                | <b>2,650</b>                            | <b>710</b>        | <b>27%</b>      |                   |
| <b>Net result from transactions (net operating<br/>balance)</b>                           | <b>105</b>                  | <b>60</b>                               | <b>45</b>         | <b>76%</b>      |                   |
| <b>Other economic flows included in net result</b>                                        |                             |                                         |                   |                 |                   |
| Net gain/(loss) on disposal of non-financial<br>assets                                    | (226)                       | (9)                                     | (217)             | 2457%           | 11                |
| Net gain/(loss) on financial instruments and<br>statutory receivables/payables            | 2                           | (4)                                     | 6                 | (157%)          | 12                |

| <b>Operating Statement – Controlled</b>                  | <b>Actuals<br/>2025-26<br/>(\$m)</b> | <b>Published<br/>Budget<br/>2025-26<br/>(\$m)</b> | <b>Variance<br/>(\$m)</b> | <b>Variance<br/>(%)</b> | <b>Variance<br/>notes</b> |
|----------------------------------------------------------|--------------------------------------|---------------------------------------------------|---------------------------|-------------------------|---------------------------|
| Other gains/(losses) from other economic flows           | 8                                    | -                                                 | 8                         | 100%                    | 13                        |
| <b>Total other economic flows included in net result</b> | <b>(216)</b>                         | <b>(13)</b>                                       | <b>(204)</b>              | <b>1586%</b>            |                           |
| <b>Net result</b>                                        | <b>(112)</b>                         | <b>47</b>                                         | <b>(158)</b>              | <b>(339%)</b>           |                           |
| Changes in non-financial assets revaluation reserve      | 4,195                                | -                                                 | 4,195                     | 100%                    | 14                        |
| <b>Other economic flows – other comprehensive income</b> | <b>4,195</b>                         | <b>-</b>                                          | <b>4,195</b>              | <b>100%</b>             |                           |
| <b>Comprehensive result</b>                              | <b>4,083</b>                         | <b>47</b>                                         | <b>4,036</b>              | <b>8641%</b>            |                           |

#### Notes:

All amounts have been rounded to the nearest \$1 million unless otherwise stated. Figures may not add due to rounding.

Table 1 presents the portfolio operating statement and differs from the departmental 5-year financial summary included as part of the Financial Review. The variations relate to the inclusion of entities such as the Victorian Environmental Water Holder and the Commissioner for Environmental Sustainability in the Budget Portfolio outcomes.

#### Variance notes:

- Output appropriations revenue was higher than the published budget, primarily due to supplementary government funding provided to enable DEECA to deliver preparedness, response and recovery activities in relation to the 2025-26 Victorian bushfires, as well as funding provided for drought support to farmers and communities. Funding was also released from contingency for the Power Saving Bonus for Vulnerable Consumers. Additionally, Commonwealth funding was provided for various initiatives such as the Detailed Assessments of the Restoring Flows to the Mallee Floodplain Project to assess the feasibility, environmental benefits and delivery requirements for restoring more natural wetting and drying cycles across 16 high-priority floodplain and wetland sites in the Mallee region.
- Special appropriation revenue was higher than the published budget, primarily due to additional Commonwealth funding provided for research and guidance initiatives to support the onshore renewable energy industries.
- Interest revenue was lower than the published budget due to lower-than-expected concessional loan uptake for the Solar Homes program by eligible Victorian households.
- Sales of goods and services revenue was higher than the published budget, primarily due to higher revenue associated with tripartite agreements with local councils and garbage collection contractors driven by the increase in the organic waste generated and the increase of landfill levy rates.
- Grants revenue was higher than the published budget due to additional grant revenue received for the recovery initiatives following bushfires in Western Victoria, funded by the National Disaster Response Trust Account held by the Department of Justice and Community Safety.
- Employee benefits expenses were higher than the published budget, due to additional preparedness and response activities in relation to managing emergency events across the state. The movement also reflects expenditure related to a range of other initiatives, including implementing water reform in the Murray–Darling Basin, the Future Forest and Forestry Contractor Strategy programs, VicGrid operations and project delivery, as well as higher employee costs resulting from progression and increments under Employee Agreements.
- Depreciation and amortisation expenses are lower than the published budget due to revised asset base assumptions.
- Interest expense was higher than the budget due to an increase in the financial liability associated with support for the transition to renewable energy generation, reflecting the timing of future payment obligations.
- Grants and other transfer expenses were higher than the published budget due to a range of grant payments including support for farmers and communities facing severe drought conditions, to address the recovery needs from the Western Victoria Bushfires, providing power bill relief to vulnerable customers, and for the renewable energy transition. Additionally, Commonwealth grant payments were made to assess the feasibility, environmental benefits and delivery requirements for restoring more natural wetting and drying cycles across 16 high-priority floodplain and wetland sites in the Mallee region.
- Other operating expenses were higher than the published budget primarily due to additional expenses enabling DEECA to deliver preparedness, response and recovery activities in relation to the 2025-26 Victorian Bushfires. Higher actuals are also associated with tripartite agreements with local councils and garbage collection contractors, driven by the increase of organic waste generated and the increase of landfill levy rates.



11. Net loss on non-financial assets exceeded the published budget, mainly due to the derecognition of land, identified through reconciliation activities, where DEECA was not the current landholder.
12. Net gain on financial instruments and statutory receivables/payables were higher than the published budget, primarily due to the impact of an annual fair value assessment of derivative financial instruments associated with the Victorian Renewable Energy Target (VRET) contracts.
13. Other gains/ (losses) from other economic flows were higher than the published budget, primarily due to the increase in the discount rate used for the provision for employee long service leave.
14. Changes in non-financial assets revaluation reserve were higher than the published budget, primarily due to the scheduled 5-year revaluation of assets at the end of the financial year.

**Table 2. Balance sheet as at 30 June 2026**

| <b>Balance Sheet - Controlled</b>                                                | <b>Actuals<br/>2025-26<br/>(\$m)</b> | <b>Published<br/>Budget<br/>2025-26<br/>(\$m)</b> | <b>Variance<br/>(\$m)</b> | <b>Variance<br/>(%)</b> | <b>Variance<br/>notes</b> |
|----------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------|---------------------------|-------------------------|---------------------------|
| <b>Assets</b>                                                                    |                                      |                                                   |                           |                         |                           |
| <b>Financial assets</b>                                                          |                                      |                                                   |                           |                         |                           |
| Cash and deposits                                                                | 1,592                                | 1,587                                             | 5                         | 0%                      |                           |
| Receivables                                                                      | 1,486                                | 1,344                                             | 142                       | 11%                     | 1                         |
| Other financial assets                                                           | 17                                   | 518                                               | (501)                     | (97%)                   | 2                         |
| Investments accounted for using the equity method                                | -                                    | -                                                 | -                         | 0%                      |                           |
| <b>Total financial assets</b>                                                    | <b>3,095</b>                         | <b>3,449</b>                                      | <b>(354)</b>              | <b>(10%)</b>            |                           |
| <b>Non-financial assets</b>                                                      |                                      |                                                   |                           |                         |                           |
| Inventories                                                                      | 34                                   | 21                                                | 14                        | 67%                     | 3                         |
| Non-financial assets classified as held for sale including disposal group assets | 1                                    | 11                                                | (10)                      | (92%)                   | 4                         |
| Property, plant and equipment                                                    | 13,824                               | 9,918                                             | 3,906                     | 39%                     | 5                         |
| Biological assets                                                                | 4                                    | 4                                                 | -                         | 8%                      |                           |
| Intangible assets                                                                | 10                                   | 17                                                | (7)                       | (43%)                   | 6                         |
| Other                                                                            | 76                                   | 43                                                | 33                        | 76%                     | 7                         |
| <b>Total non-financial assets</b>                                                | <b>13,949</b>                        | <b>10,014</b>                                     | <b>3,934</b>              | <b>39%</b>              |                           |
| <b>Total assets</b>                                                              | <b>17,044</b>                        | <b>13,464</b>                                     | <b>3,580</b>              | <b>27%</b>              |                           |
| <b>Liabilities</b>                                                               |                                      |                                                   |                           |                         |                           |
| Payables                                                                         | 266                                  | 307                                               | (41)                      | (13%)                   | 8                         |
| Borrowings                                                                       | 557                                  | 510                                               | 46                        | 9%                      | 9                         |
| Provisions                                                                       | 348                                  | 367                                               | (18)                      | (5%)                    | 10                        |
| <b>Total liabilities</b>                                                         | <b>1,172</b>                         | <b>1,184</b>                                      | <b>(13)</b>               | <b>(1%)</b>             |                           |
| <b>Net assets</b>                                                                | <b>15,872</b>                        | <b>12,279</b>                                     | <b>3,593</b>              | <b>29%</b>              |                           |
| <b>Equity</b>                                                                    |                                      |                                                   |                           |                         |                           |
| Accumulated surplus/(deficit)                                                    | 4,584                                | 4,742                                             | (158)                     | (3%)                    |                           |
| Reserves                                                                         | 10,887                               | 6,692                                             | 4,195                     | 63%                     | 11                        |
| Contributed capital                                                              | 401                                  | 845                                               | (443)                     | (52%)                   | 12                        |
| <b>Total equity</b>                                                              | <b>15,872</b>                        | <b>12,279</b>                                     | <b>3,593</b>              | <b>29%</b>              |                           |

All amounts have been rounded to the nearest \$1 million unless otherwise stated. Figures may not add due to rounding. Published Budget 2025-26 figures have been restated to reflect the 2024-25 actual closing balances.

**Variance notes:**

1. Receivables were higher than the published budget, primarily due to the timing of payments received to support investment in renewable energy generation, storage and related infrastructure needed for the energy transition. They were also higher due to receivables associated with VicGrid, following its establishment as a State Business Corporation on 1 November 2025.

2. Other financial assets were lower than the published budget due to the transfer of contracts from the department to the State Electricity Commission for ongoing management, effective from 1 July 2025. This transfer aligns with the strategic plan to supply renewable electricity to public schools, hospitals, trains, trams and other government sites.
3. Inventories are higher than the published budget primarily due to the inventory for seed bank and fire store materials required to be held for emergency response events.
4. Non-financial assets classified as held for sale were lower than the published budget, due to the measurement of large-scale generation certificates for the Renewable Certificate Purchasing initiative, as a result of the updated blended price.
5. Property, plant and equipment assets were higher than the published budget, primarily due to the scheduled 5-year revaluation of assets at the end of the financial year.
6. Intangible assets were lower than the published budget due to the transfer of intangible assets to VicGrid as part of its establishment as a State Business Corporation on 1 November 2025.
7. Other non-financial assets were higher than the published budget, primarily due to prepayments to State Trustees Ltd associated with the Solar Victoria program for the management of concessional loans.
8. Payables were lower than the published budget due to the transfer of accrued expenses associated with VicGrid on its establishment as a State Business Corporation on 1 November 2025. Payables were also lower due to the transfer of accrued grants associated with the contracts that were transferred to the State Electricity Commission for ongoing management, effective from 1 July 2025. The transfer aligns with the strategic plan to supply renewable electricity to public schools, hospitals, trains, trams and other government sites.
9. Borrowings were higher than the budget due to the timing of payments to support investment in renewable energy generation, storage and related infrastructure needed for the energy transition, which have been moved to future years.
10. Provisions were lower than the published budget due to movement in employee entitlements as a result of the increase in the discount rate and decrease in the wage inflation rate used in the calculation of these entitlements.
11. Reserves were higher than the published budget primarily due to the scheduled 5-year revaluation of assets at the end of the financial year.
12. Contributed capital was lower than the published budget primarily due to the transfer of contracts to the State Electricity Commission for ongoing management, effective from 1 July 2025. The transfer aligns with the strategic plan to supply renewable electricity to public schools, hospitals, trains, trams and other government sites.

**Table 3. Statement of cash flows for the financial year ended 30 June 2026**

|                                                            | Actuals<br>2025-26<br>(\$m) | Published<br>Budget<br>2025-26<br>(\$m) | Variance<br>(\$m) | Variance<br>(%) | Variance<br>note |
|------------------------------------------------------------|-----------------------------|-----------------------------------------|-------------------|-----------------|------------------|
| <b>Cash Flow Statement - Controlled</b>                    |                             |                                         |                   |                 |                  |
| <b>Cash flows from operating activities</b>                |                             |                                         |                   |                 |                  |
| <b>Receipts</b>                                            |                             |                                         |                   |                 |                  |
| Receipts from government                                   | 2,228                       | 1,647                                   | 581               | 35%             | 1                |
| Receipts from other entities                               | 941                         | 970                                     | (29)              | (3%)            |                  |
| Interest received                                          | 36                          | 36                                      | -                 | 0%              |                  |
| Other receipts                                             | 112                         | 108                                     | 4                 | 4%              |                  |
| Goods and Services Tax recovered from the ATO              | (11)                        | -                                       | (11)              | 100%            |                  |
| <b>Total receipts</b>                                      | <b>3,305</b>                | <b>2,760</b>                            | <b>545</b>        | <b>20%</b>      |                  |
| <b>Payments</b>                                            |                             |                                         |                   |                 |                  |
| Payments of grants and other transfers                     | (1,421)                     | (1,151)                                 | (270)             | 23%             | 2                |
| Payments to suppliers and employees                        | (1,886)                     | (1,412)                                 | (473)             | 33%             | 3                |
| Interest and other costs of finance paid                   | (37)                        | (35)                                    | (2)               | 5%              | 4                |
| Goods and Services Tax paid to the ATO                     | (1)                         | -                                       | (1)               | 100%            |                  |
| <b>Total payments</b>                                      | <b>(3,345)</b>              | <b>(2,599)</b>                          | <b>(746)</b>      | <b>29%</b>      |                  |
| <b>Net cash flows from/ (used in) operating activities</b> | <b>(40)</b>                 | <b>161</b>                              | <b>(201)</b>      | <b>(125%)</b>   |                  |
| <b>Cash flows from investing activities</b>                |                             |                                         |                   |                 |                  |
| Net investment                                             | 1                           | (4)                                     | 5                 | (114%)          |                  |

|                                                                   | Actuals<br>2025-26<br>(\$m) | Published<br>Budget<br>2025-26<br>(\$m) | Variance<br>(\$m) | Variance<br>(%) | Variance<br>note |
|-------------------------------------------------------------------|-----------------------------|-----------------------------------------|-------------------|-----------------|------------------|
| <b>Cash Flow Statement - Controlled</b>                           |                             |                                         |                   |                 |                  |
| Payments for non-financial assets                                 | (158)                       | (272)                                   | 114               | (42%)           | 5                |
| Proceeds from sale of non-financial assets                        | 20                          | 9                                       | 11                | 126%            | 6                |
| Net loans to other parties                                        | 21                          | 44                                      | (23)              | (51%)           | 7                |
| Net (purchase)/disposal of investments – policy purposes          | -                           | -                                       | -                 | 100%            |                  |
| <b>Net Cash flow from/ (used in) investing activities</b>         | <b>(116)</b>                | <b>(223)</b>                            | <b>108</b>        | <b>(48%)</b>    |                  |
| <b>Cash flows from financing activities</b>                       |                             |                                         |                   |                 |                  |
| Owner contributions by state government                           | (337)                       | 130                                     | (468)             | (359%)          | 8                |
| Repayment of leases and service concession liabilities            | (7)                         | (25)                                    | 18                | (72%)           | 9                |
| Net borrowings                                                    | 529                         | (20)                                    | 549               | (2777%)         | 10               |
| <b>Net Cash flows from/ (used in) financing activities</b>        | <b>185</b>                  | <b>86</b>                               | <b>98</b>         | <b>114%</b>     |                  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>       | <b>29</b>                   | <b>24</b>                               | <b>5</b>          | <b>19%</b>      |                  |
| Cash and cash equivalents at the beginning of the financial year  | 1,563                       | 1,563                                   | -                 | 0%              |                  |
| <b>Cash and cash equivalents at the end of the financial year</b> | <b>1,592</b>                | <b>1,587</b>                            | <b>5</b>          | <b>0%</b>       |                  |

All amounts have been rounded to the nearest \$1 million unless otherwise stated. Figures may not add due to rounding.

**Variance notes:**

1. Receipts from government were higher than the published budget, primarily due to supplementary government funding provided to enable DEECA to deliver preparedness, response and recovery activities in relation to the 2025-26 Victorian Bushfires, as well as funding provided for drought support to farmers and communities. Funding was also released from contingency for the Power Saving Bonus for Vulnerable Consumers. Additionally, Commonwealth funding was provided for various initiatives such as the Detailed Assessments of the Restoring Flows to the Mallee Floodplain Project to assess the feasibility, environmental benefits and delivery requirements for restoring more natural wetting and drying cycles across 16 high-priority floodplain and wetland sites in the Mallee region.
2. Payments of grants and other transfers were higher than the published budget primarily due to a range of grant payments including support to farmers and communities facing severe drought conditions, to address the recovery needs from Western Victoria bushfires, providing power bill relief to vulnerable customers and for renewable energy transition. Additionally, Commonwealth grant payments were made to the Water Corporations to assess the feasibility, environmental benefits and delivery requirements for restoring more natural wetting and drying cycles across 16 high-priority floodplain and wetland sites in the Mallee region.
3. Payments to suppliers and employees were higher than the published budget primarily due to additional preparedness and response activities as part of emergency events across the state, and additional costs of VicGrid in respect of planning and development of Victoria's Renewable Energy Zones. Higher actuals were also associated with tripartite agreements with local councils and garbage collection contractors driven by the increase of organic waste generated and the increase of landfill levy rates.
4. Interest and other costs of finance paid were higher than budget due to costs associated with the timing of payments to support investment in renewable energy generation, storage and related infrastructure needed for the energy transition.
5. Payments for non-financial assets were lower than the published budget, due to the transfer of contracts from DEECA to the State Electricity Commission for ongoing management, effective from 1 July 2025.
6. Proceeds from the sale of non-financial assets were higher than the published budget, primarily due to Large-scale Generation Certificates associated with the Securing Our Energy Future – Solar Trams initiative.
7. Net loans to other parties were lower than the published budget due to lower-than-expected uptake of the Solar Homes program by eligible Victorian households.
8. Owner contributions by State Government were lower than the published budget primarily due to the transfer of contracts to the State Electricity Commission for ongoing management, effective from 1 July 2025.

9. Repayments of lease and service concession liabilities are higher than the published budget due to additional VicFleet motor-vehicle leases.
10. Movement in net borrowings was higher than the published budget due to the transfer of contracts to the State Electricity Commission for ongoing management, effective from 1 July 2025.

**Table 4. Statement of changes in equity for the financial year ended 30 June 2026**

| Statement of Changes in Equity - Controlled             | 2025-26<br>Actuals<br>(\$ m) | 2025-26<br>Published<br>Budget<br>(\$ m) | Variance<br>(\$ m) | Variance<br>(%) |
|---------------------------------------------------------|------------------------------|------------------------------------------|--------------------|-----------------|
| Opening accumulated surplus/(deficit)                   | 4,695                        | 4,695                                    | -                  | 0%              |
| Net result                                              | (112)                        | 47                                       | (158)              | (339%)          |
| Accumulated funds                                       | -                            | -                                        | -                  | 0%              |
| Adjustment due to change in accounting policy           | -                            | -                                        | -                  | 0%              |
| <b>Closing accumulated surplus/(deficit)</b>            | <b>4,584</b>                 | <b>4,742</b>                             | <b>(158)</b>       | <b>(3%)</b>     |
| Opening contribution by owners                          | 806                          | 806                                      | -                  | 0%              |
| Net transaction with owners in their capacity as owners | (405)                        | 39                                       | (443)              | (1145%)         |
| <b>Closing contribution by owners</b>                   | <b>401</b>                   | <b>845</b>                               | <b>(443)</b>       | <b>(52%)</b>    |
| Opening physical asset revaluation reserve              | 6,693                        | 6,693                                    | -                  | 0%              |
| Movement in physical asset reserve                      | 4,195                        | -                                        | 4,195              | 0%              |
| <b>Closing physical asset revaluation reserve</b>       | <b>10,887</b>                | <b>6,692</b>                             | <b>4,195</b>       | <b>63%</b>      |
| Other reserve                                           | -                            | -                                        | -                  | 0%              |
| Movement in other reserve                               | -                            | -                                        | -                  | 0%              |
| Closing other reserve                                   | -                            | -                                        | -                  | 0%              |
| <b>Total equity</b>                                     | <b>15,872</b>                | <b>12,279</b>                            | <b>3,593</b>       | <b>29%</b>      |

All amounts have been rounded to the nearest \$1 million unless otherwise stated. Figures may not add due to rounding.

**Table 5. Administered items statement for the financial year ended 30 June 2026**

| Administered items statement                                                           | Actuals<br>2025-26<br>(\$m) | Published<br>Budget<br>2025-26<br>(\$m) | Variance<br>(\$m) | Variance<br>(%) | Variance<br>notes |
|----------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------|-------------------|-----------------|-------------------|
| <b>Administered income</b>                                                             |                             |                                         |                   |                 |                   |
| Appropriations – payments made on behalf of the state                                  | 708                         | 739                                     | (31)              | -4%             |                   |
| Sales of goods and services                                                            | 319                         | 364                                     | (45)              | (12%)           | 1                 |
| Grants                                                                                 | 55                          | 8                                       | 48                | 632%            | 2                 |
| Interest income                                                                        | 384                         | 382                                     | 2                 | 0%              |                   |
| Other revenue and income                                                               | 423                         | 446                                     | (23)              | 11%             | 3                 |
| Fair value of assets and services received free of charge or for nominal consideration | 51                          | -                                       | 51                | 100%            | 4                 |
| <b>Total administered income</b>                                                       | <b>1,940</b>                | <b>1,939</b>                            | <b>(1)</b>        | <b>0%</b>       |                   |
| <b>Administered expenses</b>                                                           |                             |                                         |                   |                 |                   |
| Expenses on behalf of the state                                                        | 249                         | 289                                     | (40)              | (14%)           | 5                 |
| Grants expense                                                                         | 86                          | 44                                      | 42                | 96%             | 6                 |
| Payments into the Consolidated Fund                                                    | 1,245                       | 1,361                                   | (116)             | (9%)            | 7                 |
| Interest and depreciation expense                                                      | 356                         | 353                                     | 2                 | 1%              |                   |
| <b>Total administered expenses</b>                                                     | <b>1,936</b>                | <b>2,048</b>                            | <b>(112)</b>      | <b>(5%)</b>     |                   |
| <b>Income less expenses</b>                                                            | <b>4</b>                    | <b>(109)</b>                            | <b>113</b>        | <b>(104%)</b>   |                   |

|                                                                                             | Actuals<br>2025-26<br>(\$m) | Published<br>Budget<br>2025-26<br>(\$m) | Variance<br>(\$m) | Variance<br>(%) | Variance<br>notes |
|---------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------|-------------------|-----------------|-------------------|
| <b>Administered items statement</b>                                                         |                             |                                         |                   |                 |                   |
| <b>Other economic flows included in net result</b>                                          |                             |                                         |                   |                 |                   |
| Net gain/(loss) on non-financial assets                                                     | (32)                        | (10)                                    | (22)              | 222%            | 8                 |
| Net gain/(loss) on financial instruments and statutory receivables/payables                 | 1                           | -                                       | 1                 | 100%            |                   |
| Share of net profits/(losses) of associates and joint venture entities, excluding dividends | (29)                        | -                                       | (29)              | 100%            | 9                 |
| <b>Total other economic flows included in net result</b>                                    | <b>(60)</b>                 | <b>(10)</b>                             | <b>(50)</b>       | <b>509%</b>     |                   |
| <b>Net result</b>                                                                           | <b>(55)</b>                 | <b>(118)</b>                            | <b>63</b>         | <b>(53%)</b>    |                   |
| <b>Other economic flows - other comprehensive income</b>                                    |                             |                                         |                   |                 |                   |
| Asset revaluation reserve                                                                   | 36                          | -                                       | 36                | 100%            | 10                |
| Total other economic flows - other comprehensive income                                     | -                           | -                                       | -                 | 0%              |                   |
| <b>Comprehensive result</b>                                                                 | <b>36</b>                   | <b>-</b>                                | <b>36</b>         | <b>100%</b>     |                   |
| <b>Administered assets</b>                                                                  |                             |                                         |                   |                 |                   |
| Cash and deposits                                                                           | 44                          | 43                                      | 1                 | 3%              |                   |
| Receivables                                                                                 | 3,678                       | 3,657                                   | 21                | 1%              |                   |
| Investments accounted for using the equity method                                           | 267                         | 139                                     | 128               | 92%             | 11                |
| Property, plant and equipment                                                               | 1,086                       | 1,009                                   | 77                | 8%              | 12                |
| Intangible assets                                                                           | 387                         | 364                                     | 24                | 7%              | 13                |
| Non-financial assets classified as held for sale including disposal group assets            | -                           | 6                                       | (6)               | (96%)           | 14                |
| <b>Total administered assets</b>                                                            | <b>5,463</b>                | <b>5,218</b>                            | <b>245</b>        | <b>5%</b>       |                   |
| <b>Administered liabilities</b>                                                             |                             |                                         |                   |                 |                   |
| Payables                                                                                    | 95                          | 78                                      | 17                | 22%             | 15                |
| Borrowings                                                                                  | 2,989                       | 2,989                                   | -                 | 0%              |                   |
| Provisions                                                                                  | 27                          | 4                                       | 24                | 639%            | 16                |
| <b>Total administered liabilities</b>                                                       | <b>3,111</b>                | <b>3,071</b>                            | <b>41</b>         | <b>1%</b>       |                   |
| <b>Net assets</b>                                                                           | <b>2,351</b>                | <b>2,147</b>                            | <b>204</b>        | <b>10%</b>      |                   |

All amounts have been rounded to the nearest \$1 million unless otherwise stated. Figures may not add due to rounding.

#### Variance Notes:

- Sales of goods and services were lower than the published budget, primarily due to the reduced revenue from Melbourne Water Corporation as a result of a lower (50 GL) water order for the Victorian Desalination Plant.
- Grants were higher than the published budget, primarily due to external revenues collected as part of the Parks Victoria revenue retention arrangement.
- Other income is lower than the published budget, primarily due to lower-than-expected loan repayments, reflecting reduced uptake of solar battery and solar photovoltaic loans.
- Fair value of assets and services received free of charge or for nominal consideration was higher than the published budget primarily due to the recognition of Renewable Energy Certificates that were not utilised to offset energy consumption for the Victorian Desalination Project due to a lower (50GL) water order for 2025-26.
- Expenses on behalf of the state were lower than the published budget primarily due to lower-than-expected contract payments associated with the Victorian Desalination Project due to a lower (50GL) water order for 2025-26.

6. Grants expenses were higher than the budget due to additional payments to the State Electricity Commission to reimburse the cost of its voluntary surrender of Large Generation Certificates associated with retail contracts with government customers.
7. Payments into the Consolidated Fund were lower than the published budget, primarily due to payments received from Melbourne Water Corporation relating to the 50 GL water order for 2025-26 from the Victorian Desalination Plant. Lower payments were also impacted by the transfer of large-scale generation certificates relating to the contracts to State Electricity Commission for ongoing management.
8. Net loss on non-financial assets was higher than the published budget primarily due to the revaluation of Renewable Energy Certificates associated with the Victorian Desalination Project.
9. Share of net profits/(losses) of associates and joint venture entities, excluding dividends, was lower than the published budget, due to the recognition of Victoria's equity share in the financial result of the Marinus Link project.
10. Asset revaluation reserve was higher than the published budget primarily due to the higher Murray–Darling Basin Authority joint venture infrastructure asset balance.
11. Investments accounted for using the equity method were higher than the published budget as a result of Victoria's increased equity obligations for Marinus Link Stage 1, due to the updated project costs and contingencies.
12. Property, plant and equipment were higher than the published budget primarily due to the higher Murray–Darling Basin Authority joint venture infrastructure asset balance.
13. Intangible assets were higher than the published budget primarily due to the recognition of renewable energy certificates that were not required to offset the energy consumption for the Victorian Desalination Plant and are expected to be used in future years.
14. Non-financial assets classified as held for sale including disposal group assets were lower than the published budget due to Renewable Energy Certificates associated with contracts that were transferred to the State Electricity Commission for ongoing management as part of its strategic plan.
15. Payables were higher than the published budget, due to an advance to VicGrid for the planning and development of Victoria's Renewable Energy Zones and transmission infrastructure, to support the transition to renewable energy.
16. Provisions were higher than the published budget primarily due to the recognition of renewable energy certificates that were not required to offset energy consumption for the Victorian Desalination Plant and are expected to be used in future years.

## Appendix 5: Capital projects

The department and its related portfolio entities manage a range of capital projects to deliver services for government.

Information on new and existing capital projects for departments and the broader Victorian public sector is contained in the most recent [Budget Paper No. 4: State Capital Program](#). During 2025-26, the department completed the following capital projects with a Total Estimated Investment (TEI) of \$10 million or greater. The details related to these projects are reported below:

**Table 1: Capital projects reaching practical and financial completion during the financial year ended 30 June 2026**

| Project Name                                                      | Original completion date | Latest approved completion date | Practical completion date | Financial completion date | Reason for variance in completion dates | Original approved TEI budget (\$ million) | Latest approved TEI budget (\$ million) | Actual TEI cost (\$ million) | Variation between actual cost and latest approved TEI budget (\$ million) | Reason for variance from latest approved TEI budget |
|-------------------------------------------------------------------|--------------------------|---------------------------------|---------------------------|---------------------------|-----------------------------------------|-------------------------------------------|-----------------------------------------|------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|
| Critical bushfire and emergency asset maintenance and replacement | Jun-26                   | Jun-26                          | Jun-26                    | Jun-26                    | N/A                                     | 20.0                                      | 18.9                                    | 18.9                         | N/A                                                                       | N/A                                                 |
| Improving amenities for regional tourism                          | Jun-26                   | Jun-26                          | Jun-26                    | Jun-26                    | N/A                                     | 11.6                                      | 11.6                                    | 11.6                         | N/A                                                                       | N/A                                                 |
| Protecting Victoria's Park Heritage Icons (statewide)             | Jun-26                   | Jun-26                          | Jun-26                    | Jun-26                    | N/A                                     | 16.5                                      | 16.5                                    | 16.5                         | N/A                                                                       | N/A                                                 |



## Appendix 6: Disclosure of grants and transfer payments

During 2025-26, the department provided \$1.243 billion in grants and transfer payments to various organisations and individuals. This comprises \$1.229 billion in discretionary grants (Table 1), as well as \$0.014 billion in Commercial-in-Confidence payments to 12 recipients (Table 2).

The below tables provide a summary of grants and transfer payments provided by the department to grant recipients and receiving organisations by output and program. A detailed version that includes disclosures for all grant and payment recipients, is available on the department's [Annual Report website](#).

For the purposes of this annual report disclosure, the following definition applies for a grant: a grant pertains to any monies included as a controlled expense within a department's output schedule that is allocated to:

- any government entity (including general government entities and public non-financial corporations)
- third-party or parties outside the public sector and at the discretion of a department or agency, with recipients required to use the monies for the specific purposes outlined in the particular funding agreement.

**Table 1: Grants and transfer payments to government entities and third parties**

| Program Name (by Output)                             | \$                       | Program Name (by Output)                                           | \$              |
|------------------------------------------------------|--------------------------|--------------------------------------------------------------------|-----------------|
| <b>Agriculture</b>                                   | <b>\$ 152,979,696.78</b> | National Varroa Mite Response Program 2022-2026                    | \$1,225,429.55  |
| Agricultural and Pastoral Societies Program          | \$292,013.04             | Nursery and Garden Industry Victoria Branch Out 2025               | \$100,000.00    |
| Agriculture Sector Development                       | \$45,000.00              | On-Farm Emissions Action Plan Pilot                                | \$1,735,073.00  |
| Animal Care and Protection - Ballarat Animal Shelter | \$5,000,000.00           | On-farm Kangaroo Control Rebate                                    | \$9,643.83      |
| Animal Welfare Fund Program                          | \$2,902,792.36           | Partnerships Against Pests (2022-2027)                             | \$1,652,505.02  |
| Animal Welfare Support - Allocated Grants            | \$455,233.33             | Plantations Investment Strategy                                    | \$489,709.96    |
| Backing Victoria's World-class Producers to Grow     | \$1,562,380.00           | Protecting Victoria from biosecurity threats                       | \$19,722,509.00 |
| Carbon Farming Outreach Program                      | \$940,269.00             | Putting Animal Welfare First                                       | \$8,000,000.00  |
| Distillery Door Program                              | \$6,241,600.25           | QFF Transition Grants Program 2025-26                              | \$1,200,000.00  |
| Drought - fee and duty relief                        | \$307,496.00             | Regional Drought Resilience Planning Program Implementation Grants | \$95,598.00     |
| Drought Support Initiative 2024-2030                 | \$69,472,515.54          | Resilience and Recovery                                            | \$305,728.00    |
| Emergency Animal diseases outbreak funding           | \$150,000.00             | Rural Financial Counselling Service                                | \$2,151,375.64  |
| Emergency Fodder Distribution Rebate Program         | \$284,768.13             | Skilled and Healthy Farming Workforce Initiative                   | \$900,000.00    |
| Enhancing Livestock Traceability                     | \$150,752.30             | State Prohibited Weed Management                                   | \$45,000.00     |
| Food and Agriculture into Asia                       | \$544,361.00             | Targeted Cat Desexing Program                                      | \$7,500.00      |
| Food and Beverage program                            | \$5,000.00               | Trees on Farms Utilisation Program                                 | \$130,000.00    |
| Food Regulator Consolidation                         | \$150,000.00             | Forestry Transition Program                                        | \$20,059,717.00 |
| Horticultural Netting Program                        | \$3,742,506.13           | Victorian Grown                                                    | \$100,000.00    |
| Land Restoration and Carbon Storage Program          | \$362,476.50             | Wine Grape Smoke Rebate Program                                    | \$10,000.00     |
| Livestock Biosecurity Funds Grant Program            | \$2,215,318.24           |                                                                    |                 |
| National Response Plan Payments                      | \$167,105.43             |                                                                    |                 |

| Program Name (by Output)                                                                         | \$                      |
|--------------------------------------------------------------------------------------------------|-------------------------|
| Young Farmer Scholarship                                                                         | \$48,320.53             |
| <b>Circular Economy</b>                                                                          | <b>\$ 18,628,111.30</b> |
| Charitable Recycler Grants Program 2024-2028                                                     | \$1,724,328.44          |
| Household Recycling Reform Program                                                               | \$2,696,792.62          |
| Illegal Dumping Clean-Up Rebate                                                                  | \$222,919.50            |
| Recycling Victoria: Container Deposit Scheme                                                     | \$116,978.00            |
| Recycling Modernisation Fund                                                                     | \$4,207,009.00          |
| Strengthening recycling infrastructure                                                           | \$2,296,184.59          |
| Sustainability Victoria Revenue Retention                                                        | \$7,363,899.15          |
| <b>Climate Action</b>                                                                            | <b>\$4,285,619.81</b>   |
| Air quality monitoring and community science initiatives                                         | \$757,111.10            |
| Great Ocean Road Management Reform                                                               | \$545,508.71            |
| ResourceSmart Schools                                                                            | \$2,980,000.00          |
| Victoria's climate projections                                                                   | \$3,000.00              |
| <b>Effective Water Management and Supply</b>                                                     | <b>\$175,716,916.41</b> |
| 2019-20 Eastern Victorian Bushfire Rebuilding Rebate Program                                     | \$107,926.10            |
| 2024-28 Environmental Water                                                                      | \$7,725,267.00          |
| 2025-26 Catchment Management Authority Corporate and Statutory funding                           | \$4,887,000.00          |
| 2025-26 Corangamite Catchment Management Authority - Enterprise Agreement Funding Supplement     | \$279,000.00            |
| 2025-26 Goulburn Broken Catchment Management Authority - Enterprise Agreement Funding Supplement | \$380,000.00            |
| 2025-26 Wimmera Catchment Management Authority - Enterprise Agreement Funding Supplement         | \$132,000.00            |
| 2026-27 Catchment Management Authority Corporate and Statutory funding                           | \$1,395,000.00          |
| Accessing Private Water Bores for Community Water Supply Project                                 | \$2,375,000.00          |

| Program Name (by Output)                                                                       | \$              |
|------------------------------------------------------------------------------------------------|-----------------|
| Authorised Water Officers Webinar Training Series 2026                                         | \$4,000.00      |
| Bendigo Groundwater Project                                                                    | \$5,306,432.19  |
| Blue-green Algae testing – Wannon Water                                                        | \$50,000.00     |
| Constraints Measures Program                                                                   | \$528,900.00    |
| CSIRO Algal Monitoring Portal                                                                  | \$95,000.00     |
| Dam Safety and Regulation - Preventing and responding to water related emergencies             | \$100,000.00    |
| Drought Employment Program 2025                                                                | \$1,000,000.00  |
| Environmental Contribution Tranche 5 (EC5) Waterway Health                                     | \$552,775.00    |
| EC5 Integrated Water Management Program                                                        | -\$57,421.35    |
| EC5 Water Efficiency                                                                           | \$25,000.00     |
| EC5 Water Country and Community                                                                | \$8,000.00      |
| EC5-Environmental Water                                                                        | \$1,010,000.00  |
| EC5-Iconic Rivers                                                                              | \$225,000.00    |
| EC5-Resilient Water Markets Regional Communities and Infrastructure                            | \$141,000.00    |
| EC6 - Knowing and sharing Victoria's water resources - Management of Groundwater               | \$220,000.00    |
| EC6 Goulburn to Murray Env Values Monitoring                                                   | \$556,388.47    |
| EC6 Waterway Policy and Programs                                                               | \$3,030,964.06  |
| EC6 Waterway Programs - Victorian Water Programs Investment Framework                          | \$40,886,367.00 |
| EC6 Our Catchments, Our Communities (OCOC)                                                     | \$4,939,280.00  |
| Enhanced Environmental Water Delivery Stage 2                                                  | \$688,927.00    |
| Environmental Water                                                                            | \$162,890.00    |
| Flood Reclamation Roadmap - Fast Tracking Flood Planning 2024 - 2027                           | \$2,565,000.00  |
| Glenelg-Hopkins Catchment Management Authority 2025-26 Enterprise Agreement Funding Supplement | \$63,000.00     |
| Goulburn-Murray Water Murray operations and delivery                                           | \$10,000.00     |

| Program Name (by Output)                                                                                   | \$              |
|------------------------------------------------------------------------------------------------------------|-----------------|
| Goulburn-Murray Water Place of Take Transition 2024                                                        | \$20,000.00     |
| Governance Support for Water Sector Emergency Preparedness for Cyber Security Incident                     | \$60,000.00     |
| Green Links                                                                                                | \$2,339,206.20  |
| Iconic Urban Waterways Program - EC6                                                                       | \$2,375,000.00  |
| Implementation of the Central and Gippsland Sustainable Water Strategy.                                    | \$95,000.00     |
| Integrated Water Management (IWM) Program - EC6                                                            | \$3,889,607.00  |
| Integrated Water Policy Program - EC6                                                                      | \$617,158.10    |
| Melbourne Water - Advisory Services                                                                        | \$545,454.55    |
| Murray-Darling Basin Telemetry Uplift Program                                                              | \$344,000.00    |
| Phase 3 of the Aboriginal Water Program                                                                    | \$10,905,177.00 |
| Reducing the Risks of Floods in a Changing Climate July 2024 - June 2028                                   | \$4,249,470.91  |
| Regional flood planning amendments program                                                                 | \$75,000.00     |
| Resilient Rivers Water Infrastructure Program                                                              | \$4,730,658.00  |
| Restoring Flows to the Mallee Floodplains                                                                  | \$24,700,000.00 |
| Rural Water Infrastructure Program                                                                         | \$2,330,105.82  |
| Small catchment dam - spatial data uplift support                                                          | \$400,000.00    |
| Sustainable irrigation program (EC6 - 2024-28) - Water wise and resilient rural communities implementation | \$6,164,000.00  |
| Sustainable Water Strategy and Drought                                                                     | \$2,088,289.09  |
| The Living Murray Program                                                                                  | \$4,561,834.00  |
| Urban Rivers And Catchment Program                                                                         | \$6,827,961.00  |
| Victorian Murray Floodplain Restoration Project                                                            | \$16,507,000.00 |
| Victorian Water Register Evolve Project                                                                    | \$255,046.00    |
| Victorian Water Register Program                                                                           | \$18,750.00     |

| Program Name (by Output)                                                             | \$                      |
|--------------------------------------------------------------------------------------|-------------------------|
| Water Digital Standards Operating Model                                              | \$272,727.27            |
| Water Efficiency Program EC6                                                         | \$1,639,726.00          |
| Water Monitoring and Data Program                                                    | \$25,169.00             |
| Water Resource Strategy - EC5 funding                                                | -\$127,119.00           |
| Water Resource Strategy Policy and Frameworks - EC6                                  | \$375,000.00            |
| Western Region Sustainable Water Strategy                                            | \$40,000.00             |
| <b>Energy</b>                                                                        | <b>\$136,434,490.02</b> |
| \$250 Power Saving Bonus                                                             | \$200,000.00            |
| 100 Neighbourhood Batteries Program                                                  | \$11,653,798.95         |
| Acceleration of Zero Emissions Vehicles Adoption                                     | \$621,461.47            |
| Cheaper Home Electric Energy Program                                                 | \$1,136,920.00          |
| CivVic Labs Pre-Accelerator Program - Energy Tech Startups                           | \$480,000.00            |
| Community Climate Change Adaptation Partnership Program                              | \$410,000.00            |
| Community Housing Audit Program                                                      | \$790,000.00            |
| Community Microgrids and Sustainable Energy Program                                  | \$500,000.00            |
| Community Power Hubs                                                                 | \$728,000.00            |
| Continuing Professional Development - Electrical Workers                             | \$1,887,000.00          |
| Development of Victorian Renewable Energy Zones                                      | \$5,886,837.26          |
| Energy Efficiency Council national funding for Certified Insulation Installer Scheme | \$770,231.00            |
| Electrification and energy efficiency in strata apartments                           | \$100,000.00            |
| Energy Bill Relief 2025-26                                                           | \$9,762,838.00          |
| Energy efficiency advice to inform Victorian government policies and programs        | \$50,000.00             |
| Energy Efficiency in Social Housing Program                                          | \$43,559,578.07         |
| First Peoples Adoption of Renewable Energy Program                                   | \$100,000.00            |
| Gippsland Offshore Wind Transmission - Land Access                                   | \$205,000.00            |

| Program Name (by Output)                                           | \$                      |
|--------------------------------------------------------------------|-------------------------|
| Implementation of the Building Electrification Regulations         | \$900,000.00            |
| Industry Diversification Program                                   | \$10,000,000.00         |
| Insulation Installer Certification Fee Subsidy                     | \$35,610.00             |
| Large Energy User Electrification Support Program                  | -\$59,800.00            |
| Minimum Energy Efficiency Standards Implementation                 | \$180,000.00            |
| NABERS Program Management Agreement                                | \$189,576.00            |
| Neighbourhood Battery Initiative                                   | \$750,000.00            |
| New Renewable Energy VET Certificates                              | \$2,000,000.00          |
| Planning Study for VNI West                                        | \$153,000.00            |
| Power Saving Bonus 2025-26                                         | \$18,642,862.00         |
| Prolonged Power Outage Support Program                             | \$4,482,928.00          |
| Registered Aboriginal Party Engagement Funding Tranche 1           | \$660,000.00            |
| Reimbursement of COVID-19 Debt Levy costs                          | \$392,415.00            |
| Renewable Energy Zone Development Plan Stage 2                     | \$140,881.94            |
| Renewable Hydrogen Commercialisation Pathways Fund                 | \$670,000.00            |
| Sustainability Fund                                                | \$18,179,827.00         |
| Traditional Owner Renewable Energy Program                         | \$45,000.00             |
| Victorian Energy Upgrades Insulation Training Program              | \$182,576.33            |
| Victorian Energy Upgrades                                          | \$41,652.00             |
| Victorian Transmission Investment Framework - Stage 2              | \$6,297.00              |
| <b>Environment and Biodiversity</b>                                | <b>\$ 68,998,986.11</b> |
| Activating Healthy Forests                                         | \$114,000.00            |
| Aerial Deer Control Program                                        | \$270,000.00            |
| Australian Government Saving Native Species                        | \$90,000.00             |
| Caring for Koalas                                                  | \$250,000.00            |
| Charles Sturt University scholarship                               | \$23,000.00             |
| Otolith processing and microchemistry on fish population structure | \$7,880.00              |
| Glenelg Freshwater Mussel Breeding Program 2024/25                 | \$75,000.00             |

| Program Name (by Output)                                                         | \$              |
|----------------------------------------------------------------------------------|-----------------|
| Southern Bent-wing Bat recovery                                                  | \$20,000.00     |
| ARC Laureate Industry Fellowships Collaborative Research Agreement               | \$3,000.00      |
| Swan Galaxias Recovery                                                           | \$20,000.00     |
| The Living Murray Mallee Condition Monitoring and Fish Movement 2025-26          | \$24,693.00     |
| Coastcare Victoria Program                                                       | \$119,708.00    |
| Deer Control Program                                                             | \$3,374,250.00  |
| Emergency Post-Fire Recovery of Priority Flora and Fauna in Gariwerd (Grampians) | \$384,560.00    |
| Enterprise Agreement Payment for VPS Staff                                       | \$754,694.00    |
| Hume Natural Environment Programs                                                | \$9,734.26      |
| Improving the health of the Yarra River through reduction                        | \$150,000.00    |
| Improving Victoria's Biodiversity - Protecting Biodiversity                      | \$100,000.00    |
| Land For Wildlife                                                                | \$200,000.00    |
| Land Restoration and Carbon Storage Program                                      | \$37,740.00     |
| Landcare - Community Partnerships                                                | \$700,000.00    |
| Landcare - Corporate Partnerships                                                | \$100,000.00    |
| Landmate                                                                         | \$309,629.81    |
| Mange Wombat Management                                                          | \$50,000.00     |
| Melbourne Strategic Assessment                                                   | \$10,882,322.01 |
| Mental Health & Wellbeing                                                        | \$68,036.00     |
| Municipal and Industrial Waste Levy Distributions                                | \$3,586,804.00  |
| Nature Fund                                                                      | \$1,210,548.00  |
| Nature Restoration for carbon storage - BushBank                                 | \$3,848,763.00  |
| On-Ground Biodiversity Protection and Enhancement                                | \$33,635.00     |
| People and Parks Foundation Base Operations                                      | \$150,000.00    |
| Peri-Urban Weed Management Partnership                                           | \$896,500.00    |
| Port Phillip Bay Fund                                                            | \$1,195,344.80  |
| Preston/Reservoir Tree Planting                                                  | \$190,000.00    |
| Protected Species and Places Preparedness Program                                | \$2,556,988.00  |

| Program Name (by Output)                                      | \$             |
|---------------------------------------------------------------|----------------|
| Protecting Biodiversity                                       | \$8,058,000.00 |
| Protecting Important Biodiversity Areas Program - Program     | \$75,000.00    |
| Protecting our parks, pets and wildlife - animal welfare      | \$775,000.00   |
| Recovering Forest Biodiversity                                | \$1,298,880.00 |
| Regional Landcare Coordination                                | \$2,014,550.00 |
| Regional Planning-Strategic Approaches                        | \$73,633.00    |
| Renewables Environmental Research Initiative                  | \$743,177.80   |
| Species and Landscape Protection Program                      | \$105,055.00   |
| Support for Traditional Owner Corporations 2026               | \$2,400,000.00 |
| Targeted Wildlife Projects                                    | \$105,000.00   |
| The Urban Rivers Platypus Recovery Initiative                 | \$2,527,440.00 |
| Strengthening Country Grants 2023-2027                        | \$1,425,000.00 |
| Traditional Owner Corporations Cultural Identity              | \$20,000.00    |
| Traditional Owner Departmental Liaison Officer                | \$2,663,666.00 |
| Tati Tati Kaiejin language remuneration                       | \$5,000.00     |
| Victorian Government Covenanting Program                      | \$80,000.00    |
| Victorian Junior Landcare and Biodiversity Grants             | \$450,000.00   |
| Victorian Landcare Facilitator Program                        | \$8,577,778.25 |
| Victorian Landcare for Country                                | \$102,250.00   |
| Victorian Landcare Grants                                     | \$3,550,000.00 |
| Weeds and Pests on Public Land                                | \$920,000.00   |
| Wildlife Care and Protection                                  | \$20,000.00    |
| Wildlife Rehabilitator Grants Program                         | \$355,908.00   |
| Wildlife Victoria Hotline                                     | \$600,000.00   |
| Winton Wetlands Financial Support 2024-2026                   | \$181,818.18   |
| Worawa Aboriginal College Borehole Project                    | \$60,000.00    |
| Young-of-year Murray cod otolith microchemistry spot analysis | \$5,000.00     |

| Program Name (by Output)                                       | \$                     |
|----------------------------------------------------------------|------------------------|
| <b>Fire and Emergency Management</b>                           | <b>\$39,826,713.22</b> |
| 2026 Victorian Bushfires - Immediate public land recovery      | \$5,999,999.00         |
| Bangerang Core Funding 2026                                    | \$15,000.00            |
| New Technologies for Safer and More Productive Firefighting    | \$135,000.00           |
| On ground reconnaissance for bushfire impacted aquatic species | \$200,000.00           |
| Community Infrastructure Accessibility and Sustainability      | \$200,000.00           |
| Community Partnerships for Bushfire Recovery Western Victoria  | \$500,000.00           |
| Cooperative Operating Plan (COP) to - Fuel Management Program  | \$1,283,313.33         |
| Emergency Management Reimbursement                             | \$5,149,020.12         |
| Fencing Repair and Replacement Program                         | \$1,446,736.17         |
| FLARE Wildfire Research                                        | \$300,000.00           |
| Forest and Fire Risk Management Agreement                      | \$758,056.00           |
| Traditional Owner Corporation review                           | \$25,000.00            |
| Integrated Forest Ecosystem Research Agreements                | \$326,160.00           |
| January 2026 Bushfires - Immediate Recovery                    | \$6,482,500.00         |
| La Laar Ba Gauwa Park - Rehabilitation of a control line       | \$18,000.00            |
| Landscape Monitoring Program                                   | \$33,000.00            |
| Long-term recovery needs for Western Victoria bushfires        | \$1,500,000.00         |
| Outdoor Recreation and Nature Statement                        | \$1,400,000.00         |
| Planet Skysat Satellite Tasking - DTV                          | \$7,390.00             |
| Recovery Water Tank Rebates                                    | \$50,823.00            |
| Safer Together                                                 | \$7,514,430.00         |
| State Control Centre Annual Program                            | \$1,412,285.60         |
| Western Victorian Bushfires Long term Recovery                 | \$4,931,000.00         |
| Implementation of The Hazelwood Mine Fire Inquiry Reports      | \$139,000.00           |

| Program Name (by Output)                                                                | \$                      |
|-----------------------------------------------------------------------------------------|-------------------------|
| <b>Management of Public Lands and Forests</b>                                           | <b>\$162,173,387.54</b> |
| Air Quality Improvement Precincts                                                       | \$262,150.00            |
| Albert Park Pit Building remediation works                                              | \$24,767,000.00         |
| Allocation of Funding to Victorian Plantation Corporation                               | \$200,862.00            |
| Alpine Resorts Victoria - Financial Support                                             | \$2,976,000.00          |
| Conservation genomics for adaptable native forests                                      | \$9,344.00              |
| Beach Cleaning Subsidy Program                                                          | \$1,168,524.59          |
| Beaconsfield Recreational Reserve - Essential asset upgrades                            | \$17,754.00             |
| Barengi Gadjin Land Council Aboriginal Corporation Recognition and Settlement Agreement | \$3,334,439.00          |
| Bunurong Land Council Aboriginal Corporation CoM appointment for 4 reserves             | \$147,272.73            |
| Coastal Public Access and Risk                                                          | -\$19,666.65            |
| Coastal Works Delivery Program                                                          | \$67,250.00             |
| Co-operative Management Implementation Funding                                          | \$483,194.00            |
| Dalatite Arm Restoration                                                                | \$600,000.00            |
| Dja Dja Wurrung Clans Aboriginal Corporation Recognition and Settlement Agreement       | \$3,196,917.00          |
| Deer Management - Barengi Gadjin Land Council                                           | \$40,000.00             |
| Delivering Outdoor Recreation and Tourism                                               | \$80,000.00             |
| Disbursements of Parks and Reserves Trust Account Funds                                 | \$58,417,000.00         |
| Discover our Forests                                                                    | \$94,000.00             |
| Doing what Matters for Local Communities - South Barwon                                 | \$85,898.00             |
| Enabling Joint Management in Barmah NP                                                  | \$30,000.00             |
| Eminent Panel for Community Engagement / Great Outdoors Taskforce Priority Projects     | \$300,000.00            |
| Financial Support for Alpine Resorts Victoria                                           | \$3,633,108.00          |
| FLARE Wildfire Research                                                                 | \$225,000.00            |

| Program Name (by Output)                                                                               | \$              |
|--------------------------------------------------------------------------------------------------------|-----------------|
| Forest and Fire Risk Management Agreement                                                              | \$405,000.00    |
| Future Forests Program                                                                                 | \$50,054.32     |
| Galk-galk Dhelkunya Monitoring Coordinator                                                             | \$100,000.00    |
| Gunaikurnai Land and Waters Aboriginal Corporation Recognition and Settlement Agreement Implementation | \$4,450,000.00  |
| Great Ocean Road Management Reform                                                                     | \$27,660,845.76 |
| Implementation of the Victorian Forestry Plan                                                          | \$486,000.00    |
| Implementing Great Ocean Road Management reforms                                                       | \$800,000.00    |
| Integrated Forest Ecosystem Research Agreements                                                        | \$2,000,000.00  |
| Kangaroo Harvesting Program                                                                            | \$166,000.00    |
| Liwik Barring Landscape Conservation Area                                                              | \$565,000.00    |
| Mainstreaming Nature Based Adaptation in Victoria                                                      | \$45,000.00     |
| Managing Contaminated Public Land                                                                      | \$189,000.00    |
| Melbourne International Flower & Garden Show 2026                                                      | \$210,000.00    |
| Mental Health & Wellbeing                                                                              | \$151,820.00    |
| Metropolitan Cultural Heritage Conservation and Tourism Fund                                           | \$1,500,000.00  |
| Municipal and Industrial Waste Levy Distributions                                                      | \$3,129,766.00  |
| National Trust Crown Land Grant Program                                                                | \$242,000.00    |
| National Hazards Research Australia Participants Agreement                                             | \$400,000.00    |
| Open Space Programs - Open Space for Everyone Implementation                                           | \$4,337,155.69  |
| Parks Victoria RSA Implementation program                                                              | \$470,000.00    |
| Public Safety on Public Land - Grampians                                                               | \$13,040.91     |
| Public Safety on Public Land - Loddon Mallee                                                           | \$188,500.00    |
| Public Safety on Public Land Program- Hume                                                             | \$56,743.90     |
| Recovering Forest Biodiversity                                                                         | \$1,850,000.00  |



| Program Name (by Output)                                                               | \$                      |
|----------------------------------------------------------------------------------------|-------------------------|
| Regulatory Priorities: Illegal Take of firewood & Protection Threatened Species        | \$25,000.00             |
| Revitalising Central Geelong                                                           | \$200,000.00            |
| Sea Country Grants                                                                     | \$41,499.00             |
| Shoreham Foreshore Reserve - Infrastructure investment                                 | \$30,912.29             |
| Storm and Flood Recovery                                                               | \$500,000.00            |
| Suburban Parks Program                                                                 | \$1,264,161.00          |
| Suburban Parks Program - Open Space Programs                                           | \$664,375.00            |
| Supporting Traditional Owners Care for Country                                         | \$6,602,840.00          |
| Taungurung Land and Waters Council Recognition and Settlement Agreement Implementation | \$1,571,280.00          |
| VicCoasts                                                                              | \$8,186.00              |
| Victorian Coastal Monitoring Program                                                   | \$195,000.00            |
| Volunteer Committees of Management - Targeted Asset Maintenance and Upgrades           | \$597,810.59            |
| Wildlife Recovery Support Rebate                                                       | \$19,788.12             |
| Wildlife Services                                                                      | \$446,169.79            |
| Winton Wetlands Growling Grass Frogs Re-Introduction                                   | \$7,500.00              |
| Wotjobaluk, Dja Dja Wurrung & Eastern Maar RSA Implementation                          | \$416,892.50            |
| <b>Parks Victoria</b>                                                                  | <b>\$203,974,768.00</b> |
| Disaster Relief Recovery Funding 2026                                                  | \$5,200,000.00          |
| Disbursements of Parks and Reserves Trust Account Funds                                | \$88,207,000.00         |
| Enhancing National Pest Animal and Weed Management                                     | \$616,000.00            |
| Long-term recovery needs for Western Victoria bushfires                                | \$24,545,230.00         |
| Municipal and Industrial Waste Levy Distributions                                      | \$49,698,538.00         |

| Program Name (by Output)                                                   | \$                      |
|----------------------------------------------------------------------------|-------------------------|
| Parks Victoria Recognition and Settlement Agreement Implementation program | \$397,000.00            |
| Parks Victoria Revenue Retention Payment                                   | \$35,311,000.00         |
| <b>Resources</b>                                                           | <b>\$1,198,929.00</b>   |
| Community Advisor - Earth Resources                                        | -\$21,571.00            |
| Critical Minerals Roadmap Implementation                                   | \$1,025,500.00          |
| Former Mines and Quarries Framework                                        | \$195,000.00            |
| <b>Solar Victoria</b>                                                      | <b>\$80,933,662.11</b>  |
| Apprenticeships For Women Grant Program                                    | \$67,414.02             |
| Construction Industry Transition Training                                  | -\$5,069.51             |
| Electrification Training and Workforce Development Program 2025-2028       | \$1,302,145.00          |
| Residential Electrification Grants                                         | \$248,400.00            |
| Service Victoria Program of Work                                           | \$300,000.00            |
| Solar For Apartments                                                       | \$541,027.96            |
| Solar Homes Program                                                        | \$78,370,754.64         |
| Solar Homes Sponsorship                                                    | \$11,350.00             |
| Upskilling electricians to design and install solar PV and battery Program | \$49,140.00             |
| Upskilling Plumbers 2024-25                                                | \$48,500.00             |
| <b>Statutory Activities and Environment Protection</b>                     | <b>\$183,762,227.00</b> |
| Sustainability Victoria Administration                                     | \$11,500,000.00         |
| Municipal and Industrial Waste Levy Distributions                          | \$168,653,227.00        |
| Sustainability Fund                                                        | \$2,757,000.00          |
| Implementation of The Hazelwood Mine Fire Inquiry Reports                  | \$852,000.00            |



Where grant programs or recipients are classified as 'Commercial-in-Confidence', for annual report disclosure purposes, this section includes: the aggregated dollar amount; the number of recipients that received the grant; and the nature of the grant.

**Table 2: Grants and transfers that are 'Commercial-in-Confidence'**

| Program name                               | Number of recipients | Amount (\$)            |
|--------------------------------------------|----------------------|------------------------|
| <b>Agriculture</b>                         |                      | <b>\$2,923,299.54</b>  |
| Emergency Plant Pest Responses             | 1                    | \$655,247.19           |
| Plantations Investment Strategy            | 1                    | \$1,996,503.75         |
| Yanac Dingo Exclusion Fencing Program      | 5                    | \$271,548.60           |
| <b>Energy</b>                              |                      | <b>\$11,520,075.30</b> |
| Energy Innovation Fund                     | 2                    | \$2,460,000.00         |
| Renewable Energy Zones                     | 1                    | \$5,244,338.30         |
| Portland Aluminium Smelter Support Program | 2                    | \$3,815,737.00         |

## Appendix 7: Environmental Contributions

Water corporations are required to make an environmental contribution to fund initiatives that promote the sustainable management of water or address adverse water-related environmental impacts, equivalent to 5% of urban authorities' revenues and 2% of rural water authorities' revenues. Section 195 of the *Water Industry Act 1994* requires DEECA to report on the details of expenditure funded by environmental contributions in its annual report.

### Environmental Contribution Tranche 5

In 2019-20, the Victorian Government committed to a fifth tranche of the environmental contribution (EC5). The fifth tranche, which commenced on 1 July 2020, raised \$693.92 million over 4 years to fund the implementation of the government's strategic directions for managing the state's water and catchment resources.

The table below displays all project expenditure funded by the fifth tranche of the environmental contribution in 2025-26. As at 30 June 2026, total EC5 expenditure since commencement amounted to \$691.92 million, with \$2.00 million remaining for allocation to approved programs in the forward years. The annual expenditure of these projects will continue to be reported until completion.

### Environmental Contribution Tranche 6

In 2023-24, the Victorian Government committed to a **sixth tranche of the environmental contribution** (EC6). The sixth tranche, which commenced on 1 July 2024, is expected to generate \$706.85 million over 4 years to fund the implementation of the government's strategic directions for managing the state's water and catchment resources.

The table below displays all project expenditure funded by the sixth tranche of the environmental contribution in 2025-26. As at 30 June 2026, total EC6 expenditure since commencement is \$295.53 million, with \$411.32 million to spend in the forward years, of which \$345.47 million has been approved and allocated to programs, and the remaining \$65.86 million is yet to be allocated. The annual expenditure of these projects will be reported until their completion.

| Program                                                                                                                                | 2025-26 expenditure<br>\$'m |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>Program title (EC5)</b>                                                                                                             |                             |
| Protecting waterways so our wildlife can thrive                                                                                        | 2.31                        |
| <b>Total output funding (EC5)</b>                                                                                                      | <b>2.31</b>                 |
| <b>Program title (EC6)</b>                                                                                                             |                             |
| Accelerating water cycle climate action: Becoming net-zero and disaster ready                                                          | 1.93                        |
| Environmental watering infrastructure to restore Victorian high-value sites in southern Murray Darling Basin floodplains and waterways | 0.81                        |
| Improving the health, resilience and enjoyment of Victoria's waterways, catchments and Country                                         | 74.00                       |
| Increased Traditional Owner access to water and decision making in water management                                                    | 12.55                       |
| Knowing and sharing Victoria's water resources                                                                                         | 30.96                       |
| Reducing the risks of floods in a changing climate                                                                                     | 8.36                        |
| Water efficiency and diverse water supplies for water security, resilience and liveability                                             | 14.29                       |
| Water planning for a resilient and secure future                                                                                       | 5.93                        |
| Water wise and resilient rural communities                                                                                             | 14.21                       |
| Western Sustainable Water Strategy and Catchment Management Authority Drought Employment Program                                       | 1.33                        |
| <b>Total output funding (EC6)</b>                                                                                                      | <b>164.37</b>               |
| <b>Total Environmental Contribution (EC5 and EC6)</b>                                                                                  | <b>166.68</b>               |

## Appendix 8: Ministerial Statement of Expectations for Regulators

Ministerial Statements of Expectations for Regulators articulate the Victorian Government's priorities for regulators and aim to improve regulatory governance and performance.

DEECA has 3 Statement of Expectations (SOE) for Regulators covering:

- [Agriculture Victoria](#)
- [Conservation Regulator](#)
- [Native vegetation removal, beekeeping on public land, tour operator licensing and pipelines regulation](#).

Under the [SOE Framework for Regulators](#), regulators are required to report on their progress in meeting their Minister's expectations through the annual reporting process. The progress of each regulator in fulfilling their SOE during 2025-26 is detailed in this appendix.

### Agriculture Victoria

In 2025-26, Agriculture Victoria strengthened its risk-based regulatory approach by targeting regulatory effort to the areas of greatest risk to the community, industry and the environment.

#### Strengthening Risk-Based Regulation

Maintaining Victoria's biosecurity preparedness and emergency response capability remained a key priority. In 2025-26, Agriculture Victoria strengthened Victoria's biosecurity preparedness and emergency response capability. Key achievements included:

- planning and coordinating preparedness for potential biosecurity emergencies, including H5N1 avian influenza and delivering the emergency animal disease waste management program
- maintaining surveillance, diagnostic and technical capability to support early detection and rapid response
- building emergency response capability through workforce development and exercise programs
- supporting national biosecurity governance through facilitation of the National Plant Property Identification governance committee
- contributing to national biosecurity initiatives including [red imported fire ant](#) surveillance, to support national eradication efforts.

These initiatives strengthened Victoria's biosecurity preparedness and supported a proactive, risk-based approach to managing biosecurity risks.

Agriculture Victoria also strengthened risk-based compliance and enforcement through the establishment of a dedicated Regulatory Operations branch in April 2026 and the commencement of a compliance and enforcement initiative in January 2026. Together, these measures support more consistent regulatory practice, clearer escalation pathways, and more targeted allocation of regulatory effort to areas of greatest risk to the community, industry and the environment.

#### Improving Regulatory Delivery

Agriculture Victoria continued to improve the efficiency, consistency and quality of regulatory services through digital transformation, strengthened operational practices and investment in staff capability.

A key achievement in 2025-26 was the continued expansion of the [Agriculture Victoria Connect](#) (AV Connect) platform, including the addition of plant importation notifications and verifications in July 2025. AV Connect also supports the application, renewal, updating and compliance management of regulatory permissions, including:

- horticulture food safety registrations
- agricultural chemical use permits
- pilot chemical rating licences
- agricultural aircraft operator licences.

These improvements have streamlined access to regulatory services, enhanced customer experience, reduced administrative effort and strengthened the digital foundations for future service delivery.

Agriculture Victoria also strengthened the consistency and quality of regulatory decision-making by reviewing and updating key operational procedures and guidance for investigations, information handling, compliance responses and the application of legislation. These improvements supported more consistent, transparent and effective regulatory services to the community and industry.

Building regulatory capability remained a priority in 2025–26. Agriculture Victoria delivered its authorised officer induction program, the Certificate IV in Government Investigations in partnership with the Australian Centre for Financial and Environmental Compliance, and additional role specific training, including prohibited feeding investigations training for animal health officers. Thirty-three authorised officers successfully completed the Certificate IV, strengthening investigative capability and supporting the consistent exercise of regulatory powers.

Together, these initiatives strengthened Agriculture Victoria's ability to deliver modern, risk-based regulation through improved organisational capability, digital service delivery, operational practices and workforce capability.

### **Strengthening Stakeholder Engagement and Collaboration**

Agriculture Victoria strengthened partnerships across government, Traditional Owners, industry and the community to support compliance, improve intelligence and reinforce shared responsibility for regulatory outcomes. Key achievements in 2025–26 included:

- publishing the **2024 Statistics of Animal Use in Research and Teaching Victoria** report in January 2026, improving transparency and supporting informed public and sector discussion
- strengthening collaboration with **Community Pest Management Groups**, industry and communities, through grant funding and the annual **Environmental Biosecurity Roundtable**, held in September 2025, reinforcing shared responsibility for biosecurity and invasive species management
- expanding community involvement in biosecurity initiatives such as **Biosecurity Quest**, which engaged more than 2,500 Victorians and strengthened surveillance and early detection of pests, diseases and environmental threats
- funding RSPCA Victoria to deliver the **Rethink Roaming** campaign, increasing community awareness of responsible cat ownership and strengthening partnerships with councils, veterinarians and retailers
- working with Victoria Police, RSPCA Victoria and Crime Stoppers Victoria to coordinate investigations, share intelligence and target compliance and enforcement activities
- continuing investment in the **Partnerships Against Pests** grants program to build local capability and support community and Traditional Owner-led weed and pest animal management across Victoria.

These partnerships improved Agriculture Victoria's ability to prevent and respond to biosecurity, animal welfare and invasive species risks through stronger collaboration, information sharing and shared responsibility.

### **Conservation Regulator**

The Conservation Regulator is the lead regulator for wildlife, forests, fire prevention and the use of DEECA public land. It applies a risk-based and intelligence-led approach, guided by its **Compliance and Enforcement Policy**, and works with stakeholders and partner agencies to improve community compliance with the law.

In 2025–26, the Conservation Regulator used its **key planning instruments** (Strategic Plan, Regulatory Strategies, Statements of Regulatory Intent and biennial Regulatory Priorities) to inform regulatory priorities for 2025–26 and 2026–27. These priorities were based on statewide information gathering, analysis and risk assessment and informed through consultation with the Independent Regulatory Advisory Panel and Stakeholder Reference Group.

The Conservation Regulator led several strategic operations in 2025–26 aligned with its regulatory priorities: illegal fires on public land, illegal take of firewood, cruelty to wildlife, protection of threatened species and illegal vehicle use.

In partnership with Parks Victoria, the Conservation Regulator continued to deliver **Taskforce Ironbark** to address the illegal take of timber for commercial firewood, which causes habitat destruction, threatening native wildlife and Aboriginal cultural heritage. In 2025–26, penalties included a \$10,000 fine for unlawfully cutting down trees and damaging wildlife habitat in the Otway Forest Park.

The Conservation Regulator also delivered the **Net Swap pilot program** in partnership with 5 metropolitan councils: Boroondara, Brimbank, Manningham, Merri-bek and Yarra. The program helped household fruit tree growers replace illegal netting with free wildlife-safe alternatives, with the collected netting recycled through a textile recycling partner. The pilot was part of a broader community campaign delivered in collaboration with RSPCA Victoria, Zoos Victoria, Wildlife Victoria and Animal Welfare Victoria to promote wildlife-safe netting and reduce the use of illegal netting.

Other key compliance and enforcement outcomes in 2025-26 included:

- two offenders were each fined \$30,000 for selling more than 13,000 tea tree stakes, valued at approximately \$30,000, after illegally clearing dense tea tree vegetation
- an offender was sentenced to 2 years and 10 months' imprisonment for wildlife smuggling offences and fined \$5,000, with conviction, for attempting to mail 27 reptiles to Hong Kong
- an offender was convicted and fined \$5,000 for lighting a campfire in Victoria's north-east during a statewide Total Fire Ban on 26 December 2024.

The Conservation Regulator expanded its partnership with Crime Stoppers Victoria to support reporting of forest and wildlife crime. The '**Illegal Firewood: the cost is wild**' campaign, launched in June 2026, increased community understanding of the impacts of commercial-scale illegal firewood collection and how to identify legal firewood sources.

The Conservation Regulator continued to strengthen systems and processes that support public trust and transparency. A new online licencing and permitting portal is in development to make applying and managing licences and permits simpler and more efficient, with delivery expected in 2027.

The Conservation Regulator also continued to incorporate insights and implement recommendations, within the scope of its functions, from relevant audits and inquiries.

A comprehensive summary of the Conservation Regulator's 2025-26 performance, including qualitative information will be published in its annual Year in Review available on the [Conservation Regulator website](#).

## Native vegetation removal

Regulation of native vegetation removal in Victoria is delivered through the [Guidelines for the removal, destruction or lopping of native vegetation \(Version 1.1\)](#) (the guidelines), which are incorporated into the [Victoria Planning Provisions](#) and local planning schemes under the *Planning and Environment Act 1987*. Responsible authorities implement the regulations, while DEECA sets policy and regulatory settings and provides guidance, tools and systems to support their consistent application.

In 2025-26, DEECA updated the guidelines to make minor administrative amendments and correct a policy setting for large tree offsets. The change removed a setting that treated all Mallee and Eucalypt trees from 4 ecological vegetation classes as large trees, helping ensure offsets better compensate for the approved loss of legitimately large trees and support the no net loss to biodiversity objective.

In January 2026, DEECA updated the [Native Vegetation Removal Map](#) to include a revised [Victorian Grassland Earless Dragon Habitat Importance Map](#) (VGED HIM). The revised VGED HIM reflects an improved understanding of suitable habitat, covers half the area of the previous map and is restricted to areas to the north and west of Melbourne. This provides greater certainty for planning and development proponents while ensuring that important habitat continues to be considered in decision-making.

In 2025-26, DEECA also supported effective operation of the native vegetation removal framework by:

- delivering 12 [Vegetation Quality Assessment](#) competency sessions for ecological consultants, supporting the availability of suitably qualified practitioners to undertake vegetation assessments
- recording 15 new offset sites on the Native Vegetation Offset Register, increasing the supply of habitat units available to meet proponents' offset obligations
- issuing more than 800 credit extracts, enabling permit holders to demonstrate that appropriate offsets had been secured and supporting timely development approvals.

## Beekeeping on public land

Regulation supporting Victoria's apiculture industry is delivered through the [Apiculture \(Beekeeping\) on Public Land Policy and Standard Operating Procedures 2013](#).

The policy supports clear communication and engagement with beekeepers to enable productive apiculture activities on public land, while managing effective coexistence with other public land users and values.

In 2025-26, DEECA improved its regulation of the apiculture industry through engagement with representatives of the Victorian apiary industry association. This established actions to clarify licensing requirements and improve the transparency and responsiveness of licence application processes.

DEECA also developed an Apiarist Toolkit to help beekeepers identify, assess and progress potential apiculture licence sites on public land. Regulatory improvements included updating the apiary site application form and introducing a target to process new apiary site applications within 45 days, where practicable.

Following the January 2026 bushfires, DEECA waived licence fees for approximately 60 apiary sites affected by bushfire for 2 years. DEECA continues to investigate opportunities for alternative apiary sites to replace those impacted by the bushfires and support affected licence holders to maintain access to floral resources.

### **Tour Operator licensing**

The **review of the licensing policy and fees for tour operators** was completed in June 2026. New Regulations were made and the policy amended, effective from 1 July 2026. The reforms updated the fee model while largely maintaining existing functions.

The **Tour Operators** webpage was reviewed and updated in June 2026 to reflect the new Regulations and policy, including revised licensing templates. Fee relief guidelines for public land managers were also updated.

### **Pipelines regulation**

The *Pipelines Act 2005* (the Act) regulates the construction and operation of pipelines carrying liquid and gaseous fuels and other industrial products at high pressure in Victoria.

In 2025–26, DEECA continued to administer the Act in accordance with prescribed requirements to support effective and efficient pipeline regulation.

Timely statutory decision-making supports the reliability and security of energy supply and Victoria's orderly transition to a net zero economy. This included decisions to enable the expansion of Victoria's underground gas storage capacity at Heytesbury in Western Victoria and proposed gas import terminals, supporting near-term gas supply security and reliability. Decisions and advice also covered the decommissioning of obsolete gas and liquid fuel pipelines west of Melbourne.

DEECA continued to engage directly with pipeline licensees and government entities to reinforce responsibilities relating to native title, Traditional Owner engagement, Crown land use, and interface with other utilities and infrastructure, including Victoria's Big Build projects. This supported pipeline policies, standards and regulatory practices that remained fit for purpose and aligned with evolving standards and community expectations for energy infrastructure.

## Appendix 9: Municipal and Industrial Waste Levy Trust Account

Through the Municipal and Industrial Waste Levy (MIWL), Victoria applies a levy on each tonne of municipal and industrial waste disposed to Victorian landfills. Section 448 of the *Environment Protection Act 2017* (the Act) governs the collection and distribution of the MIWL trust and determines how MIWL revenue is to be managed and spent.

Under the Act, the Environment Protection Authority Victoria (EPA) is responsible for collecting municipal and industrial waste levies and transferring them to the MIWL Trust Account on a quarterly basis. The MIWL Trust Account is held and managed by DEECA.

The Act specifies which government agencies may receive payments from the MIWL Trust Account and requires that payments be made in accordance with a determination made by the Minister for Environment.

To provide transparency over the collection and distribution of the levy, DEECA includes the following breakdown of MIWL cash flows in its annual report. In 2025-26, \$506 million was received from the EPA and \$240 million was paid to portfolio agencies. The remaining cash balance of \$266 million was transferred to the Sustainability Fund Account in accordance with section 449(2) of the Act.

Table 1 below shows operating funding provided to portfolio agencies in 2025-26.

**Table 1 – Municipal and Industrial Waste Levy cash flows**

|                                                                          | (\$ million) | (\$ million) |
|--------------------------------------------------------------------------|--------------|--------------|
| <b>Opening cash balance</b>                                              |              | 0.00         |
| <i>Plus:</i> Municipal and Industrial Waste Levy funds transfer from EPA |              | 505.88       |
| <b>Total Receipts</b>                                                    |              | 505.88       |
| <i>Less</i>                                                              |              |              |
| Environment Protection Authority                                         | 153.97       |              |
| Sustainability Victoria                                                  | 16.43        |              |
| Recycling Victoria                                                       | 11.40        |              |
| Parks Victoria                                                           | 53.27        |              |
| Commissioner for Environmental Sustainability                            | 2.23         |              |
| Victorian Environmental Assessment Council                               | 1.05         |              |
| Trust for Nature                                                         | 1.43         |              |
| <b>Total Agency Payments</b>                                             | 239.78       | 239.78       |
| <b>Sub-total</b>                                                         |              | 266.10       |
| <i>Less</i>                                                              |              |              |
| Balance transferred to the Sustainability Fund Account                   |              | 266.10       |
| <b>Closing cash balance</b>                                              |              | 0.00         |

In 2025-26, \$601 million was recognised as MIWL revenue by the department in the period in which it was earned (refer to Note 2.3.2 of the Financial Statements). As EPA transfers cash from waste levies to the department 6 months after accrual recognition, in accordance with the Act, the timing difference creates a variance between the accrual and cash figures during any given financial year. Table 2 below provides a reconciliation of this difference.

**Table 2 – Reconciliation of Municipal and Industrial Waste Levy accrual revenue to cash receipts**

|                                                              | (\$ million) |
|--------------------------------------------------------------|--------------|
| Municipal and Industrial Landfill Levy (accrual basis)       | 601.43       |
| Add: Opening balance of receivable from EPA at 1 July 2025   | 238.84       |
| Less: Closing balance of receivable from EPA at 30 June 2026 | (334.39)     |
| Municipal and Industrial Landfill Levy (cash receipts)       | 505.88       |



## Appendix 10: Sustainability Fund Account and Sustainability Fund Grants

The Sustainability Fund operates under section 449 of the *Environment Protection Act 2017* and receives money collected from the Municipal and Industrial Waste Levy (MIWL). After funds are distributed to key environmental agencies including the Environment Protection Authority (EPA), Parks Victoria, Sustainability Victoria and others (see Appendix 9), remaining revenue is transferred and held in the Sustainability Fund.

The purpose of the fund is to foster:

- the environmentally sustainable uses of resources and best practices in waste management to advance the social and economic development of Victoria
- community action or innovation in relation to the reduction of greenhouse gas substance emissions
- adaptation or adjustment to climate change in Victoria.

Funding allocations are made by the Premier and the Minister for Environment in accordance with the published Sustainability Fund Priority Statement and government policy.

An independent Sustainability Fund Committee is in place to support the strategic and accountable management of the Sustainability Fund so that it best uses the MIWL revenue in accordance with the legislated objectives above.

The table below provides details of the cashflow totals into and out of the Sustainability Fund Account, including a detailed breakdown of payments to programs (Table 1).

**Table 1 – Sustainability Fund Trust Account Cashflows**

|                                                                                                                                                              | (\$ million)  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>Opening cash balance</b>                                                                                                                                  | <b>545.71</b> |
| <b>Receipts</b>                                                                                                                                              |               |
| Transfer from Municipal and Industrial Waste Levy Trust Account                                                                                              | 266.10        |
| Unexpended program funds returned to the Sustainability Fund                                                                                                 | 2.60          |
| Investment Revenue                                                                                                                                           | 23.05         |
| <b>Total receipts</b>                                                                                                                                        | <b>291.75</b> |
| <b>Payments to programs</b>                                                                                                                                  |               |
| Solar Homes Program – Solar Panel (PV) Rebates                                                                                                               | 67.13         |
| Solar Homes Program – Hot Water Rebates                                                                                                                      | 29.72         |
| <b>Cheaper Cleaner Energy to Drive Economic Recovery Subtotal</b>                                                                                            | <b>23.13</b>  |
| Cheaper Cleaner Energy to Drive Economic Recovery: Victorian Renewable Energy Zone                                                                           | 18.18         |
| Cheaper Cleaner Energy to Drive Economic Recovery: Accelerate Development of Victoria's Renewable Energy Zones and Unlock New Renewable Investment (VicGrid) | 4.95          |
| Energy Efficiency Upgrades for Homes – Energy Efficiency in Social Housing Program                                                                           | 21.48         |
| Protecting Victoria's Environment – Biodiversity 2037: Protecting Biodiversity 2021-25                                                                       | 19.71         |
| Driving Down Bills with 100 Neighbourhood Batteries                                                                                                          | 19.16         |
| <b>Maintaining Essential Energy Functions Subtotal</b>                                                                                                       | <b>13.65</b>  |
| Maintaining Essential Energy Functions: Energy Safety and Security                                                                                           | 7.03          |
| Maintaining Essential Energy Functions: Ensuring the Rights of Energy Consumers                                                                              | 3.69          |
| Maintaining Essential Energy Functions: Supporting Victorians Through the Energy Transition                                                                  | 2.93          |
| <b>Enhancing Core Energy Functions Subtotal</b>                                                                                                              | <b>13.40</b>  |
| Enhancing Core Energy Functions: Energy Market Regulation and Reform, Governance and Advocacy                                                                | 5.31          |
| Enhancing Core Energy Functions: Renewable Energy and Storage Policy                                                                                         | 2.45          |
| Enhancing Core Energy Functions: Renewable Fuels Policy and Sector Development                                                                               | 1.86          |
| Enhancing Core Energy Functions: Supporting the Transition to Low Emissions Buildings                                                                        | 1.44          |
| Enhancing Core Energy Functions: Energy Transition Strategy                                                                                                  | 1.34          |
| Enhancing Core Energy Functions: Victorian Energy Upgrades Operations – Solar Victoria                                                                       | 1.00          |

|                                                                                                                                     | (\$ million)  |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>Supporting Landcare and Coastcare volunteers</b>                                                                                 | <b>8.56</b>   |
| Supporting Landcare and Coastcare volunteers: Supporting Landcare Volunteers                                                        | 7.56          |
| Supporting Landcare and Coastcare volunteers: Coastcare Victoria                                                                    | 1.00          |
| <b>Future Forests Program Subtotal</b>                                                                                              | <b>8.37</b>   |
| Future Forests Program: Seed Management                                                                                             | 2.34          |
| Future Forests Program: Biodiversity and Threatened Species Survey Program                                                          | 2.02          |
| Future Forests Program: Post Timber Harvesting Regeneration                                                                         | 1.75          |
| Future Forests Program: Fire Ecology and Forest Modelling                                                                           | 1.20          |
| Future Forests Program: Forest Management and Forest Health Policy Setting                                                          | 1.06          |
| Core Environment Programs – Community Driven Action and Port Phillip Bay Fund                                                       | 7.12          |
| Delivering Climate Action                                                                                                           | 5.00          |
| Renewable Energy Action Plan, Securing Our Energy Future – Solar Trams: Renewable Certificate Purchasing Initiative                 | 4.69          |
| Supporting a Circular Economy                                                                                                       | 3.13          |
| Outdoor Recreation and Nature Statement – Illegal Dumping Clean-up                                                                  | 2.74          |
| Improving Victorian Energy Upgrades – Solar Vic Improving Victorian Energy Upgrades                                                 | 2.46          |
| Accelerating Victoria's Agriculture Sector Response to a Changing Climate                                                           | 2.27          |
| A Safe and Just Community Transition to Renewable Energy – Energy Safety Review                                                     | 2.01          |
| Efficient and Timely Environmental Assessments – Efficient and Timely Proponent Support and Environmental Assessments               | 1.91          |
| Charitable Recycler Grants                                                                                                          | 1.85          |
| Recycling Victoria – Household Chemical Collection Program: Detox Your Home 2024-25                                                 | 1.76          |
| Continue the Establishment of Liwik Barring Conservation Area and Protect Victoria's Faunal Emblems                                 | 1.50          |
| Environment Protection and Air Quality – Air Quality Improvement Precincts 2 (AQIP 2)                                               | 1.21          |
| <b>Future Drought Fund Subtotal</b>                                                                                                 | <b>1.10</b>   |
| Future Drought Fund Farm Business Resilience                                                                                        | 1.07          |
| Future Drought Fund: Future Drought Fund Regional Drought Resilience Planning 2.0                                                   | 0.03          |
| Core Environmental Programs – Peri-Urban Weed Management                                                                            | 1.00          |
| Food relief – Foodbank GROW program                                                                                                 | 0.99          |
| Managing Contaminated Public Land                                                                                                   | 0.97          |
| Protecting Victoria's Biodiversity – Biodiversity 2037 – Wildlife Victoria                                                          | 0.80          |
| Clean Energy Transition Initiatives – Community Power Hubs                                                                          | 0.77          |
| Core Environmental and Traditional Owner Programs: Wotjobaluk, Dja Dja Wurrung and Eastern Maar Recognition & Settlement Agreements | 0.60          |
| Biosecurity Preparedness – Protecting Victoria from Biosecurity Threats: Emergency Animal Disease Preparedness – Waste Disposal     | 0.45          |
| Renewable Energy Action Plan: Pathway to First People's Renewable Energy Transition                                                 | 0.19          |
| Sustainability Fund Operations                                                                                                      | 1.43          |
| <b>Total payments</b>                                                                                                               | <b>270.26</b> |
| <b>Closing Cash Balance</b>                                                                                                         | <b>567.20</b> |

- (i) Any program expenditure that is unexpended by the date of program completion is required to be returned to the Sustainability Fund by program recipients. In 2025-26 a total of \$2,597,109.52 was repaid to the Sustainability Fund.
- (ii) Further detail of the 2025-26 Sustainability Fund Grants is available in the 2025-26 [\*\*Sustainability Fund Activities Report\*\*](#)

## Appendix 11: Acronyms and abbreviations

|          |                                                                                    |
|----------|------------------------------------------------------------------------------------|
| AASB     | Australian Accounting Standards Board                                              |
| ACCU     | Australian Carbon Credit Unit                                                      |
| AEMO     | Australian Energy Market Operator                                                  |
| CEO      | Chief Executive Officer                                                            |
| CFA      | Country Fire Authority                                                             |
| CMA      | Catchment Management Authority                                                     |
| DEECA    | Department of Energy, Environment and Climate Action                               |
| DELWP    | Department of Environment, Land, Water and Planning                                |
| DGS      | Department of Government Services                                                  |
| DTF      | Department of Treasury and Finance                                                 |
| EPA      | Environment Protection Authority                                                   |
| FAICD    | Fellow of the Australian Institute of Company Directors                            |
| FFMVic   | Forest Fire Management Victoria                                                    |
| FMA      | <i>Financial Management Act 1994</i>                                               |
| FOI      | Freedom of Information                                                             |
| FRD      | Financial Reporting Direction                                                      |
| FTE      | Full-Time Equivalent                                                               |
| GST      | Goods and Services Tax                                                             |
| ICT      | Information and Communications Technology                                          |
| IPAA     | Institute of Public Administration Australia                                       |
| LGBTIQ+  | Lesbian, Gay, Bisexual, Transgender, Intersex, Queer, Asexual and other identities |
| LGC      | Large-scale generation certificates                                                |
| LPG      | Liquefied Petroleum Gas                                                            |
| MDB      | Murray–Darling Basin                                                               |
| MDBA     | Murray–Darling Basin Authority                                                     |
| MoG      | Machinery of Government                                                            |
| MP       | Member of Parliament                                                               |
| N/A      | Not applicable                                                                     |
| NABERS   | National Australian Built Environment Rating System                                |
| NAIDOC   | National Aboriginal and Islander Day Observance Committee                          |
| OHS      | Occupational Health and Safety                                                     |
| PS       | Principal Scientist                                                                |
| PV       | Photovoltaic                                                                       |
| PSM      | Public Service Medal                                                               |
| RAC      | Rural Assistance Commissioner                                                      |
| REC      | Renewable Energy Certificate                                                       |
| RoU      | Right of Use Assets                                                                |
| RSPCA    | Royal Society for the Prevention of Cruelty to Animals                             |
| SDG      | Sustainable Development Goal                                                       |
| SEC      | State Electricity Commission                                                       |
| SES      | Senior Executive Service                                                           |
| SOE      | Statement of Expectations                                                          |
| Solar PV | Solar photovoltaic system                                                          |

|      |                                       |
|------|---------------------------------------|
| STS  | Senior Technical Specialist           |
| UN   | United Nations                        |
| VDP  | Victorian Desalination Plant          |
| VEU  | Victorian Energy Upgrades             |
| VEWH | Victorian Environmental Water Holder  |
| VPS  | Victorian Public Sector Values Values |
| VPS  | Victorian Public Service              |
| VRET | Victorian Renewable Energy Target     |
| ZEV  | Zero Emissions Vehicle                |

## Units of measure

|                    |                           |
|--------------------|---------------------------|
| CO <sub>2</sub> -e | Carbon dioxide equivalent |
| L                  | Litre                     |
| kl                 | Kilolitre                 |
| ML                 | Megalitre                 |
| GL                 | Gigalitre                 |
| kW                 | Kilowatt                  |
| kwh                | Kilowatt hour             |
| MW                 | Megawatt                  |
| MWh                | Megawatt hour             |
| MJ                 | Megajoule                 |
| Ha                 | Hectare                   |

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