Investing in Early Intervention Initiatives

Early Intervention

Government expenditure

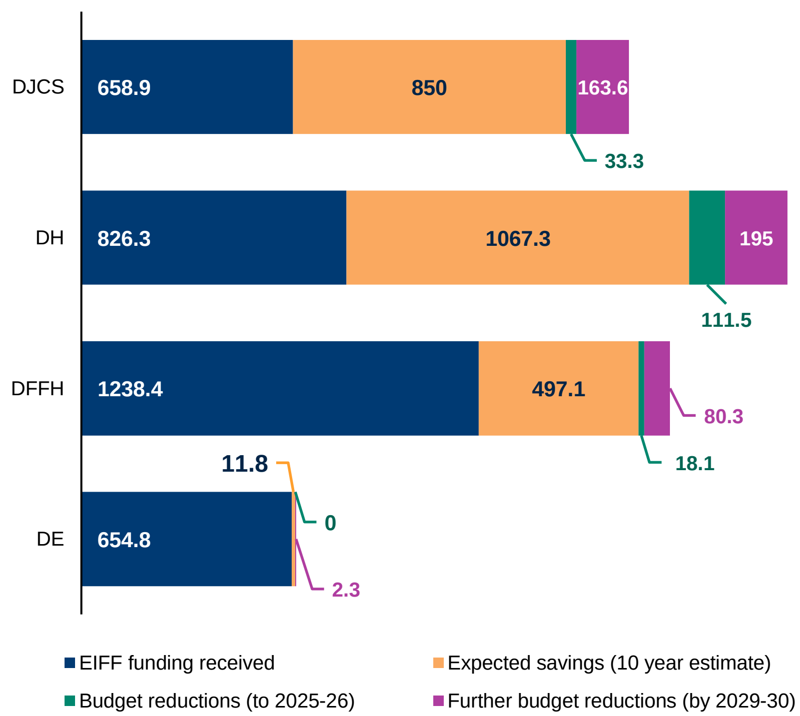
Victorian Auditor-General's Office. (2026). *Investing in Early Intervention Initiatives (Independent assurance report to Parliament 2025–26: 29).* Victorian Government. https://apo.org.au/sites/default/files/resource-files/2026-06/apo-nid335078.pdf

About the study: This performance audit was conducted by the Victorian Auditor-General's Office (VAGO) and tabled in June 2026. Its objective was to assess whether the implementation of the Early Intervention Investment Framework (EIIF) supports the Victorian Government to make evidence-based funding decisions. The EIIF, introduced in 2021–22, aims to improve outcomes for Victorians and reduce the growth of government spending by decreasing demand for acute services. The audit examined the Department of Treasury and Finance (DTF) alongside four primary delivery departments: the Department of Education (DE), the Department of Families, Fairness and Housing (DFFH), the Department of Health (DH), and the Department of Justice and Community Safety (DJCS). Together, these four departments received 95% of the $3.46 billion in EIIF funding distributed across 105 initiatives between 2021–22 and 2025–26.

Key findings:

- **Inconsistent service demand measurement**: While departments collect useful performance information, they do not consistently measure or report on whether demand for acute services has actually decreased. Ten of the 57 initiatives required to report in 2024–25 (representing $106.9 million in estimated savings) had no savings outcome measures.
- **Actual savings are not calculated**: Despite reducing departments' budgets based on estimated cost savings, DTF does not require departments to calculate actual savings and lacks a framework to do so. No routine verification exists to ensure the estimated savings are being achieved.
- **Mismatched budget impacts:** In 2025–26, more than half (54.9%) of EIIF budget reductions applied to departments that did not design or deliver the initiatives (such as Victoria Police and Court Services Victoria), leaving them with limited ability to influence the outcomes.
- **DTF assessment process limitations**: Submissions can receive a 'high' rating from DTF without meeting core EIIF requirements like having outcome measures linked to savings, baselines, or targets. Additionally, "medium" default ratings have been applied to late-entry initiatives, which can obscure evidence gaps and risks from the government.
- **Incomplete outcomes reporting:** Reporting is uneven; across four reporting cycles, only 25.8 per cent of outcome measures contained all three essential components: a baseline, target, and results.

EIFF funding, expected savings, and budget reductions by department ($ million)



- The chart highlights the substantial funding delivered to DFFH ($1,238.4M) and DH ($826.3M). It clearly maps out the impending budget pressures on DH and DJCS. While DH received $826.3 million in funding, it faces the largest cumulative budget reductions, escalating from $111.5 million in 2025–26 to an additional $195.0 million by 2029–30. Similarly, DJCS faces total budget reductions of $196.9 million ($33.3M to 2025–26 and $163.6M by 2029–30) against $658.9 million in received funding.

Conclusion: The EIIF is designed to embed early intervention into state budget decisions. However, the audit found that current monitoring and reporting do not demonstrate whether the framework is reducing demand for acute services or achieving the estimated savings. Because ongoing budget reductions are based on projected ten-year savings, departments may face increasing financial pressure where those savings are not realised. The audit recommends that DTF and delivery departments strengthen how they measure changes in service demand, calculate realised savings and adjust budget reductions based on demonstrated results.