

Sustainability Bond Annual Report 2025



Acknowledgement of Country

TCV respectfully acknowledges the Traditional Custodians of Country throughout Victoria and recognises and respects their continuing cultural heritage, beliefs and connection to land. We pay our respects to their Elders past and present.

Contributors

We would like to thank the following State departments and Participating Authorities for their contributions to the Sustainability Bond program and the Annual Report: Department of Education; Department of Energy, Environment and Climate Action; Department of Families, Fairness and Housing; Department of Transport and Planning; Department of Treasury and Finance; and Melbourne Water

*All monetary amounts are in Australian dollars (AUD)
unless otherwise noted*

Cover image: X'Trapolis 2.0 Train Construction
Department of Transport and Planning

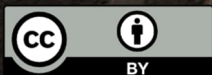
Contents image: Koorangie Energy Storage System
Department of Energy, Environment and Climate Action

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Published 2025

Highlights	4
Letter from the TCV Chair and CEO	5
About the Treasury Corporation of Victoria	6
Charting Victoria's journey to net-zero by 2045	9
Updates to Victoria's sustainability policies and programs	12
Sustainability at TCV	13
2025 Project summary updates	19
Appendix A	35
Contacts	41
Disclaimer	41



Contents

\$17.3 billion

Total Eligible Project pool
split between \$6.5 billion
Green and \$10.8 billion
Social categories

↑ Highlights 

\$11.2 billion

of TCV Sustainability Bonds
on issue at 30 June 2025

\$3.4 billion

increase in outstandings
since 30 June 2024

9,323 Social Housing Dwellings completed to date

6,548 Social Housing Dwellings under construction at 30 June 2025

2.3 GW Renewable energy capacity to be enabled by transmission systems

21,576 Social Housing Energy Upgrades completed to date

389 Electric Vehicle Chargers installed to date with total **9,746 KW** capacity

70 High Capacity Metro Trains in service, **25** X'Trapolis 2.0 Trains and **100** Next
Generation Trams in construction

Letter from the TCV Chair and CEO

We are delighted to present TCV's Sustainability Bond Annual Report for 2024-2025.



A handwritten signature in blue ink that reads "Cass Kelly".

Cassandra Kelly
Chair

Our sustainability bond program contributes funding for eligible expenditure across a diverse array of sectors, including clean transportation, energy efficiency, renewable energy, sustainable water and wastewater management, affordable housing and access to essential services.

We are immensely proud of the role we play in contributing funding to these projects and services. The program supports the achievement of the government's sustainability objectives to build a strong and resilient net zero economy, a fair and people-first transition and safeguard our communities, environment and livelihoods, while at the same time promoting a fairer, healthier, and more inclusive society that supports vulnerable communities.

Despite broader market volatility, the global sustainable finance market has again demonstrated resilience, with total issuance for the calendar year to November 2025 of US\$1,095 billion, and Australian issuance for the same period of \$45 billion.

TCV has continued to see good engagement from investors and strong demand for high-quality, liquid investments aligned with sustainability goals. For the 2024-25 year, we raised \$3.4 billion via the issuance of sustainability bonds, taking the total outstandings under the program to \$11.2 billion as at 30 June 2025.



A handwritten signature in blue ink that reads "Michael Larkin".

Michael Larkin
CEO and
Managing Director

To ensure we can continue to meet investors' evolving expectations, and satisfy growing demand for sustainable issuance, in 2025 we commenced an update of our Sustainable Bond Framework. The new Framework aims to expand the eligible project categories to reflect the ambition of the whole of Victorian Government sustainability policies, targets and initiatives.

In 2025, we also strengthened our engagement across government, clients, investors and other sustainability finance participants. These efforts led to our appointment to the ICMA Principles Advisory Council and our participation in the CFA Taxonomy Pilot Program.

We aim to be a leader in sustainable finance, so that we can more effectively support projects that make a difference for Victoria, while also proactively contributing to the development of sustainable finance markets and sustainability agendas more broadly.

Of course, none of these things are possible without the commitment, passion and collaboration of many. We extend our appreciation to the Treasurer of Victoria, the Department of Treasury and Finance, the Department of Energy, Environment, and Climate Action, and to our Participating Authority clients for your partnership and the trust you place in us. We would also like to thank our investors and dealers for your continued engagement and support.

Finally, we express our sincere thanks to the team at TCV for your dedication, care and drive to make a difference for our community. Together, your support drives meaningful progress toward the State's sustainability goals and helps us create a better future for Victoria.

About the Treasury Corporation of Victoria

Established by the *Treasury Corporation of Victoria Act 1992 (Vic)*, we are the central financial institution for Victoria, dedicated to supporting the State, our clients and the broader community.

We do this by sourcing capital and managing risk across the full breadth of the Victorian public sector. By consolidating the management of these risks, we are able to achieve economies of scale, establish and maintain a risk governance and management framework, employ a team of highly skilled specialists, and deliver outcomes more effectively and competitively than if these tasks were undertaken by the State or our clients directly.

Enshrined in our founding legislation is the objective to act for the benefit of the State and our clients. We provide services to all Government Departments via the Department of Treasury and Finance (DTF), to local councils and water corporations. We also support government agencies and organisations across the housing, arts, sports, education, commercial and industrial real estate, healthcare, infrastructure, technology and transport sectors.

In practice, this means we contribute funding and support investment in essential infrastructure – such as housing, schools, hospitals, roads, public transport and the State’s water systems – helping to build a more inclusive, connected and resilient Victoria. We also provide financing and investment support to advance the State’s climate action, energy transition and sustainability goals.

This work strengthens the foundations of our economy and public services, stimulates economic growth, and delivers long-term value and enhanced outcomes for communities across Victoria.

Funding task

Our funding requirement for 2025-26 is \$32.1 billion. This is comprised of \$18.7 billion of client new money and \$13.4 billion of refinancing requirements.

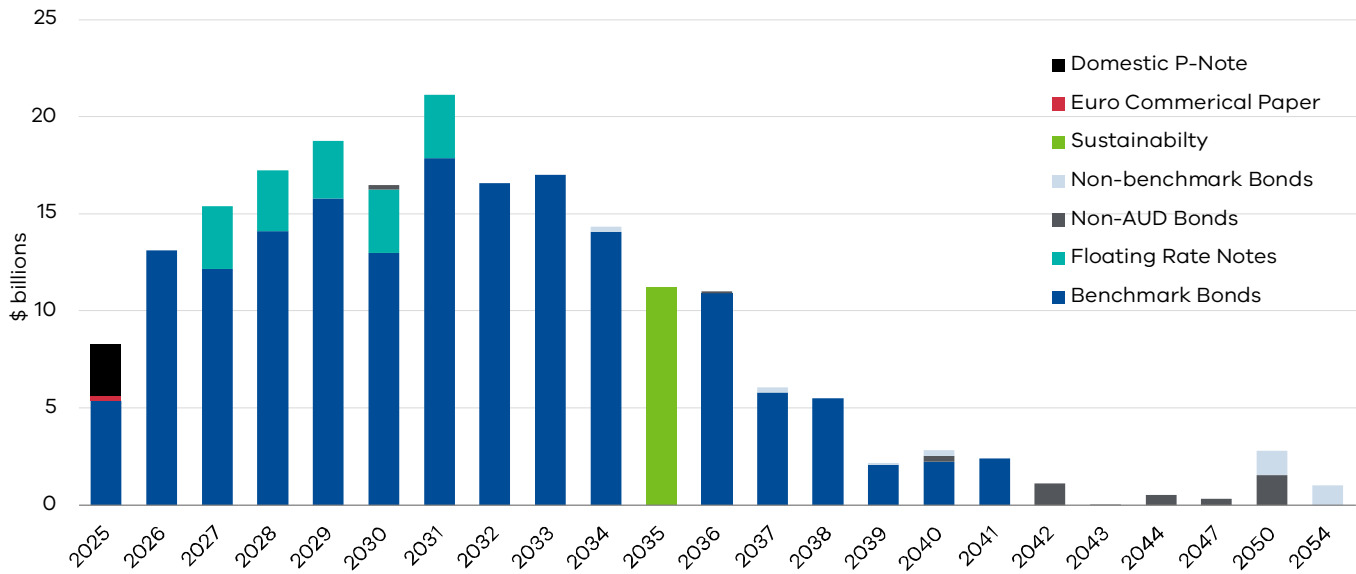
We are active across our benchmark curve to deliver the best funding outcomes for our clients and to further diversify our funding and investor base. We have a flexible approach to delivering the funding task, including:

- issuing into existing and new domestic benchmark bond lines
- using a multi-issuance format, including bond tenders, syndication and reverse enquiry
- increasing issuance under our existing Sustainability Bond Framework
- considering non-AUD issuance in benchmark and non-benchmark format.

At 30 June 2025, our total funding outstanding was \$205.2 billion across AUD and non-AUD issuance. Of the total outstandings, \$11.2 billion has been issued under the TCV Sustainability Bond Framework.

The maturities of total debt outstanding are detailed in Chart 1 below.

Chart 1: TCV bonds outstanding at 30 June 2025



Sustainability issuance and asset pool

TCV's sustainability issuance aims to:

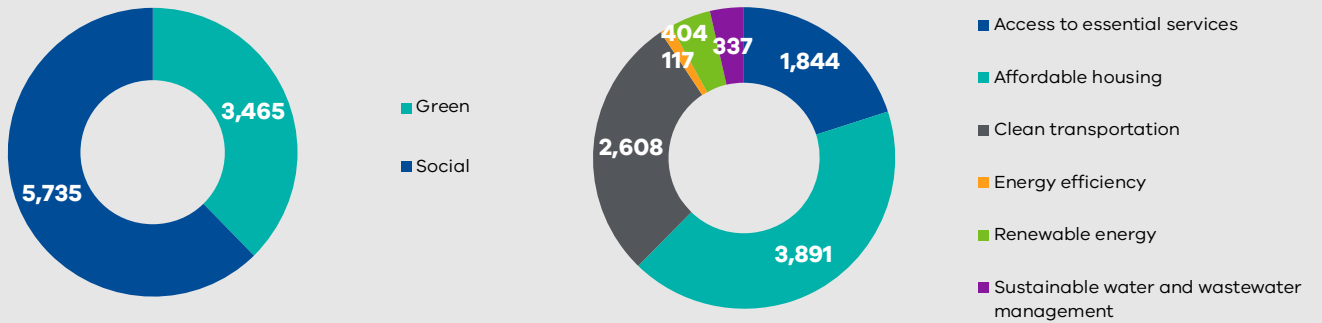
- support delivery of the Victorian Government's climate and social policies and activities
- develop opportunities to positively engage with investors and the market on the State's sustainability risks, strategy and performance
- respond to investor appetite for labelled bonds
- broaden TCV's investor base and, over time, deliver better funding outcomes for the benefit of our clients.

TCV's Sustainability Program continued to grow in 2024-25 with a further \$1.5 billion syndicated transaction and \$1.9 billion through reverse enquiries / tenders.

TCV's sustainability issuance and eligible projects and assets are aligned with the International Capital Market's Association (ICMA) principles and guidelines (Eligible Projects) and mapped to the UN Sustainable Development Goals (SDG). The total Eligible Projects pool is currently \$17.2 billion. Chart 2 provides an overview of the allocation and expenditure by ICMA Eligible Project categories and UN SDG.

Chart 2: Overview of TCV's Sustainability Bond use of proceeds

Allocation of proceeds



Expenditure



Footnote: Charts on the right show split by ICMA Eligible Project categories.

Charting Victoria's journey to net-zero by 2045

Victoria's legislation and strategic policies to achieve net-zero emissions by 2045

Climate change presents one of the most pressing challenges for Victoria, with the State already experiencing its impacts – from more frequent extreme weather events to rising sea levels and biodiversity loss. These effects are projected to intensify over the coming decades, underscoring the urgency of decisive action. Addressing these challenges will require both mitigation efforts to reduce greenhouse gas emissions, transitioning towards renewable energy sources, and adaptation measures to prepare for and respond to the impacts.

In this environment, the Victorian Government is committed to reducing Victoria's emissions to net zero by 2045 and aims to ensure communities, businesses and institutions are better prepared to deal with the impacts of climate change.

The Victorian Government has introduced a suite of legislation and strategic policies to support these objectives:

1. implementation of emissions reductions targets
2. decarbonising energy supply with the development of renewable energy generation and storage targets
3. development of Climate Change Strategies
4. establishment of the State Electricity Commission (SEC)
5. establishment of VicGrid
6. implementation of targets to reduce emissions from energy use.

1. Emissions reduction targets

Victoria was one of the first jurisdictions in the world to legislate net-zero emissions targets through the *Climate Action Act 2017* (Vic). The Act sets out the legislative framework for Victoria's commitments to greenhouse gas emissions reduction, including providing the legislative foundation to manage climate change risks, maximise the opportunities that arise from decisive action, and drive the transition to a climate-resilient community and economy with net-zero emissions by 2045.

Under the Act, Victoria has legislated interim targets to reduce emissions below 2005 levels by:

- 28 to 33 per cent by 2025
- 45 to 50 per cent by 2030
- 75 to 80 per cent by 2035.

2. Decarbonising energy supply

Victoria's commitment to renewable energy is underpinned by the *Renewable Energy (Jobs and Investment) Act 2017* (Vic), which legislates the State's targets for renewable generation and storage. Over the past decade, Victoria has made substantial progress in its energy transition, leading the nation with one of the most comprehensive policy frameworks to support communities and businesses to transition to clean energy.

In March 2024, the Act was amended to strengthen Victoria's targets, including:

- renewable energy targets (VRET) of 65 per cent by 2030 and 95 per cent by 2035
- energy storage targets of at least 2.6 gigawatts (GW) by 2030 and at least 6.3 GW by 2035
- offshore wind targets of at least 2 GW by 2032, 4 GW by 2035 and 9 GW by 2040.

This legislative framework provides long-term policy certainty and boosts investor confidence, enabling the development of renewable energy projects that will deliver reliable, affordable and clean electricity for Victorians.

3. Climate Change Strategies

Victoria recently released its 2026-30 Climate Change Strategy, the second in a series of five-year roadmaps outlining how the Government will help deliver net-zero emissions and a climate resilient Victoria by 2045. Building on the success of the first Strategy, the 2026-30 Strategy sets out Victoria's pathway to meeting its 2030 emissions reduction target and outlines its 2035 target. The Strategy focuses on what matters most to Victorians - building a net zero economy that keeps Victoria growing, prioritising a fair and people-first transition, and acting to safeguard our communities, environment and livelihoods.

4. State Electricity Commission (SEC)

The SEC was established to invest in renewable energy and storage projects. It is designed to accelerate the transition to renewable energy and support the State's transition to net zero. This includes supporting households in going all-electric to reduce energy bills and emissions, and building the skilled renewable energy workforce needed for the transition. From July 2025, 100 per cent of eligible Victorian Government sites will be powered by the SEC.

5. VicGrid

VicGrid, a Victorian Government agency, was established to plan and develop the new electricity transmission grid required to support Victoria's growing renewable energy generation. As the State actively drives this transformation, VicGrid leads the delivery of Victoria's strategic long-term plan for renewable energy zones and transmission infrastructure.

VicGrid works in close partnership with the private sector to oversee the planning, development and investment in transmission projects. It also engages actively with communities to ensure local voices help shape the future energy system, supporting a coordinated and inclusive transition to renewable energy.

6. Reducing emissions from energy use

Victoria is driving a major shift toward electrification and energy efficiency through a combination of targeted programs and regulations. These initiatives are significantly reducing gas use, improving building performance, and supporting households and businesses to transition to cleaner energy.

The *Victorian Energy Efficiency Target Act 2007* (Vic) (VEET Act) provides a legislative framework to promote the reduction of greenhouse gas emissions and encourage the efficient use of electricity and gas. For example, established under the VEET Act, the Victorian Energy Upgrades (VEU) program commenced on 1 January 2009 and is legislated through to 2045. Underpinned by a legal obligation on energy retailers, the program offers financial assistance to households and businesses adopting more energy-efficient appliances and practices, including hot water systems, heating and cooling, and large-scale, bespoke upgrades for commercial and industrial businesses.

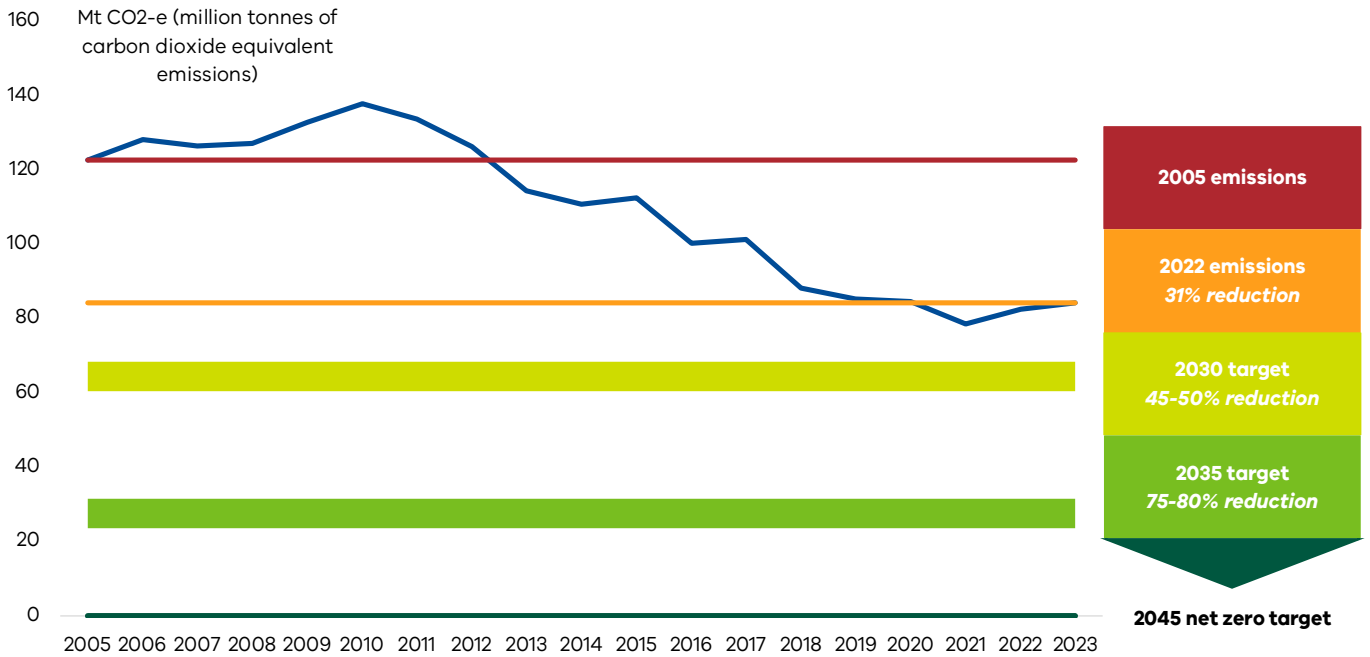
Victoria's progress toward net zero

Progress on emissions reduction targets

In 2023, Victoria's total net emissions were 84.2 Mt CO₂-e, representing a 31.4 per cent reduction compared to 2005 levels¹. As shown in Chart 3 below, this places Victoria within the 2025 target range of a 28 to 33 per cent reduction and reinforces the State's ongoing trajectory toward lower emissions.

¹ Carbon emissions are published by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) in the months following the end of the financial year, with the most recent report for the 2023 financial year submitted in May 2025.

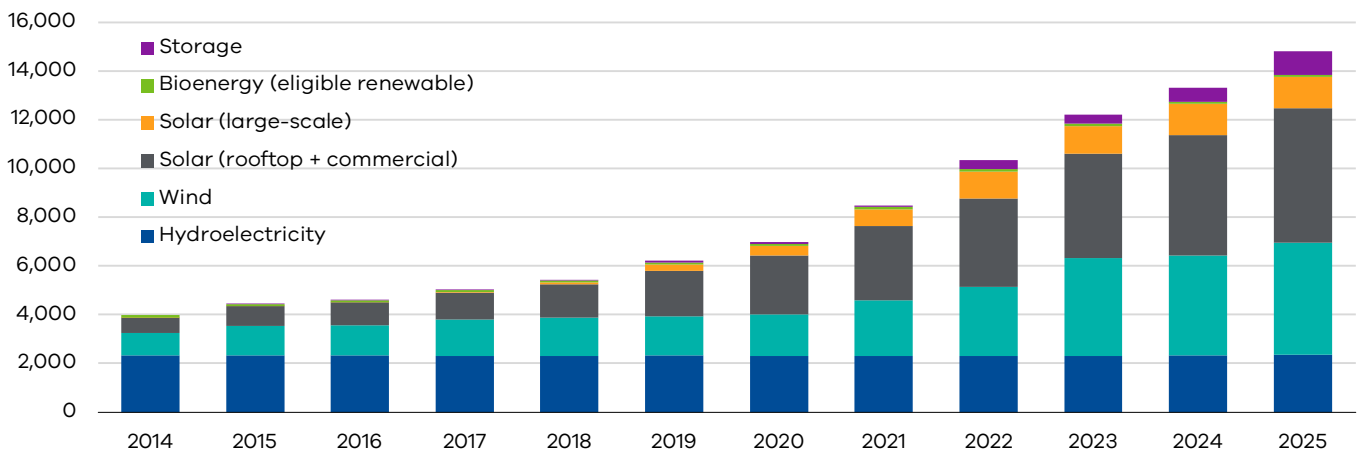
Chart 3: Victoria's net emissions, 2005-2023



Progress on renewable energy targets

Victoria is making material progress toward its renewable energy goals. Since 2014, the State has more than tripled the share of renewable energy and, in 2024-25, generated 42.4 per cent of its power from renewables. As of 30 June 2025, Victoria had 954 megawatts (MW) of commissioned energy storage capacity and 15 utility-scale storage projects – totalling 1,885 MW – under construction or undergoing commissioning. These advancements in renewable energy and storage are projected to generate approximately \$9.5 billion in economic activity and create around 59,000 two-year jobs between 2023 and 2035.

Chart 4: Victorian renewable energy electricity generation capacity (MW, years ended 30 June)



Updates to Victoria's sustainability policies and programs

The Victorian Government has a well-developed framework of policies, statements and programs to support the State achieve its net zero targets and its goal of ensuring that Victorian communities, businesses and institutions are better prepared to deal with the impacts of climate change. These policies and programs are designed to drive environmental and social outcomes, and to promote equality, reduce disadvantage and improve fairness for Victorians.

Environmental policies, statements and programs



2025-26 State Budget



Gas Substitution Roadmap update



Victorian Transmission Plan



Offshore Wind Implementation Statement



Adaptation Action Plans



Zero Emissions Vehicle Roadmap



Whole of Victorian Government Climate-related Risk Disclosure



Climate Change Strategy

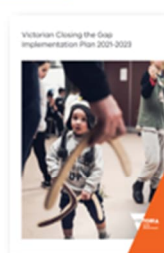
Social policies, statements and programs



Early Intervention Investment Framework



Treaty for Victoria



Closing the Gap Implementation Plan



Social Procurement Framework



Victoria's Housing Statement



Gender Responsive Budgeting



Training for the skills our economy needs



Social Housing Growth Fund



Best Start, Best Life and Three-Year-Old Kinder reform



Big Housing Build and High-rise redevelopment

Further information on the environmental and social policies, statements and programs referred to above can be found in **Appendix A**.

Sustainability at TCV

Sustainable operations and business model

TCV is focused on improving the sustainability of our operations and business model, and contributing to the sustainability strategies of our clients.

Key activities, initiatives and projects undertaken to advance this priority include:

1. Sustainable Bond Framework update

In 2025, we commenced a comprehensive update of TCV's Sustainable Bond Framework to ensure it remains credible, flexible and aligned with leading industry standards. This will include embedding enhanced disclosures, obtaining a Second Party Opinion and seeking to apply updated industry guidance and standards, including the Australian Sustainable Finance Taxonomy V1, where feasible.

These enhancements will support our Sustainability Strategy, strengthen investor confidence and position us to move with evolving market expectations and investor appetite.

2. Development of TCV's Sustainability Strategy

Over the past decade, the global sustainable finance market has significantly evolved, with investor focus and expectations shifting from the specific labelled bonds being issued to the holistic sustainability characteristics of issuers.

In response to this evolution and to continue to meet growing investor demand, we have developed a Sustainability Strategy which aims to align TCV's sustainability ambition to that of the broader Victorian Government. The strategy adopts an integrated approach to sustainability and identifies the need for increased coordination and collaboration between TCV and the Government Departments and Participating Authorities that set sustainability policies, targets, deliver projects and initiatives.

This collaboration will allow us to meet market expectations by providing a holistic view of Government commitments and actions on climate, environmental and social issues, and the funding required to support these programs.

The aim of the strategy is to align TCV's sustainability ambition to that of the broader Victorian Government and to position TCV as a leader in sustainable finance. This would create an avenue for TCV to proactively contribute to sustainable finance markets and Whole of Government sustainability agendas, while supporting our overall strategic goal to diversify our funding and deliver better outcomes for the State and our clients. The objectives and priorities outlined in the Sustainability Strategy will inform our future activities and initiatives.

3. Sustainability for TCV's Business Operations

TCV has sought accreditation under the Commonwealth Government's Climate Active accreditation program for net zero carbon emissions to fully offset TCV's Scope 1, 2 and 3 carbon emissions (excluding financed emissions) in respect of the 2023-24 financial year. The 2024-25 accreditation process is currently underway and included purchasing 1,101 Australian Carbon Credit Units to fully offset our net carbon emissions.

4. Priorities for 2025-26

In 2025-26, we will focus on broadening our engagement with clients, investors, government and the wider market, enhancing our capability and credibility in sustainable finance, and supporting the Victorian Government's climate and social objectives. Key initiatives include updating our Sustainable Bond Framework, implementing a new stakeholder engagement approach, developing further issuance capacity, supporting government climate related risk disclosure and deepening our participation in industry forums, such as ICMA and the Australian Sustainable Finance Institute's market development program for the

TCV sustainability issuance

TCV Sustainability Instruments are employed for the financing, and refinancing, of green and/or social projects and assets ('Eligible Projects') across Victoria. Projects are funded through loans made by TCV to the State and Participating Authorities, as well as loans made by TCV to other entities on the direction of the Treasurer.

TCV's existing [Sustainability Bond Framework](#) is aligned to the ICMA Green, Social and Sustainability Bonds Principles and Guidelines. It outlines the governance framework under which TCV issues and manages green, social and sustainability bonds.

TCV has retained EY to undertake reasonable assurance procedures on our Sustainability Bond processes and disclosures within this Sustainability Bond Annual Report 2025. Refer to the TCV website for the 2025 Independent Reasonable Assurance Report.

Market development program of the Australian Taxonomy

The Australian Sustainable Finance Taxonomy was released by the Australian Sustainable Finance Institute in June 2025 to guide issuers and investors on the classification of economic activities that positively contribute to key environmental and sustainability objectives. The Australian Taxonomy will provide a common standard for green and transition finance in Australia.

Together with other Central Financial Authorities, TCV is participating in the market development program to pilot and implement the Taxonomy. TCV supports this market development and, where applicable, will seek to align Eligible Projects with the Australian Sustainable Finance Taxonomy Technical Screening Criteria. The further application of the 'Do No Significant Harm' and 'Minimum Social Safeguards Criteria' will depend on implementation development through the pilot process.

Issuance and use of proceeds

Throughout 2024-25, TCV continued to issue into the 2035 Sustainability Bond through a combination of tenders, reverse enquiries and selected syndications, and we are committed to supporting the liquidity of this bond given its benchmark status. Key details of the Sustainability Bond are detailed in Table 1 below.

Table 1: Issuance proceeds at 30 June 2025

Type	Maturity date	Coupon	First issue date	Amount on issue – face value \$ million	Amount on issue – cash proceeds \$ million	Increase since 30 June 2024 \$ million
Sustainability Bond	17 Sept 2035	2.00%	27 Sept 2021	11,196.3	9,200.2	2,544.3

Under the TCV Sustainability Bond Framework net proceeds of any Sustainability Instrument will be notionally allocated to Eligible Projects within a maximum of 24 months from the issuance date.²

² The Sustainability Bond Framework referenced is the version that is in effect at the date of this report. The allocation methodology may differ in future versions of TCV's framework that governs sustainable bond issuance.

The Sustainability Bond's use of proceeds is notionally allocated based on the proportional percentage of each project's³ total estimated investment (TEI) (refer to Table 3). The TEI represents the State's budget commitment to fund each project's respective expenditure.

In 2024-25 there were a number of changes to the Projects and Assets TEI – as summarised in Table 2 below. The revisions were a result of changes to funding arrangements or revisions in project costings which have been adopted by the Victorian Government.

The key changes reported in 2024-25 are:

- Energy Efficiency Upgrades for Homes Program (low-income component) ceased funding from Government appropriations and transferred to the Sustainability Trust Fund from 1 July 2024. Therefore the TEI has been revised to reflect the sum of the expenditure to date for the low-income component and the original TEI portion for the social housing component which is continuing
- Solar Homes Program ceased funding from Government appropriations and transferred to the Sustainability Trust Fund from 1 July 2024. Therefore the TEI has been revised to reflect expenditure to 30 June 2024. Note: as there has been no new expenditure allocated to the Solar Homes Program in 2024-25, impact metrics have not been collected for the 2024-25 financial year. Refer to the 2024 TCV Sustainability Bond Annual Report for impact metrics up to the program allocation end at 30 June 2024
- Renewable Energy Zones TEI revised to reflect only expenditure to date and \$5.1 million in appropriation funding for 2025-26, with the balance being transferred to the Sustainability Trust Fund
- Melbourne Water's program TEI has been revised to reflect additional costs incurred to date and expected to be incurred to deliver the program to completion
- Inclusion for All program includes expenditure to date to 2024-25, which represents the completion of the rollout of the program. A separate \$690.2 million in ongoing funding arising from the rollout of the program for 2025-26 has also been included in the TEI
- Special School Upgrades TEI includes \$388.8 million of State Funding⁴ plus \$11.2 million of additional funding largely as school contributions.

³ TCV's Sustainability Bond pool of projects and assets are aligned to ICMA Eligible Projects categories. These Eligible Projects include investments in Victorian Government programs that cover a series of related projects.

⁴ As per 2020-21 Budget Paper Number 3 pg. 41.

Table 2: Change in Projects and Assets' Total Estimated Investments

ICMA Eligible Projects category	Projects and assets	TEI at 30 June 2024 (\$ million)	TEI at 30 June 2025 (\$ million)	Change (\$ million)
Clean transportation	Acceleration of Zero Emission Vehicles Adoption Program	19.2	19.2	0
	High Capacity Metro Trains	2,453.3	2,453.3	0
	New Metropolitan Trains (X'Trapolis 2.0)	985.8	985.8	0
	Next Generation Trams (G Class)	1,468.3	1,439.8	-28.5
Energy efficiency	Energy Efficiency Upgrades for Homes Program and Social Housing	447.7	219.0	-228.7
Renewable energy	Solar Homes Program	1,279.0	619.7	-659.3
	Victoria Renewable Energy Zones	540.0	138.7	-401.3
Sustainable water and wastewater management	Melbourne Water Programs	532.3	632.9	100.6
Total Green		7,725.6	6,508.5	-1,217.1
Access to essential services	Inclusion for All	1,560.0	3,062.6	1,502.6
	Special School Upgrades	388.8	400.0	11.2
Affordable housing	Affordable Housing Investment Partnerships	2,044.0	2,100.0	56.0
	Big Housing Build	5,209.1	5,209.1	0
Total Social		9,201.9	10,771.7	1,569.8
Total combined		16,927.5	17,280.2	352.7

Table 3: Allocation of Sustainability Bond's use of proceeds to 30 June 2025

ICMA Eligible Projects category	Projects and assets	Project Status	Total estimated investment (\$ million)	Allocation (%)	Notional allocation (\$ million) ⁵
Clean transportation	Acceleration of Zero Emission Vehicles Adoption Program	Underway	19.2	0.1	10.2
	High Capacity Metro Trains	In construction	2,453.3	14.2	1,306.2
	New Metropolitan Trains (X'Trapolis 2.0)	In construction	985.8	5.7	524.9
	Next Generation Trams (G Class)	In construction	1,439.8	8.3	766.6
Energy efficiency	Energy Efficiency Upgrades for Homes Program and Social Housing	Underway	219.0	1.3	116.6
Renewable energy	Solar Homes Program	Underway	619.7	3.6	329.9
	Victoria Renewable Energy Zones	In construction	138.7	0.8	73.9
Sustainable water and wastewater management	Melbourne Water Programs	Completed and under construction	632.9	3.7	337.0
Total Green			6,508.5	37.7	3,465.2
Access to essential services	Inclusion for All	Ongoing	3,062.6	17.7	1,630.6
	Special School Upgrades	Largely completed	400.0	2.3	213.0
Affordable housing	Affordable Housing Investment Partnerships	Underway	2,100.0	12.2	1,118.1
	Big Housing Build	Underway	5,209.1	30.1	2,773.4
Total Social			10,771.7	62.3	5,735.0
Total combined			17,280.2	100.0	9,200.2

⁵ Notional allocation is calculated by applying the current bond cash proceeds to the proportional TEI (as a percentage of each project to the total asset pool).

TCV is undertaking a review of its allocation methodology in conjunction with the ongoing update to the Sustainable Bond Framework. Consequently, the current methodology, whereby use of proceeds is notionally allocated based on each project's proportional share of total estimated investment, may be revised to a methodology that allocates proceeds to eligible expenditures incurred within the specified eligibility period.

Project expenditures

Table 4 shows the proportion of ICMA Eligible category between expenditure incurred up to 30 June 2025 and the remaining budgeted forward expenditure. To date, across the Eligible Project categories, expenditures incurred totalled \$9.5 billion.

Table 4: Expenditure by ICMA Eligible Projects category

ICMA Eligible Projects category	Expenditure incurred to 30 June 2025 \$ million	Forward expenditure outlook \$ million	Total estimated investment \$ million
Clean transportation	1,443.7	3,454.5	4,898.2
Energy efficiency	190.4	28.6	219.0
Renewable energy	753.3	5.1	758.4
Sustainable water and wastewater management	604.8	28.1	632.9
Access to essential services	2,763.3	699.3	3,462.6
Affordable housing	3,749.5	3,559.6	7,309.1
Total	9,505.1	7,775.1	17,280.2

2025 Project summary updates



1. Sustainable water and wastewater management	20
1.1 Melbourne Water programs	20
2. Renewable energy	23
2.1 Victorian Renewable Energy Zones	23
3. Energy efficiency	24
3.1 Energy Efficiency Upgrades for Homes Program and Social Housing	24
4. Clean transportation	25
4.1 High Capacity Metro Trains	26
4.2 New Metropolitan Trains (X'Trapolis 2.0)	27
4.3 Next Generation Trams (G Class)	28
4.4 Acceleration of Zero Emissions Vehicle Adoption Program	29
5. Affordable housing	31
5.1 Big Housing Build	31
5.2 Affordable Housing Investment Partnerships	32
6. Access to essential services	33
6.1 Inclusion for all	33
6.2 Special school upgrades	34

Credit: Bannerton Solar Farm, Department of Energy, Environment and Climate Action



1. Sustainable water and wastewater management



1.1 Melbourne Water programs

Melbourne Water programs		
Project	Hobson's Bay Main Sewer Renewal	<p>The Hobsons Bay Sewer Main Renewal Project is a critical Melbourne Water infrastructure initiative designed to enhance the reliability, capacity and resilience of Melbourne's wastewater network. The project constructed a new 670-metre duplicate sewer, which was commissioned in October 2024. This is built parallel to the existing 606-metre main sewer, which is scheduled for rehabilitation to be completed by September 2026.</p> <p>Status update to 30 June 2025:</p> <p>The new duplicate sewer has been installed and is now operational. The sewer was brought online in October 2024, marking the completion of the first phase of the project. The second phase of the project involving rehabilitation of the original existing sewer from the 1960s then commenced immediately after that, with sewer flows redirected over to the new duplicate sewer to take the existing sewer offline. The work involves relining the 606m long 2.1m diameter sewer and rehabilitation of the associated manhole maintenance structures. This is expected to be completed approximately in September 2026.</p>
ICMA categorisation	Sustainable water and wastewater management	
Delivery partner	Melbourne Water	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Melbourne Water, Yan Yean to Bald Hill Water Main</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Capacity of sewer pipeline	Annual	73,000,000	cubic meter (m ³) per annum	Based on the measured daily flow and multiplied by 365 days
Number of people served by the pipeline (estimated)	Annual	723,000	people	Estimated population serviced

Community and social co-benefits



Local jobs created	Since project inception (as at 30th June 2025)	49	FTE	Includes principal contractor personnel; excludes retained subcontractor staff.
Apprenticeships/ trainee opportunities created	Since project inception (as at 30th June 2025)	38	traineeships	<p>Included</p> <ul style="list-style-type: none"> 21 traineeships from principal contractor 17 indirect traineeships with subcontractors.

Project	5 West Nutrient Removal at Western Treatment Plant	<p>The 5 West Nutrient Removal Plant project is a critical infrastructure upgrade project, allowing Western Treat Plant to process an additional 150 million litres of wastewater per day. It replaced the 55E Activated Sludge Plant, which was built in 2001. The upgrade also allows the plant to implement lower-cost, more energy-efficient treatment technology, such as the short-cut nitrogen removal process.</p> <p>Status update to 30 June 2025:</p> <p>The construction of and Commissioning of the Plant was completed in June 2025. However, the decommissioning of the 55E Activated Sludge Plant is scheduled to be completed by the end of October 2025. The revalidation of the Class A Recycled Water which marks the validation of the treatment process is still underway.</p>
ICMA categorisation	Sustainable water and wastewater management	
Delivery partner	Melbourne Water	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Melbourne Water, 5 West Nutrient Removal at Western Treatment Plant construction</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Additional capacity for wastewater treatment (estimated)	Daily	150 million	litres (L) of wastewater per day	Estimated data, since the project was in the construction and commissioning phase during FY2024-25. Which equivalent to 54.75 million m ³ per year
Energy use	Annual	Not yet available	kilowatt-hour (kWh) per annum	No energy savings were estimated or calculated, since the project was in the construction and commissioning phase during FY2024-25
Tonnes of nitrogen discharged to Port Philip Bay (three-year rolling average)	Three years (July 2022 to June 2025)	4,080	tonnes	Higher than the 3,100-tonne limit and is mostly attributable to higher nitrogen loads into the plant above treatment capacity and growth in the sewerage catchment.
Tonnes of nitrogen discharged to Port Philip Bay	FY24-25	3,895	tonnes (t) per annum	

Community and social co-benefits



Local jobs created	Since project inception (as at 30th June 2025)	77	FTE	N/A
Apprenticeships/ trainee opportunities created	Since project inception (as at 30th June 2025)	88	FTE	Included 76 Aboriginal employees

Project	Yan Yean to Bald Hill Water Main	<p>The project involved the construction of a 20km pipeline from the Yan Yean Water Treatment Plant to Bald Hill, Kalkallo tank site and the installation of pump stations. Completed in November 2024, the pipeline helps improve the reliability of the water supply in the northern suburbs and frees up capacity to transfer more water to the western suburbs.</p> <p>Status Update to 30 June 2025:</p> <p>The Yan Yean to Bald Hill pipeline project is complete and operational, with construction finished between 2022 and 2024. This new infrastructure connects the upgraded Yan Yean Water Treatment Plant to the Bald Hill Service Reservoir, significantly increasing water supply reliability for Melbourne's growing northern and western suburbs.</p>
ICMA categorisation	Sustainable water and wastewater management	
Delivery partner	Melbourne Water	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Melbourne Water, Yan Yean to Bald Hill Water Main</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Volume of clean drinking water supply (estimated)	November 2024 to October 2025	3	gigalitres (GL)	Estimated data
Number of people served by the Bald Hill transfer system	N/A	Over 77,500	people	Residents in parts of Beverage, Donnybrook, Kalkallo, Mickleham and Wallan are receiving water from Yan Yean Reservoir. Data published by Yarra Valley Water

2. Renewable energy

2.1 Victorian Renewable Energy Zones

Victoria Renewable Energy Zones		
Project	Victorian Renewable Energy Zones	<p>The Victoria Renewable Energy Zones (REZ) Development Plan represents a cornerstone of the State’s clean energy transformation strategy. The program comprises 12 infrastructure projects across south-west, western, north-west, and central-north Victoria to strengthen and modernise the transmission network. These upgrades will unlock more than 2.3 GW of new renewable energy generation capacity, enough to power over 660,000 homes, and significantly enhance grid stability and system strength across Victoria.</p> <p>Status update to 30 June 2025:</p> <p>The Stage one projects include:</p> <ul style="list-style-type: none"> • The Koorangie Energy Storage System (KESS), a 185 megawatt (MW) / 365 megawatt hour (MWh) battery energy storage system (BESS) utilising grid-forming inverters in the Murray River region near Kerang. The KESS will improve system strength in north-west Victoria. The KESS achieved commercial operation in July 2025 • The Mortlake Turn-In Project, to be constructed by AusNet Services, which will divert the existing 500 kilovolt line from Haunted Gully to Tarrone into the Mortlake Terminal Station in south west Victoria • Nine minor network augmentation projects across south-west, north-west and central north Victoria, to be delivered by AusNet Services.
ICMA categorisation	Renewable energy	
Delivery partner	Department of Energy, Environment and Climate Action	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Department of Energy, Environment and Climate Action, Ararat Synchronous Condenser</i></p>		


Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Share of Victorian generation from renewable sources	FY2024-25	42.4	%	Data from VRET Progress Report 2024-25
Renewable energy capacity to be enabled by transmission systems (estimated)	N/A	2.3	gigawatt (GW)	N/A
Total energy storage capacity installed	FY2024-25	370	megawatt-hour (MWh)	KESS achieved commercial operation in July 2025.

Community and social co-benefits

Local jobs created	Since project inception (as at 30th June 2025)	4,225	hours	N/A
Apprenticeships/trainee opportunities created	Since project inception (as at 30th June 2025)	26,488	hours	N/A
Local content commitment	Since project inception (as at 30th June 2025)	1.1	million AUD	The contract spend supports Aboriginal business

3. Energy efficiency

3.1 Energy Efficiency Upgrades for Homes Program and Social Housing

Energy Efficiency Upgrades for Homes Program and Social Housing		
Project	Energy Efficiency Upgrades for Homes Program and Social Housing	<p>The Energy Efficiency in Social Housing Program (EESH) is delivering individual energy efficiency upgrades to existing social housing across Victoria by contributing to the electrification by removing gas appliances and installing energy efficient electric appliances, insulation and draught sealing.</p> <p>The Victorian Government's Home Heating and Cooling Upgrades (HHCU) program has provided rebates to low-income and vulnerable Victorian households across low income private and public housing to upgrade their old heating systems to more efficient reverse cycle air conditioner systems to meet their heating and cooling needs.</p>
ICMA categorisation	Energy efficiency	
Delivery partner	Department of Energy, Environment and Climate Action and Homes Victoria	
Link to UN Sustainable Development Goals		



Credit: Homes Victoria, Split System Heating and Cooling, Campbell St Collingwood

Status update to 30 June 2025:

Social Housing

The EESH has been extended and rephased to maximise the matched funding from the Commonwealth’s Social Housing Energy Performance Initiative. The redesigned program has a new target of 45,000 individual upgrades, including 5,000 all-electric homes and retrofits.

Works include the installation of high-efficiency reverse-cycle air conditioners, hot water heat pumps, electric and induction cooktops, draught sealing, ceiling insulation and solar photovoltaic systems.

Home Heating and Cooling Upgrades (low income)

From 1 July 2024, The HHCU program has been funded by the Victorian’s Sustainability Fund and therefore not State appropriations budget funded. For impact metrics please refer to the 30 June 2024 outcome in our [2024 Annual TCV Sustainability Bond Report](#).

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Social Housing: Number of individual upgrades completed ⁶	Since project inception (as at 30th June 2025)	21,576	Number of upgrades	An individual home may receive multiple upgrade jobs to achieve complete or partial electrification


4. Clean transportation

The Victorian Government has committed to sourcing 100% renewable electricity for all government operations from 1 July 2025; this includes sourcing renewable electricity for the operation of the Melbourne train and tram networks. Since 2019, the emissions from electricity usage of the Yarra Trams network are 100% offset by renewable energy certificates from two Victorian solar farms (Numurkah Solar Farm and Bannerton Solar Farm) under the Government’s Solar Trams program.

⁶ The units of measure and targets for the Energy Efficiency Upgrades for Social Housing Program have changed following the program re-baseline in May 2025.

Units of measure and targets now capture the number of homes that have received complete or partial electrification, instead of the number of upgrade jobs for the range of electrification works that contribute to creating energy efficient social housing.

4.1 High Capacity Metro Trains

High Capacity Metro Trains		
Project	High Capacity Metro Trains	<p>The High Capacity Metro Trains (HCMT) project supports the State’s objective of delivering a world-class public transport network. Each HCMT has space for about 20% more passengers than any other train on the Metro Trains Melbourne network, and provides travellers with the latest in safety, accessibility and passenger amenities. The HCMT were assembled in Newport, Victoria with 60% local content, providing an invaluable boost to Victorian manufacturing and local supply chains.⁷</p> <p>Status Update to 30 June 2025:</p> <p>All HCMT are now in service, with the trains running all services on the Cranbourne and Pakenham lines, as well as select services on the Sunbury line. Trains will run through the Metro Tunnel, connecting the Sunbury line with the Cranbourne and Pakenham lines upon the opening of the Metro Tunnel.</p>
ICMA categorisation	Clean transportation	
Delivery partner	Department of Transport and Planning	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Department of Transport and Planning, HCMT Pakenham Depot</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Number of clean vehicles deployed (EMU trainsets in service)	FY2024–25	70	trains	N/A
Passenger boardings (metro network)	FY2024–25	225,147,850	passengers	Network-wide figure
Traction electricity consumption (metro network)	FY2024–25	457,430	MWh	Network total electricity use
Annual absolute GHG emissions (location-based)	FY2024–25	352,221	tCO ₂ e	Based on the grid EF × electricity use for the network
Total kilometres travelled (metro network)	FY2024–25	23,363,122	km	Network total train distance



⁷ For local content rules – see [Victoria's Local Jobs First Policy](#)

CO ₂ e per passenger (intensity metric) (location-based)	FY2024–25	0.0156	tCO ₂ e/ passenger/ year	Derived metric – low-carbon intensity
CO ₂ e per kilometre travelled (intensity metric)	FY2024–25	0.015076	tCO ₂ e/vehicle -km travelled/ year	Derived metric – network average

Community and social co-benefits

Local jobs created	Since project inception (as at 30th June 2025)	1,100	job	15 per cent of positions for apprentices, trainees or cadets
Minimum local content requirement	Since project inception (as at 30th June 2025)	60	percent (%)	The trains were assembled in Newport using train parts made in Morwell, Bendigo, Hallam and other parts of Victoria.

4.2 New Metropolitan Trains (X'Trapolis 2.0)



New Metropolitan Trains (X'Trapolis 2.0)				
Project	New Metropolitan Trains (X'Trapolis 2.0)		<p>The new X'Trapolis 2.0 trains will provide more reliable journeys, better passenger information, and improved accessibility, energy efficiency and comfort. This is the next phase of renewal for Melbourne’s train fleet, following the rollout of the new HCMT.</p>	
ICMA categorisation	Clean transportation			
Delivery partner	Department of Transport and Planning			
Link to UN Sustainable Development Goals			<p>Status Update to 30 June 2025:</p> <p>Testing of the new X'Trapolis 2.0 trains on the network is now underway as manufacturing continues and new vehicles roll off the production line. The new X'Trapolis 2.0 trains are being manufactured in Ballarat by Alstom, with the construction of specific components also taking place in Dandenong. The trains are built using at least 60% local content, and will roll out onto the Frankston, Craigieburn and Upfield lines to replace Victoria's longest serving metropolitan trains, the Comeng fleet.</p>	
				
<p><i>Credit: Department of Transport and Planning, X'Trapolis 2.0</i></p>				

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Number of clean vehicles to be deployed	FY2025–26 (expected)	25	trains	New X'Trapolis 2.0 trains are undergoing testing across the network throughout 2025

Community and social co-benefits

Local jobs created	Since project inception (as at 30th June 2025)	Approx. 750	job	Manufacturing and supply chain roles
Minimum local content requirement	Since project inception (as at 30th June 2025)	60	percent (%)	X'Trapolis 2.0 trains are being made in Victoria at Ballarat

4.3 Next Generation Trams (G Class)



Next Generation Trams (G Class)		
Project	Next Generation Trams (G Class)	<p>The new G Class trams will progressively replace many of Melbourne’s longest-serving high-floor trams, delivering a more comfortable, accessible and energy-efficient journey for passengers.</p> <p>With an accessible, low-floor design, these trams will improve passenger amenity, safety and reliability on our tram network.</p> <p>Status update to 30 June 2025:</p> <p>Early testing of the new next generations G Class trams is underway, as trams roll off the production line. The trams are being manufactured in Dandenong using at least 65% local content and supporting up to 1,900 local jobs, including the supply chain and the wider economy.</p> <p>Construction has also now been completed on the Maidstone Tram Maintenance Facility, which will support the new fleet of 100 G class trams as they are delivered, undergo testing and enter service on the network.</p>
ICMA categorisation	Clean transportation	
Delivery partner	Department of Transport and Planning	
Link to UN Sustainable Development Goals		
		
<p><i>Credit: Department of Transport and Planning, G Class Tram</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Number of clean vehicles to be deployed	FY2025–26 (expected)	100	trams	The first test tram was delivered to the new Maidstone Tram Depot in September 2025.

Community and social co-benefits

Local jobs created	Since project inception (as at 30th June 2025)	Up to 1,900	job	Across manufacturing, construction, and supply chain
Local content requirement	Since project inception (as at 30th June 2025)	65	percent (%)	Manufactured at Dandenong in Melbourne's south-east



4.4 Acceleration of Zero Emissions Vehicle Adoption Program

Acceleration of Zero Emissions Vehicle Adoption Program		
Project	Acceleration of Zero Emissions Vehicle Adoption Program	<p>Victoria's suite of Electric Vehicle (EV) Infrastructure Programs - including the Destination Charging Across Victoria (DCAV) Grant Program, EV Charging for Council and Business Fleets, and the Zero Emissions Vehicle Emerging Technologies (ZEVET) Program - form a core part of the state's clean transport transition. The initiative aims to create an extensive, accessible, and reliable EV charging network across metropolitan and regional areas, enabling the decarbonisation of road transport and accelerating the shift toward zero-emissions mobility.</p> <p>The overarching goal of these programs is to reduce transport-related greenhouse gas emissions by supporting widespread EV adoption and addressing key barriers such as charger accessibility, geographic coverage and grid readiness.</p> <p>Status update to 30 June 2025: Each of these programs were scheduled to conclude in June 2025. However, due to project delivery delays largely attributed to required network upgrades and Distributed Network Service Provider timelines the programs have been extended to June 2027, with all projects expected to be completed by December 2026. The program extension has also allowed for the re-allocation of unspent ZEVET funding to the DCAV program to deliver additional chargers and upgrade the existing infrastructure. An Expression of Interest process is currently underway with successful projects due to be awarded funding in December 2025.</p>
ICMA categorisation	Clean transportation	
Delivery partner	Department of Transport and Planning	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Department of Energy, Environment and Climate Action, Vehicle Charging, Geelong City Council</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Number of vehicle chargers installed	Since project inception (as at 30th June 2025)	389	Number of chargers	Combined total for the 4 programs - DCAV, Council fleets, business fleets and ZEVET
Total installed charging capacity	Since project inception (as at 30th June 2025)	9,746	Kilowatt (kw)	
Public accessibility	Since project inception (as at 30th June 2025)	44	Percent (%)	44% Public; 56% fleet only
Number of accessible EV bays delivered (estimated)	Since project inception (as at 30th June 2025)	100	Number of bays	
Uptime (estimated)	2024-25	95	Percent (%)	98% minimum operating standard
Utilisation (estimated)	2024-25	Metro: 2,500 Regional: 600 Private/Fleet: 500	Number of charging sessions	
Energy delivered (Estimated)	2024-25	6,600	Megawatt hour (MWh)	
Total installed charging capacity	Since project inception (as at 30th June 2025)	9,746	kilowatt (kw)	
Community and social co-benefits				
Local jobs created (estimated)	Since project inception (as at 30th June 2025)	5	FTE	
Procurement from local SMEs	Since project inception (as at 30th June 2025)	9.1	Million	54% of the total project procurement spend

5. Affordable housing

5.1 Big Housing Build

Big Housing Build		
Project	Big Housing Build	<p>Homes Victoria is delivering the \$5.3 billion Big Housing Build for investment in social and affordable housing. The Big Housing Build will deliver more than 12,000 new homes and increase the supply of social housing by 10%.</p> <p>Status update to 30 June 2025:</p> <p>More than 10,500 homes are under construction or have been completed. Those completed have been allocated to those in need, including young people, victim survivors of family violence, Aboriginal Victorians and people with mental illness.</p>
ICMA categorisation	Affordable housing	
Delivery partner	Homes Victoria	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Homes Victoria, Big Housing Build, Wangaratta</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Number of homes complete or purchased	Since project inception (as at 30th June 2025)	5,987	number	Target over 12,000
Number of homes under construction	As at 30 June 2025	4,528	number	
Target number allocated (cohort) of Big Housing Build Program:				
Victim survivors of family violence	Since project inception (as at 30th June 2025)	948	number	Target 1,000
Aboriginal Victorians	Since project inception (as at 30th June 2025)	802	number	Target 820
People with mental illness	Since project inception (as at 30th June 2025)	Not Yet Available	number	Target 2,000 ⁸

⁸ 500 customised homes will be delivered through the Social Housing Growth fund (all have been contracted and 185 have been completed) and the remaining outcomes will be delivered via allocations through the Victorian Housing Register.



5.2 Affordable Housing Investment Partnerships

Affordable Housing Investment Partnerships		
Project	Affordable Housing Investment Partnerships	<p>Affordable Housing Investment Partnerships (AHIP) makes low interest loans and government guarantees available to community housing agencies and other not for profit organisations to finance social and affordable housing for Victorians who need it most. AHIP brings the total finance available to \$2.1 billion and has been providing financial support for social and affordable housing since 2019.</p> <p>Status update to 30 June 2025:</p> <p>As of 30 June 2025, AHIP has approved approximately \$1.1 billion of low interest loans to support more than 5,300 new social and affordable dwellings. This includes approximately \$275 million in loans supporting nearly 600 new dwellings approved in 2024-25.</p> <p>The Victorian Government expects community housing providers and other stakeholders to keep showing strong interest in AHIP throughout 2025-26. The high demand for AHIP loans is expected to continue to support projects backed by the Commonwealth Government’s Housing Australia Future Fund.</p>
ICMA categorisation	Affordable housing	
Delivery partner	Homes Victoria	
Link to UN Sustainable Development Goals		
 <p><i>Credit: TCV, Housing Choices Australia: Northumberland Road, Pascoe Vale</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Number of homes complete or purchased	Since project inception (as at 30th June 2025)	3,336	number	
Number of homes under construction	As at 30 June 2025	2,020	number	
Percentage of dwelling tenanted by Victorians on the priority access category of the Victorian Housing Register	Since project inception (as at 30th June 2025)	>75%	percent (%)	Target: At least 75% of all social housing dwellings



6. Access to essential services

6.1 Inclusion for all

Inclusion for all		
Project	Inclusion for all	<p>The 2020-21 Victorian State Budget included nearly \$1.6 billion over 4 years and \$0.7 billion ongoing to introduce Disability Inclusion which comprises:</p> <ul style="list-style-type: none"> a new Victorian government school funding model for students with disability, with two new funding allocations (Tier 2 school-level funding and Tier 3 student-level funding) to support inclusive practice in schools a new strength-based Disability Inclusion Profile to help schools and families identify the strengths, needs and educational adjustments schools can make to assist students with disability new initiatives to strengthen skills and knowledge in inclusive education across the school system additional regional disability support roles and dedicated implementation teams. <p>Status update to 30 June 2025:</p> <p>The staged roll-out of Disability Inclusion is complete, with the final tranche of Victorian government schools transitioning to the new model in 2025. All schools statewide have received an allocation of "Tier 2" school-level funding and are using this funding to strengthen support for students with disability. There has also been a significant increase in school workforce engagement with inclusive education professional learning, while "Tier 3" student-level funding has been widely adopted.</p>
ICMA categorisation	Access to essential services	
Delivery partner	Department of Education	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Department of Education</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Proportion of Government School students who receive adjustments to support their access and participation in learning because of disability	2024-25	27.6	percent (%)	As defined in the <i>Disability Discrimination Act 1992 (Cth)</i> Target: 25.0
Proportion of total Government Schools resourced through Disability inclusion funding and support model	2024-25	99.0	percent (%)	Target: 99.0

6.2 Special school upgrades

Special School Upgrades		
Project	Special school upgrades	<p>The Special school upgrades program aims to create modern safe places for students with disability to learn and explore. This initiative will improve educational outcomes through the provision of high-quality teaching spaces.</p> <p>A total of 39 special schools across Victoria received funding for upgrades.</p> <p>Status Update to 30 June 2025:</p> <p>A total of 39 projects were funded.</p> <p>As of 30 June 2025, 38 projects have been completed, with 1 construction project ongoing being the Victorian College for the Deaf which is forecast to be completed in September 2026.</p>
ICMA categorisation	Access to essential services	
Delivery partner	Department of Education	
Link to UN Sustainable Development Goals		
 <p><i>Credit: Department of Education, Hamilton Parklands School</i></p>		

Impact Metrics	Time Horizon	Impact Value	Unit	Notes
Number of school upgrades completed	Since project inception (as at 30th June 2025)	38	number	
Number of school upgrades under construction	As at 30 June 2025	1	number	
Percentage of positive responses to school satisfaction by parents of Government special school students	2024-25	85.5	percent (%)	Target: 85.0

Appendix A

Environmental policies, statements and programs



2025 – 26 State Budget

The 2025–26 Victorian Budget reinforces the State’s commitment to achieving net-zero emissions by 2045 and building a climate-resilient economy. The Victorian 2025-26 Budget includes funding to:

- support Victoria’s energy transition
- ensure energy remains safe, reliable and affordable for Victorian households and businesses
- advance planning for offshore wind projects
- implement VicGrid’s transmission planning reforms
- improve the VEU program
- expand the Solar Homes programs
- contribute to national energy market bodies and reforms, supporting Victoria’s transition and meeting national obligations.

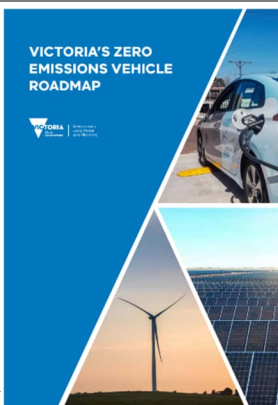


Victoria’s Gas Substitution Roadmap Update

Released in 2022, Victoria’s Gas Substitution Roadmap supports the transition to net-zero emissions while maintaining energy reliability and affordability. It outlines actions to lower bills, reduce emissions, create jobs and support gas reliability. The 2024 update highlights progress since 2022.

In June 2025, additional building electrification regulations were announced that:

- mandate all new homes and commercial buildings be all-electric from January 2027
- require end-of-life gas hot water systems in existing residential buildings be replaced with electric alternatives from March 2027.



Zero Emissions Vehicle Roadmap

Released in 2021, Victoria’s Zero Emissions Vehicle (ZEV) Roadmap sets an ambitious target of 50 per cent of new light vehicle sales to be zero emissions vehicles by 2030.

The ZEV Roadmap and its targets are supported by a range of policies and programs. The most recent being:

- the roll-out of EV charging infrastructure across regional Victoria
- the Government released the Zero Emissions Buses (ZEB) Transition Plan in 2024 for all new public transport buses to be ZEBs. This was achieved from 1 July 2025
- the establishment of a Commercial Sector Zero Emissions Vehicle Innovation Fund (\$5 million in funding) to pilot and trial commercial sector ZEV technologies.



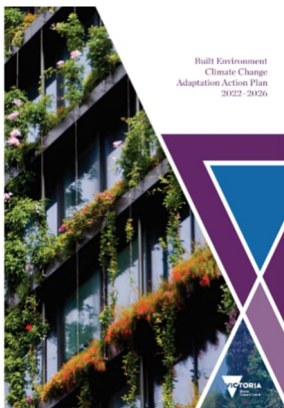
Offshore Wind Implementation Statement 4

Released in April 2025, Victoria’s Offshore Wind Implementation Statement 4 builds on earlier statements and outlines the State’s next steps in developing an offshore wind sector.

It provides updates on:

- the Government’s procurement approach
- legislative and regulatory reform
- supply chain development and support for local industry
- planning for transmission and port infrastructure.

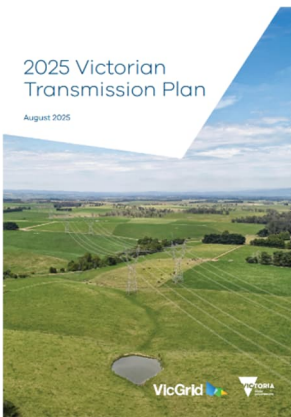
The Statement also reaffirms Victoria’s commitment to environmental protection and working with communities and Traditional Owners to support self-determination.



Adaptation Action Plans

Released in 2022, the Victorian Government developed Adaptation Action Plans for 2022–26 across seven systems. The Plans guide government action and support an informed, coordinated response to the risks and opportunities of our changing climate.

Each plan sets out the challenges of climate change for the system, the extensive work already underway to ensure Victoria is climate resilient, and the key priorities for the next five years.



Victorian Transmission Plan

In 2025, VicGrid released Victoria’s first strategic long-term plan for renewable energy zones and transmission infrastructure. The plan outlines the new energy infrastructure needed to maintain supply as coal-fired power stations close.

The Victorian Transmission Plan sets out a coordinated approach to developing renewable energy generation and transmission, including:

- six proposed renewable energy zones across key areas
- a proposed Gippsland Shoreline Renewable Energy Zone
- planned transmission network upgrades, including reconstruction of existing assets and four new transmission projects.



Whole of Victorian Government Climate-related Risk Disclosure

Released in October 2025, the Victorian Government Climate-related Risk Disclosure Statement outlines the Government’s continued leadership on climate change, and how it integrates climate-related risks and opportunities in strategy and decision-making. Building on the first disclosure released in October 2022, the 2025 Statement highlights updated policy frameworks and actions and progress in understanding and managing climate-related risks and opportunities.

The disclosure aligns with the latest Australian standards and is tailored to support whole-of-government-level reporting. It includes the key themes of governance, strategy, risk management, and metrics and targets.



Climate Change Strategy

Victoria's Climate Change Strategy 2026–30 is the second five yearly strategy released after the Climate Change Strategy 2021–25. The strategies are a requirement of the *Climate Action Act 2017* (Vic).

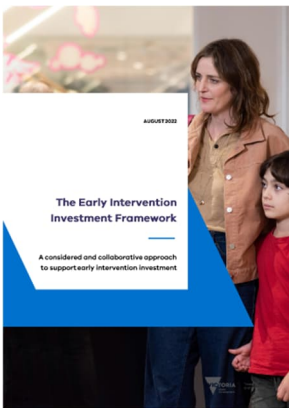
The strategy is shaped by Victorians, with over 500 submissions from organisations and individuals guiding the Government's actions and priorities.

It sets up the next phase of the Government's climate action that benefits the Victorian economy and community.

Victoria's climate action for the next 5 years is based on 4 priorities:

- helping households with the cost of living and lowering costs for business
- building for the future
- putting jobs and workers first in the transition
- protecting kids, families and communities.

Social policies, statements and programs



Early Intervention Investment Framework

The Early Intervention Investment Framework (EIIF) links government funding to measurable impacts for individuals and the service system, guiding investment toward timely support that improves life outcomes and reduces pressure on acute services.

In the 2025-26 Budget, \$714 million was allocated to 32 early intervention initiatives that will deliver targeted assistance to people in need. To date, the Victorian Government has invested \$3.5 billion through EIIF, with expected economic and financial benefits exceeding this amount. These benefits include:

- improved outcomes for Victorians across diverse cohorts, such as those experiencing homelessness, families whose children are at risk of being placed in care, disengaged youth and people living with acute mental illness or chronic health conditions
- system-wide efficiencies from reduced acute service use, enabling reinvestment in future EIIF initiatives.



Training for the skills our economy needs

The Victorian Government continues to help Victorians gain the skills needed for employment, further education and to meet the changing needs of industry and business. Through the 2025-26 Budget, \$459 million has been committed to ensure Victorians are equipped for future opportunities.

This investment includes expanding access to Fee Free TAFE for up to 20,000 learners, strengthening support for TAFE students and infrastructure, and delivering targeted initiatives, such as the Housing Construction Centre of Excellence and new digital literacy and employability programs. Additionally, support is provided for apprenticeships, Aboriginal Community Controlled training models, and professional development for trainers and assessors.



Best Start, Best Life and Three-Year-Old Kinder reform

The 2025-26 Budget continues to deliver the Best Start, Best Life reforms by investing a further \$2 billion towards:

- free Kinder for three and four-year-olds statewide, saving families up to \$2,600 a year for each child;
- the rollout of three-year-old kinder, providing up to 15 hours of kindergarten a week for almost 75,000 three-year-olds statewide
- transitioning four-year-old kindergarten to Pre-Prep, which provides up to 30 hours of play based learning a week
- opening 50 government owned and run Early Learning and Childcare Centres in the communities that need them most.



Treaty for Victoria

Victoria's Treaty process is about creating a fairer future for all. For nearly a decade, the State has been on the Truth and Treaty path, with the Victorian Government negotiating Treaty on behalf of all Victorians.

The Treaty process is about making sure First Peoples have a say in decisions that affect their lives, including healthcare, housing and education, now and into the future. When First Peoples make decisions for Aboriginal families and communities, we see better results.

Following a \$273 million commitment in the 2024-25 Budget, the 2025-26 Budget invested a further \$203 million to support First Peoples' self-determined outcomes across health, education, employment and more – bringing total investment in the past decade to \$2.4 billion.

In September 2025, a major milestone was reached with an in-principle agreement between the Victorian Government and First Peoples' Assembly of Victoria on the Treaty. The Statewide Treaty Bill has been introduced to Parliament and, subject to its passage, the negotiated Treaty Agreement will be signed by the Victorian Government and the First Peoples' Assembly of Victoria. Victoria is the first State in Australia to reach this stage in the Treaty process.

Victorian Closing the Gap Implementation Plan 2021-2023



Closing the Gap Implementation Plan

Victoria's Closing the Gap Implementation Plan outlines the actions to implement the National Agreement on Closing the Gap and achieve equity for First Peoples. Initially running from 2021-2023, the Plan has been extended to June 2026 to allow continued consultation with First Peoples on next steps. This acknowledges that meaningful and sustainable change can only come about through self-determination and shared decision-making.

Victoria is pursuing more ambitious goals beyond the National Agreement targets, aiming to improve outcomes in health, child protection, justice, economic development and education. The 2025-26 Budget committed \$13 million to advance these commitments.



Victoria's Housing Statement

Victoria's Housing Statement sets out a comprehensive strategy to deliver 800,000 new homes by 2034, with a focus on supply, affordability and sustainability. Building on programs like the Big Housing Build, Rural Housing Fund and High-rise redevelopment project, the Statement includes a focus on activities to fast-track development, unlock government land and guide growth through Plan Melbourne.

Key initiatives detailed in the Statement include enabling small second homes, supporting development around activity centres and transport hubs, and launching major precincts like Arden. The Government is also strengthening renters' rights, investing in infrastructure in growth areas and encouraging institutional investment.

Building big for a better future



Big Housing Build and High-rise redevelopment project

The Big Housing Build, together with the Regional Housing Fund and the High-rise redevelopment project, is delivering more modern, accessible and energy-efficient homes across Victoria. With a record \$6.8 billion investment, over 16,000 social and affordable homes will be delivered.

As of July 2025, since the program's inception 11,770 homes have been completed and 5,742 homes are underway, totalling 17,512 new homes.

The Big Housing Build will increase Victoria's social housing supply by more than 10 per cent over the life of the program.

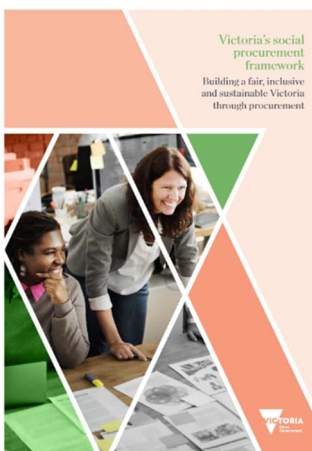


Social Housing Growth Fund

Established in 2018, the Social Housing Growth Fund provides a sustainable revenue stream that enables the Victorian Government to partner with the community housing sector to deliver social and affordable housing.

Through these partnerships, bespoke housing is developed across Victoria, with cost-effective projects delivered at scale. The sector's expertise guides each stage – from design and construction to tenancy support.

The Fund has played a significant role in delivering both the Big Housing Build and the Homes for Victorians Strategy.



Social Procurement Framework

Launched in 2018, the Victorian Social Procurement Framework enables departments and agencies to use their purchasing power to generate social value beyond the goods, services or construction procured. The Framework has expanded opportunities for Aboriginal businesses, Australian Disability Enterprises and Social Enterprises to supply to government.

The 2025-26 Budget commits to strengthening social procurement through partnerships with Kinaway Aboriginal Chamber of Commerce and Social Traders, who certify Government spend with Victorian Aboriginal businesses.



Gender Responsive Budgeting

The Victorian Government established a Gender Responsive Budgeting Unit in 2021-22 to embed gender impact analysis in budget decision-making, working closely with the Office for Women.

Victoria is the first state or territory to adopt Gender Responsive Budgeting. The process helps create budgets that consider the impacts of investment decisions on all Victorians and helps tailor investments to meet the needs of women, men and gender diverse people.

The Government has published a Gender Equality Budget Statement annually since 2017-18 and, in June 2024, amendments to the *Financial Management Act 1994* (Vic) made Gender Responsive Budgeting a legislated requirement.

The 2025-26 Budget announced ongoing funding for this work.

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Government Bonds of Victoria	Freecall number 1800 628 008	
Designated Investment Bonds	For information on Designated Investment Bonds issued under the Australian Department of Immigration and Border Protection, please email tcv@tcv.vic.gov.au or telephone +61 3 9911 3636.	

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