

DEPARTMENT OF
TREASURY AND FINANCE

**2022
-23
ANNUAL
REPORT**

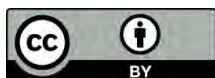
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Responsible Body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Treasury and Finance Annual Report for the year ended 30 June 2023.



David Martine
Secretary

10 October 2023

About DTF

Our vision

Excellence in financial and economic management.

Our mission

To provide leading financial and economic advice to the Government on the allocation of resources to improve the living standards of all Victorians.

Our role

The Department of Treasury and Finance (DTF) provides economic, financial and resource management advice to help the Victorian Government deliver its policies.

DTF supports the ministerial portfolios of the Treasurer, the Assistant Treasurer and the Minister for WorkSafe and the TAC.

Our objectives

We work with all Victorian departments and agencies to ensure the Government's objectives are achieved.

DTF's objectives are to:

- optimise Victoria's fiscal resources
- strengthen Victoria's economic performance
- improve how government manages its balance sheet, commercial activities and public sector infrastructure.

We proactively look to improve our services, and the way in which they are delivered to ensure we are:

- fiscally responsible
- market focused
- reform oriented.

Our values

- We are influential
 - we demonstrate leadership in our work
 - we negotiate effectively to get the best outcome for Victorians.
- We are respectful
 - we treat others fairly and inclusively
 - we cultivate a positive work environment and understand others' priorities and pressures.
- We are collaborative
 - we engage flexibly and constructively with our colleagues and stakeholders
 - we work together as a team, speaking with one voice.
- We are creative
 - we foster innovative thinking to create opportunities and solve challenges
 - we value and encourage diverse views and ideas.
- We are accountable
 - we behave ethically, transparently and with integrity
 - we take responsibility for our work, decisions and actions
 - we work efficiently to achieve value-for-money outcomes.
- We are responsive
 - we give timely, robust and impartial advice and services to stakeholders
 - we are proactive and solution focused, seeking opportunities to resolve issues and risks.

Our Ministers

as at 30 June 2023

Treasurer – Tim Pallas MP

Tim Pallas MP commenced as Treasurer of Victoria in December 2014.

The Treasurer's responsibilities include:

- preparing and delivering the annual state budget
- promoting economic growth across Victoria
- developing the fiscal objectives and strategy for Victoria
- overseeing the economic policy and economic strategy of the Government
- driving wages policy, which operates in conjunction with industrial relations policies
- overseeing the planning and delivery of major infrastructure projects undertaken across government
- revenue policy and collection for the State of Victoria, including land transfer duty, payroll tax and land tax
- borrowing, investment and financial arrangements to hedge, protect and manage the State's financial interests
- providing investment and fund management services to the State and its statutory authorities.

The Treasurer is also Minister for Industrial Relations and Minister for Trade and Investment.

Assistant Treasurer, Minister for WorkSafe and the TAC – Danny Pearson MP

The Hon Danny Pearson MP commenced as Assistant Treasurer in June 2020, and as Minister for WorkSafe and TAC in December 2022.

The Minister's primary responsibilities are:

- the State's financial reporting and accountability framework
- whole of Victorian Government financial management and risk management frameworks
- overseeing superannuation policy for the State and oversight of the Emergency Services Superannuation Scheme
- the Essential Services Commission, the independent economic regulator of the State's essential services
- the Registrar of housing agencies, who regulates Victoria's registered community housing agencies
- The Victorian Managed Insurance Authority, the Victorian Government's insurer and risk adviser
- overseeing regulatory reform across the whole of Victorian Government
- Victoria's workplace safety regulator and workers' compensation scheme as delivered through WorkSafe Victoria
- transport accident compensation delivered via the Transport Accident Commission.

The Assistant Treasurer is also Minister for Consumer Affairs and Minister for Government Services.

Senior Executives

DTF is managed by the DTF Board, which comprises the Secretary, Deputy Secretaries and the CEO of the Office of Projects Victoria. Collectively, the DTF Board has significant public and private sector management experience in the areas of economics, finance, commercial risk management, infrastructure, people management and technology.

David Martine

Secretary, DTF

David joined the Department of Treasury and Finance as Secretary in February 2014. He leads the Department in its role providing economic, financial and resource management advice to the Government. Before moving to Victoria, David held senior roles in the Commonwealth public service including with the Commonwealth Treasury and the Department of Finance and Deregulation.

David has extensive budget, finance, policy and organisational leadership experience, and has been involved in complex policy development and reform.

David holds board positions with the Treasury Corporation of Victoria, the Victorian Funds Management Corporation and Infrastructure Victoria.

In 2019, David was awarded the Public Service Medal.

Chris Barrett

Deputy Secretary, Economic Division

Chris commenced as Deputy Secretary, Economic Division in January 2021. Chris is responsible for the provision of high-level economic and policy advice to the Government on productivity, taxation and regulation, along with social, environmental and economic development issues.

In his prior role as Invest Victoria CEO, Chris led both the Victorian Government's approach to investment attraction and the Economic Recovery Mission in response to the COVID-19 pandemic. Chris' career includes two decades in public service in Melbourne, Canberra and internationally, including as Deputy Secretary, Policy and Cabinet in the Victorian Department of Premier and Cabinet and Australian Ambassador to the OECD in Paris.

Jamie Driscoll

Deputy Secretary, Budget and Finance Division

Jamie commenced as Deputy Secretary, Budget and Finance in February 2019. Jamie is responsible for providing advice on Victoria's fiscal resources, financial management and consolidated reporting, and providing financial advice on public sector workplace agreements.

Immediately prior to joining DTF, Jamie was the Director, Strategy for the Major Transport Infrastructure Program in the Office of the Coordinator-General. He has previously held various roles in the ACT and Victorian governments and was an Associate Director in Deloitte's economics practice.

Kate O'Sullivan

Acting Deputy Secretary, Commercial Division

Kate is responsible for providing strategic commercial, financial and risk management advice to the Government. Activities include managing the State's balance sheet, prudential supervision of public financial corporations, infrastructure assurance and capital investment advice, commercial transactions, shareholder monitoring of the State's major government business enterprises, and regulating community housing associations through the Housing Registrar.

Kate's substantive role is the Executive Director Infrastructure Policy and Assurance in the Commercial Division. Kate has experience in infrastructure procurement and contracting at both Commonwealth and State Government levels and leads the DTF team advising on the capital budget process.

Cressida Wall

Chief Executive Officer, Office of Projects Victoria

Cressida has extensive experience in the property and infrastructure sector, having worked as the Victorian Executive Director of the Property Council of Australia, as well as starting her own private equity company and working as CEO of its property division.

Cressida has previously practised as a commercial litigator at Minter Ellison and Corrs, Chambers Westgarth and was on the board of State Trustees Victoria.

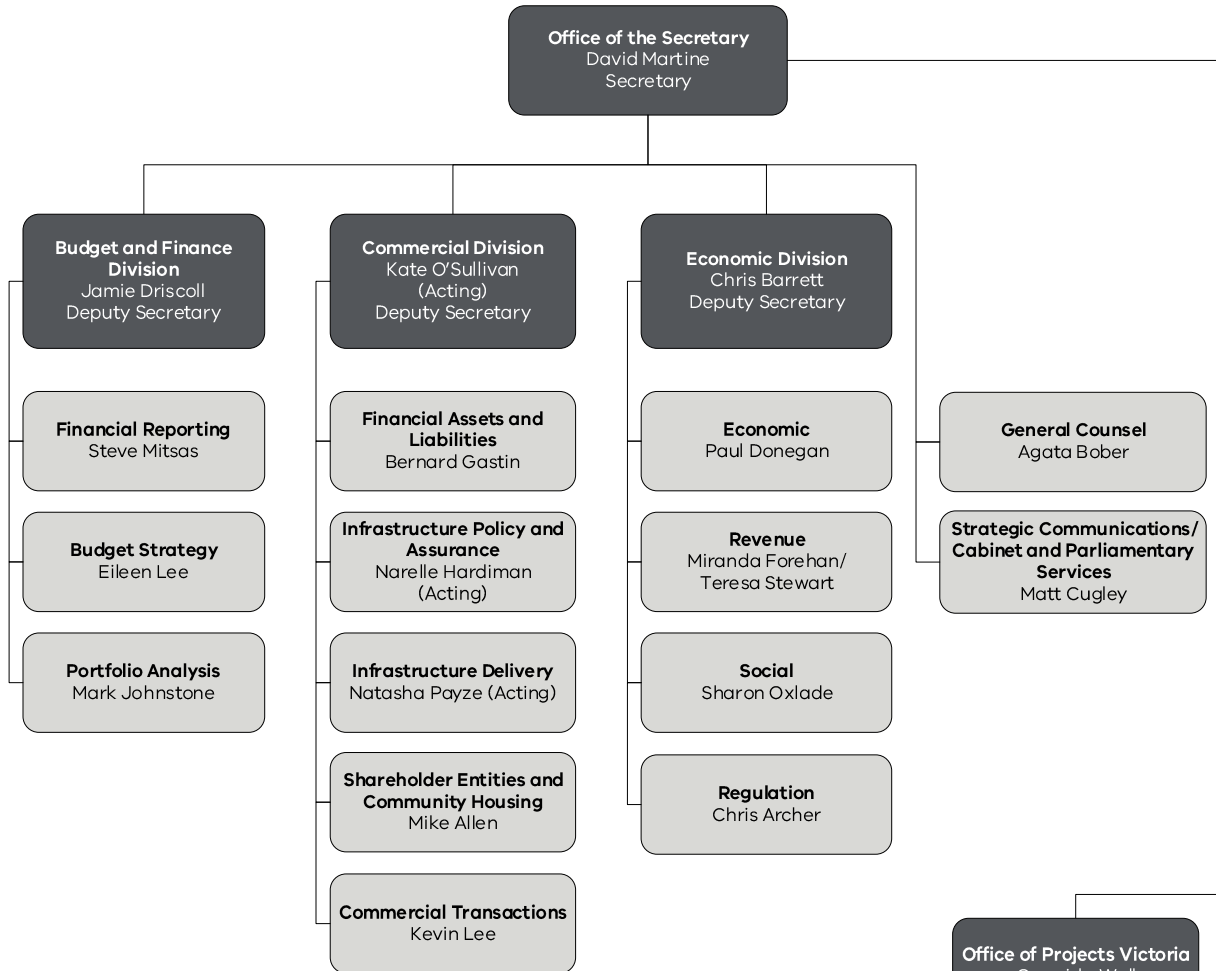
Paul Broderick

Chief Executive Officer and Commissioner of the State Revenue Office

Paul was appointed Chief Executive Officer and Commissioner of the State Revenue Office (SRO) in June 2002. Paul joined the SRO as Executive Director of Operations after holding senior positions with the Australian Securities and Investments Commission (ASIC).

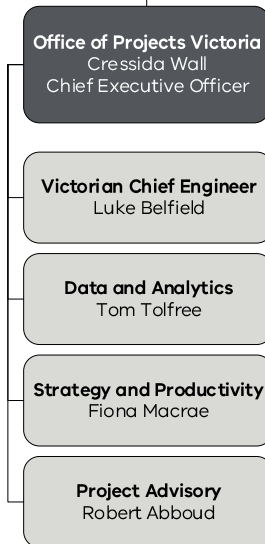
Paul has a Master of Business Administration from the University of New England, is a Fellow of the Institute of Public Administration Australia, is a Committee for Economic Development of Australia Trustee and was recognised with a Public Service Medal for outstanding services to tax administration.

Organisational chart
as at 30 June 2023



Included within the DTF portfolio are:

- Better Regulation Victoria
- Emergency Services and State Super
- Essential Services Commission
- Infrastructure Victoria
- Land Tax Hardship Relief Board
- Medical Panels
- Old Treasury Building Committee of Management
- Registrar of Housing Agencies
- State Trustees Limited
- Transport Accident Commission
- Treasury Corporation of Victoria
- Victorian Asbestos Eradication Agency
- Victorian Funds Management Corporation
- Victorian Government Purchasing Board
- Victorian Managed Insurance Authority
- Victorian Plantations Corporation
- Workplace Injury Commission
- WorkSafe Victoria



Functions and services

The Office of the Secretary, the three DTF divisions, the Office of Projects Victoria and the State Revenue Office carried out the functions and services of DTF during 2022-23.

Office of the Secretary

The Office of the Secretary supports the Secretary.

Strategic Communications

Provides expert communications services and event and issues management advice to assist DTF to implement its projects and programs. The group manages the Department's media relations, various websites, intranet, internal communications and social media channels. The group also provides production, graphic design, multimedia and video production services.

Legal Services

Provides internal legal and advisory services to the Department and its Ministers. This includes advising on the delivery of state significant projects and transactions, Victoria's financial management framework, public policy and administrative law matters, managing litigation and disputes, preparation of legislation, and supporting the Department's commercial activities. The group also supports the Department in engaging and managing the provision of external legal services and Freedom of Information requests.

Cabinet and Parliamentary Services

Provides support to DTF and DTF's Ministers for all Cabinet, legislation, Executive Council, and parliamentary matters. The group's primary role is to manage the Cabinet and Cabinet Committee programs, including managing forward agendas, registering submissions, coordinating briefings, preparing papers and folders for meetings, conveying decisions and actions and maintaining records for future reference.

Budget and Finance Division

Budget Strategy

Provides advice on the State's short to medium term budget outlook and fiscal strategy, its financial and resource management frameworks, including implementing departmental funding model reform, and the Government's wages policy.

Financial Reporting

Provides advice on the financial reporting framework and accounting issues to support decision making and leads the production of government financial reporting publications including quarterly, mid-year, annual and estimated financial reports.

Portfolio Analysis

Provides advice on resource allocation, financial risk and government service performance; and promotes sound financial management of the State's fiscal resources throughout the Victorian public sector.

Commercial Division

Commercial Transactions

Provides transaction advisory services and advice on whole of state negotiations. This includes identifying asset reform opportunities to optimise the State's balance sheet management as well as leading and implementing complex commercial transactions.

Financial Assets and Liabilities

Provides advice and reports on the State's financial assets and liabilities and associated financial risks, including the State's investments, debts, unfunded superannuation, and insurance claims liabilities.

Infrastructure Policy and Assurance

Provides advice to the Government and guidance to departments on infrastructure investment, capital budget funding proposals, high-value high-risk assurance framework, and other major commercial projects. This also includes facilitating advice from Infrastructure Victoria.

Infrastructure Delivery

Provides commercial, financial and risk management advice to the Government and guidance to departments and agencies on infrastructure procurement, contracting and delivery. Oversees and undertakes assurance activities for the planning, structuring and development of major complex infrastructure procurements. Manages the Victorian Public Construction Procurement Framework, including standard contracts and supplier registers. Manages the implementation of the Market-led Proposals Guideline to facilitate new and innovative private sector initiatives.

Shareholder Entities and Community Housing

Oversees a range of commercial government business enterprises (GBEs) and supports the Office of the Housing Registrar to provide regulatory oversight of the community housing sector.

Economic Division

Economic

Supports the Government in growing employment, living standards and economic activity. The group advises on employment policy, productivity growth, macroeconomic conditions, energy, climate change and decarbonisation, industry development, business innovation, and land use planning. Key tasks include providing advice on inclusively growing jobs and living standards, responding to the impacts of increases in inflation and interest rates, and reducing the emissions intensity of the Victorian economy.

Regulation

Provides analysis and advice on regulation and regulatory reform, risk and insurance policy, and local government issues.

Revenue

Provides analysis and advice on taxation and gambling policy and reform, supports the Treasurer in intergovernmental financial relations, and forecasts state taxation revenue and the goods and services tax (GST).

Social

Provides economic and policy analysis and advice on education and training, health and human services, justice, Aboriginal Affairs, and housing. The group implements the Victorian Homebuyer Fund; the Victorian Business Growth Fund; the Early Intervention Investment Framework; the Partnerships Addressing Disadvantage initiative; and the Building Financial Capacity of Community Housing Associations initiative, and jointly administers the Social Housing Growth Fund with Homes Victoria.

Office of Projects Victoria

The Office of Projects Victoria (OPV) is an administrative office of DTF that aims to improve outcomes across Victorian Government projects to optimise the significant investment in infrastructure.

OPV works collaboratively with key delivery agencies and industry to provide project assurance through portfolio monitoring and oversight, technical and engineering advice to major projects, supporting coordination between delivery agencies to improve the overall project delivery system, engaging the engineering profession to enhance its impact in Victoria, and building the capability and skills to ensure Victoria has the leadership and acumen to deliver complex projects.

State Revenue Office

The State Revenue Office (SRO) supports the Victorian Government's revenue management functions. The SRO's role is to administer Victoria's taxation legislation and collect a range of taxes, duties and levies. It also administers the First Home Owner Grant (FHOG), unclaimed money, the growth areas infrastructure contribution (GAIC) and several subsidies and exemptions.

DTF also supports the following portfolio agencies:

- Better Regulation Victoria
- Emergency Services and State Super
- Essential Services Commission
- Infrastructure Victoria
- Land Tax Hardship Relief Board
- Medical Panels
- Old Treasury Building Committee of Management
- Registrar of Housing Agencies
- State Trustees Limited
- Transport Accident Commission
- Treasury Corporation of Victoria
- Victorian Asbestos Eradication Agency
- Victorian Funds Management Corporation
- Victorian Government Purchasing Board
- Victorian Managed Insurance Authority
- Victorian Plantations Corporation
- Workplace Injury Commission
- WorkSafe Victoria

Governance of DTF

The overarching governance body for the Department is the Treasury and Finance Board.

The Board's membership includes the Secretary and Deputy Secretaries as well as the CEO of the Office of Projects Victoria.

The Board's primary function is to set and monitor overall strategic direction, provide effective guidance and leadership, and ensure the sound financial management and compliance of the Department. The Board also provides high-level monitoring and oversight of the Department's people management and organisational strategies.

The Board met ten times in 2022-23.

The functions of the Board are supported by sub-committees. The current structure and role of each sub-committee is:

- **Information Management:** leads, reviews and monitors information management and technology-enabled activities.
- **Knowledge Management:** supports organisational objectives by making optimal use of information. It involves the design, implementation and review of capability, processes and systems to improve the creating, sharing and application of knowledge.
- **People Committee:** provides leadership to the Department and advises the Board on organisational culture, people, capability and communication issues and progresses initiatives defined within the People and Culture Strategy.
- **Remuneration Committee:** reviews and approves all recruitment as well as related remuneration activities.
- **Audit and Risk Committee:** see next column.

DTF Audit and Risk Committee membership and roles

The Audit and Risk Committee comprised the following members as at 30 June 2023:

- Stefano Giorgini – Chair (external)
- Jan West (external)
- Jane Brockington (external)
- Gayle Porthouse (Department of Government Services)
- Steve Mitsas.

The main responsibilities of the Audit and Risk Committee are to:

- assist the Secretary in reviewing the effectiveness of the Department's internal control environment covering:
 - effectiveness and efficiency of operations
 - reliability of financial reporting
 - compliance with applicable laws and regulations.
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors
- maintain effective communication with external auditors
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised
- oversee the effective operation of the risk management framework.

The Department's internal audit services were provided by KPMG.

Report of operations

Secretary's foreword

I am pleased to present the 2022-23 Annual Report for the Department of Treasury and Finance (DTF).

DTF has supported the Government's economic agenda in a year challenged by high inflation, rising interest rates and escalating cost of living conditions that have been experienced globally.

Despite these challenges, the State's economy remains strong. During 2022-23 employment grew to record levels in Victoria, and the unemployment rate is close to the lowest in nearly 50 years.

The Department will continue to provide robust analysis and advice to inform the Government's agenda.

The Department's major achievements for 2022-23 include:

- preparing and producing key financial publications, including the *2023-24 Budget*, the *2021-22 Financial Report*, the *2022 Victorian Economic and Fiscal Update*, and the *2022 Victorian Pre-Election Budget Update*
- supporting the Government's fiscal strategy and providing comprehensive advice on financial frameworks and departmental funding reform, Gender Responsive Budgeting and the Government's wages policy
- providing detailed analysis and advice on tax reforms announced in the *2023-24 Budget*, including transitioning from stamp duty to an annual property tax for commercial and industrial properties and the abolition of business insurance duty
- providing advice on productivity and regulatory reforms, including the establishment of Economic Growth Victoria and an extension of the Business Acceleration Fund
- advising on the most significant Early Intervention Investment Framework program to date for the *2023-24 Budget*
- leading the first Victorian Government Climate-related Risk Disclosure Statement, the first of its kind for the public sector in Australia
- hosting successful construction stakeholder forums, to encourage public and private sectors to share innovations and improve productivity
- leading the formulation and release of the online dashboard for Budget Paper 4 *State Capital Program*, capturing the expenditure and timeframe data on Victoria's capital projects

- publishing OPV's *Offsite Construction Guide* to support the modernisation of construction practices in Victoria
- leading the development and approval of the WorkCover Scheme modernisation reforms, announced in late May 2023, and developing Return to Work Victoria to ensure that the State's workers' compensation scheme remains financially sustainable and injured workers can be supported to recover and return to work
- completing the VicRoads Modernisation Project, and establishment of the VicRoads joint venture entity, generating \$7.9 billion of proceeds for the State
- establishing the Victorian Future Fund through the *Victorian Future Fund Act 2023*
- supporting procurement and delivery of significant and innovative infrastructure projects, such as the Ground Lease Model 2 housing project, the New Melton Hospital and the Geelong Convention and Exhibition Centre
- providing financial, budget and commercial advice on the State's capital program, and the procurement of services such as the retendering of the metropolitan tram franchise, and the Best Start, Best Life early childhood initiative.

Future challenges/projects

In 2023-24, the priority for the Department of Treasury and Finance will be supporting the Government to respond to the State's economic and financial challenges. The Department's *2023-2027 Corporate Plan* will drive our agenda to deliver on Victorian Government priorities.

Significant priorities for 2023-24 include:

- supporting the Government in delivering on its four-step fiscal strategy
- implementing the Government's tax reform agenda, including transitioning from stamp duty to an annual property tax for commercial and industrial properties
- advising the Government on reforms to improve housing supply and affordability
- enhancing the Early Intervention Investment Framework to shift expenditure towards preventative approaches, avoiding acute services later
- exploring opportunities to improve technical standards for infrastructure projects in Victoria

- progressing the WorkCover Scheme Modernisation reforms and establishing Return to Work Victoria, with the aim to pilot prevention, early intervention and return to work programs
- supporting procurement and delivery of major projects including the Suburban Rail Loop, the North East Link and the significant redevelopment of the Royal Melbourne and Royal Women’s hospitals
- advising the Government on opportunities to work with the private sector to unlock value from assets, generating proceeds to strengthen the State’s financial position
- improving infrastructure policies and procedures to support the State Capital Program, including for procurement.

Our people

DTF staff can be proud of their efforts to deliver on DTF’s objectives in 2022-23, during a time of economic change and recovery.

In Victoria the pandemic declaration ended in October 2022, following a state of emergency which had been in place since March 2020.

As Victoria emerged more fully from the pandemic, it became clear staff had adapted productively to new workforce models that incorporated both in-person and remote collaboration. In response, the DTF Board endorsed a new approach – called HybriDTF – to implement hybrid and flexible working practices.

The HybriDTF model sets out to align our virtual and physical workspaces, as well as build capabilities and behaviours key to successful hybrid working. Initiatives continued to ensure that DTF staff have access to wellbeing-related programs and a positive work culture – no matter where they are working.

In June, the annual People Matter survey for 2022 found DTF’s employee engagement score was 77 per cent, an increase of two percentage points from the year before. In addition, DTF received a satisfaction score of 74 per cent – a nine percentage point increase on the previous year’s results and a testament to our positive workplace culture in uncertain times.

As part of machinery of government changes announced by the Premier on 5 December 2022, the transfer of various responsibilities between departments impacted the DTF portfolio. These changes are as below:

- Workplace Safety moved to DTF from the Department of Justice and Community Safety, including additional responsibilities for the oversight of WorkSafe and the Transport Accident Commission
- Invest Victoria moved to the Department of Jobs, Skills, Industry and Regions (DJSIR)
- The Land and Property team moved to the Department of Transport and Planning (DTP)
- DTF’s corporate services (with the exception of DTF Legal, Cabinet and Parliamentary Services and Strategic Communications), moved to the new Department of Government Services (DGS). Areas moved included the Shared Services Provider (SSP), Strategic Sourcing, People and Culture, Finance, IT and Information Management, and Corporate Performance.

This year’s DTF Diversity Scholarship program supported two new recipients to undertake tertiary studies. Since beginning three years ago, these scholarships have helped young people through university, and supported diversity within the Department and the wider community.

The leadership, integrity and expertise that DTF provides is an essential resource to the Victorian Government and a key component of our financial and economic framework.

DTF staff have shown a commendable ability to innovate and adapt, and to adhere to the values of the Victorian Public Service.

I wish to thank them for their efforts during the year.



David Martine
Secretary

10 October 2023

2022-23 performance

DTF continues to perform strongly, delivering its core business objectives as a provider of advice and services to Government. DTF also performed well in achieving its outputs as specified in the State's 2022-23 Budget Paper No. 3 *Service Delivery*. Of the Department's 60 quantity, quality and timeliness output performance targets that are available, 87 per cent were met or exceeded.

Departmental objectives, indicators and outputs

The Department's objectives, associated indicators and linked outputs as set out in the 2022-23 Budget Paper No. 3 *Service Delivery* are shown below.

Departmental objective	Indicators	Outputs
<p>Optimise Victoria's fiscal resources</p> <p>The Department of Treasury and Finance has a central role in providing high-quality advice to Government on sustainable financial, resource and performance management policy and other key policy priorities; overseeing related frameworks; as well as leading the production of the State budget papers and reports of both financial and non-financial performance in the Victorian public sector.</p> <p>The Budget and Financial Advice output contributes to this objective by providing strategic, timely and comprehensive analysis and information to Government to support decision-making and reporting.</p> <p>The Revenue Management and Administrative Services to Government output contributes to this objective by providing revenue management and administration services across the various state-based taxes for the benefit of all Victorians.</p>	<p>General government net debt as a percentage of gross state product (GSP) to stabilise in the medium term.</p> <p>Fully fund the unfunded superannuation liability by 2035.</p> <p>A net operating cash surplus consistent with maintaining general government net debt at a sustainable level after the economy has recovered from the COVID-19 pandemic.</p> <p>General government interest expense as a percentage of revenue to stabilise in the medium term.</p> <p>Agency compliance with the Standing Directions under <i>the Financial Management Act 1994</i>.</p> <p>Advice contributes to the achievement of government policies and priorities relating to optimising Victoria's fiscal resources.</p>	<p>Budget and Financial Advice</p> <p>Revenue Management and Administrative Services to Government</p>
<p>Strengthen Victoria's economic performance</p> <p>The Department of Treasury and Finance provides Government with advice on key economic matters and policies to increase economic productivity, competitiveness and equity across the Victorian economy.</p> <p>The Economic and Policy Advice output contributes to this objective by providing strategic, timely and comprehensive analysis and information to Government to support decision-making and reporting.</p> <p>The Economic Regulatory Services output contributes to this objective by providing economic regulation of utilities and other specified markets in Victoria to protect the long-term interests of Victorian consumers with regard to price, quality and reliability of essential services.</p>	<p>Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change).</p> <p>Total Victorian employment to grow each year (annual percentage change).</p> <p>Advice contributes to the achievement of government policies and priorities relating to economic and social outcomes.</p>	<p>Economic and Policy Advice</p> <p>Economic Regulatory Services</p>

Departmental objective**Improve how Government manages its balance sheet, commercial activities and public sector infrastructure**

The Department of Treasury and Finance develops and applies prudent financial and commercial principles and practices to influence and help deliver government policies focused on overseeing the State's balance sheet, major infrastructure and government business enterprises (in the public non-financial corporations (PNFC) sector and public financial corporations (PFC) sector). The Commercial and Infrastructure Advice output contributes to this objective by providing strategic, timely and comprehensive analysis and information to Government to support decision-making and reporting.

Indicators

High-Value High-Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice and governance to increase the likelihood that projects are completed within agreed timeframes, budget and scope. Government Business Enterprises performing against agreed financial and non-financial indicators. Advice contributes to the achievement of government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure. Quality infrastructure drives economic growth activity in Victoria.

Outputs

Commercial and Infrastructure Advice
Infrastructure Victoria

Changes to the Department during 2022-23

Objectives

Changes to departmental objectives for 2022-23 are reflected in the table below.

2022-23 departmental objective	2021-22 departmental objective	Reason for change
n/a	Deliver strategic and efficient whole of government common services	Due to the machinery of government change on 1 January 2023, this objective was transferred to the Department of Government Services.

Output structure

Changes to the Department's output structure for 2022-23 are reflected in the table below.

2022-23 outputs	2021-22 outputs	Reason for change
n/a	Invest Victoria	Due to the machinery of government change on 1 January 2023, this output was transferred to the Department of Jobs, Skills, Industry and Regions.
n/a	Services to Government	Due to machinery of government change on 1 January 2023, this output was transferred to the Department of Government Services.

Reporting progress towards achieving Departmental objectives and indicators

DTF's objectives, indicators, and progress on those indicators are outlined below.

Objective 1: Optimise Victoria's fiscal resources

Objective indicators

1. General government net debt as a percentage of GSP to stabilise in the medium term.
2. Fully fund the unfunded superannuation liability by 2035.
3. A net operating cash surplus consistent with maintaining general government net debt at a sustainable level after the economy has recovered from the COVID-19 pandemic.
4. General government interest expense as a percentage of revenue to stabilise in the medium term.
5. Agency compliance with the Standing Directions under the *Financial Management Act 1994*.
6. Advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources.

Objective Indicator 1: General government net debt as a percentage of GSP to stabilise in the medium term.

This indicator will be assessed over the medium term, which may be outside the current forward estimates.

As outlined in the *2023-24 Budget*, the net debt to GSP ratio is estimated to almost stabilise within the forward estimates, increasing from 24.4 per cent in 2025-26 to 24.5 per cent in 2026-27.

Objective Indicator 2: Fully fund the unfunded superannuation liability by 2035.

As outlined in the *2023-24 Budget*, the Government is on track to fully fund the unfunded superannuation liability by 2035.

Objective Indicator 3: A net operating cash surplus consistent with maintaining general government net debt at a sustainable level after the economy has recovered from the COVID 19 pandemic.

As outlined in the *2023-24 Budget*, the Government is continuing to forecast a return to operating cash surpluses from 2022-23.

Objective Indicator 4: General government interest expense as a percentage of revenue to stabilise in the medium term.

This indicator assesses the Government’s ability to service its debt relative to its revenue and the indicator will be assessed over the medium term.

As outlined in the *2023-24 Budget*, interest expense as a share of total revenue is expected to average 7.1 per cent a year over the budget and forward estimates.

Objective Indicator 5: Agency compliance with the Standing Directions under the *Financial Management Act 1994*.

DTF continued to provide ongoing oversight and support to public sector agencies in maintaining robust financial management governance in line with the Standing Directions 2018.

The annual financial management compliance report was provided to the Assistant Treasurer in December 2022 outlining key compliance deficiencies and risks across the public sector.

Overall, there was a continued reduction in the number of departments and agencies reporting material compliance deficiencies, in line with the expectation that departments and agencies focus on rectifying material issues. Reported material deficiencies mainly related to internal control systems, asset management accountability and agencies subject to Victorian Government Purchasing Board coverage. The reported material deficiencies related to an internal control systems failure, implementation of the Asset Management Accountability Framework and adherence to Victorian Government Purchasing Board supply policies.

Objective Indicator 6: Advice contributes to the achievement of Government policies and priorities relating to optimising Victoria’s fiscal resources.

DTF has provided high-quality and timely advice to the Government throughout the year to support the achievement of government policies and priorities relating to optimising Victoria’s fiscal resources.

The Department supported the *2023-24 Budget* process by providing advice on budget bids, as well as highlighting accounting and financial reporting implications as relevant.

The Department continued to advise on several projects across the sector, with the Financial Reporting Group contributing to the development of proposals, specifically relating to the financial accounting implications of those projects. In addition, advice was provided on the year-end forecasting process, and the actual financial results during the year (expenditure/capital spend by department).

Table 1 – Progress towards objective – Sound financial management of Victoria’s fiscal resources

Indicator	Unit of measure	2019-20 actual	2020-21 actual	2021-22 actual	2022-23 actual
A net operating cash surplus consistent with maintaining general government net debt at a sustainable level after the economy has recovered from the COVID-19 pandemic	\$ billion	(2.91)	(12.96)	(8.86)	4.25
General government net debt as a percentage of GSP to stabilise in the medium term ^(a)	per cent	9.4	15.3	19.4	20.3
General government interest expense as a percentage of revenue to stabilise in the medium term	per cent	3.4	3.6	3.5	4.7

Note:

(a) The ratio to GSP may vary from publications year to year due to revisions to the Australian Bureau of Statistics (ABS) data.

Objective 2: Strengthen Victoria’s economic performance

Objective indicators

1. Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change).
2. Total Victorian employment to grow each year (annual percentage change).
3. Advice contributes to the achievement of Government policies and priorities relating to economic and social outcomes.

Objective Indicator 1: Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change).

Gross state product data is scheduled to be received from the Australian Bureau of Statistics on 21 November 2023.

While partial GSP data is not available, broader economic indicators suggest economic growth is on track to exceed population growth.

Objective Indicator 2: Total Victorian employment to grow each year (annual percentage change).

Employment growth was strong at 4.0 per cent in 2022-23, reflecting strong labour demand, and strong population growth supporting growth in labour supply.

Objective Indicator 3: Advice contributes to the achievement of Government policies and priorities relating to economic and social outcomes.

In 2022-23, the Department supported the Treasurer and Assistant Treasurer by providing advice that helped shape decisions about economic and social priorities.

DTF provided advice to the Government to support growing the economy and living standards in an environment of high inflation and low unemployment, including understanding implications of interest rate increases.

Additionally, DTF provided advice to the Treasurer on options to reform business and property taxes, funding arrangements for the Victorian racing industry, implementation of the Windfall Gains Tax, matters relating to GST and other intergovernmental issues.

Table 2 – Progress towards objective – Strengthen Victoria’s economic performance

Indicator	Unit of measure	2019-20 actual	2020-21 actual	2021-22 actual	2022-23 actual
Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change) ^(b)	per cent	-1.5	0.0	5.7	n/a ^(a)
Total Victorian employment to grow each year (annual percentage change) ^(b)	per cent	0.8	-1.5	3.9	4.0

Note:

(a) GSP per capita for 2022-23 will be published by the Australian Bureau of Statistics (ABS) in November 2023.

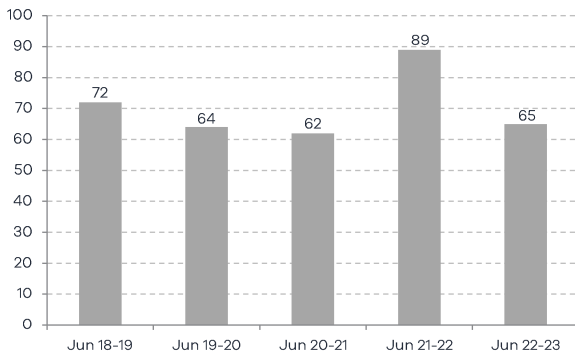
(b) Reported actuals may differ from previous annual reports due to data revisions by the ABS.

Objective 3: Improve how Government manages its balance sheet, commercial activities and public sector infrastructure

Objective indicators

1. High-Value High-Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice and governance to increase the likelihood that projects are completed within agreed timeframes, budget and scope.
2. Government Business Enterprises performing against agreed financial and non-financial indicators.
3. Advice contributes to the achievement of Government policies and priorities relating to Victoria’s balance sheet, commercial activities and public sector infrastructure.
4. Quality infrastructure drives economic growth activity in Victoria.

Number of major capital projects monitored by DTF



Objective Indicator 1: HVHR projects have had risks identified and managed through tailored project assurance, policy advice and governance to increase the likelihood that projects are completed within agreed timeframes, budget and scope.

There is ongoing assurance of HVHR projects in the transport, health, justice, arts and education portfolios. This has included milestone briefing advice on Melbourne Arts Precinct Transformation, the New Melton Hospital, The Big Housing Build, Barwon Women’s and Children’s Hospital, Ballarat Base Hospital, and Public Transport Ticketing Asset Renewal.

DTF regularly delivers Gateway Reviews and the Office of Projects Victoria undertakes Project Assurance Reviews.

Objective Indicator 2: Government Business Enterprises performing against agreed financial and non-financial indicators.

As part of its oversight of Government Business Enterprises (GBEs) in 2022-23, the Department provided advice to the Government, departments and agencies relating to GBEs’ strategic direction and performance, significant capital expenditure proposals, dividends and capital repatriations.

The Department regularly reviews, analyses, and provides feedback to GBEs through the annual corporate planning cycle. The Treasurer and Assistant Treasurer were formally briefed and approved relevant GBE corporate plans.

All GBEs’ corporate plans and quarterly performance reports were reviewed and analysed against key financial and performance indicators to ensure that there are no unexpected financial losses. GBEs remain financially viable and are achieving the objectives set by shareholder Ministers on behalf of the State as owner of these entities. Shareholder Ministers are also briefed on key risks and their management.

The Department continues to be extensively involved in the work that is underway to modernise the WorkCover Scheme and improve its financial sustainability.

Objective Indicator 3: Advice contributes to the achievement of Government policies and priorities relating to Victoria’s balance sheet, commercial activities and public sector infrastructure.

DTF continues to provide advice to the Treasurer and Assistant Treasurer relating to balance sheet management, commercial activities and public sector infrastructure, and activities undertaken by Victorian public non-financial corporations for which the Treasurer is the shareholder.

With the support of the enabling legislation, DTF is working with the Victorian Funds Management Corporation to invest proceeds from the VicRoads Modernisation joint venture held in the Victorian Future Fund early in 2023-24.

Objective Indicator 4: Quality infrastructure drives economic growth activity in Victoria.

Infrastructure Victoria continues to improve long-term infrastructure planning through work that uses a strong evidence base coupled with extensive consultation. Infrastructure Victoria's work spans across all sectors including culture, sport and community, digital connectivity, education, energy, environment, health and human services, justice and emergency services and water, plus land use planning.

During 2022-23, Infrastructure Victoria published several reports and discussion papers. In the first quarter of 2022-23, Infrastructure Victoria published its final report on Gas Infrastructure in a net-zero emissions economy and continued to progress a program of research to further contribute to infrastructure planning and inform public discussion. In the second quarter, Infrastructure Victoria published a discussion paper on making the most of Victoria's bus network.

In the third quarter of 2022-23, Infrastructure Victoria published Our Home Choices and two supplementary reports that discussed how more options can make better use of Victoria's existing infrastructure. In the final quarter, Infrastructure Victoria published research on community insights into Melbourne's buses.

Performance against output performance measures

The following sections outline details of the outputs provided by the Department to the Government, including performance measures and costs for each output, and the actual performance results against budgeted targets by output for the Department over the full year ended 30 June 2023.

Legend of symbols

The following symbols are used to indicate the type of variance in performance against output performance measures:

- ✓ performance target achieved – both within 5 per cent variance and exceeds 5 per cent variance
- performance target not achieved – within 5 per cent variance
- performance target not achieved – exceeds 5 per cent variance

Optimise Victoria's fiscal resources

Under this objective, the Department provides analysis and advice to the Government on the management of Victoria's fiscal resources to support decision-making and reporting for the benefit of all Victorians.

The Department leads the development of financial policy advice to the Government and the Victorian public sector through detailed analysis of key policy priorities including resource allocation, financial risk and government service performance, financial reporting frameworks, and the State's budget position to inform and support the publication of key whole of state financial reports.

The departmental objective indicators that support the Government to achieve its fiscal objectives are:

- general government net debt as a percentage of gross state product (GSP) to stabilise in the medium term
- fully fund the unfunded superannuation liability by 2035
- a net operating cash surplus consistent with maintaining general government net debt at a sustainable level after the economy has recovered from the COVID-19 pandemic
- general government interest expense as a percentage of revenue to stabilise in the medium term
- agency compliance with the Standing Directions under the *Financial Management Act 1994*
- advice contributes to the achievement of government policies and priorities relating to optimising Victoria's fiscal resources.

Budget and financial advice

This output contributes to the provision of strategic, timely and comprehensive analysis and advice to Ministers, Cabinet and Cabinet Sub-Committees on:

- Victorian public sector resource allocation
- departmental financial, output and asset delivery performance to support government in making decisions on the allocation of the State's fiscal resources
- departmental and agency funding reviews.

This output maintains the integrity of systems and information for financial planning, management, monitoring and reporting of the State of Victoria via:

- a best practice financial reporting framework, and whole of state management information systems, supporting financial reporting across the Victorian public sector
- publication of the State budget and financial reports, including quarterly, mid-year, annual and estimated financial reports
- publication of non-financial performance in the Victorian public sector.

This output develops and maintains cohesive financial and resource management frameworks that drive sound financial and resource management practices in the Victorian public sector by:

- enhancing key frameworks to drive performance
- monitoring Victorian Public Sector (VPS) agencies' compliance
- advising government and key stakeholders on financial and resource management and compliance issues
- ensuring that financial and resource management frameworks are established and complied with
- promoting continuous improvement in VPS resource allocation and management through regular reviews and updates to ensure the frameworks represent good practice
- promoting awareness of financial management accountabilities and roles.

This output contributes to the Department's objective to optimise Victoria's fiscal resources.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Number of funding reviews contributed to by DTF	number	3	3	–	✓
Quality					
Variance of the revised estimate of general government budget expenditure	per cent	≤5.0	≤5.0	–	✓
Unqualified audit reports/reviews for the State of Victoria Financial Report and Estimated Financial Statements	number	2	2	–	✓
Recommendations on financial management framework matters made by PAEC and VAGO and supported by Government are actioned	per cent	100	100	–	✓
VPS stakeholder feedback indicates delivery of advice and information sessions supported the financial reporting framework across the VPS and supported the VPS to understand the financial management framework	per cent	88	80	10	✓
The higher 2022-23 actual reflects a greater than expected satisfaction from stakeholders across the VPS as measured through a stakeholder survey.					
Timeliness					
Delivery of advice to the Government on portfolio performance within agreed timeframes	per cent	100	100	–	✓
Annual Budget published by date agreed by Treasurer	date	May 2023	May 2023	–	✓
Budget Update, Pre-Election Budget Update, Financial Report for the State of Victoria, Mid-Year Financial Report, and Quarterly Financial Reports are transmitted by legislated timelines	per cent	100	100	–	✓
Annual financial management compliance report for the previous financial year is submitted to the Assistant Treasurer	date	14 Dec 2022	By 15 Dec 2022	–	✓
Cost					
Total output cost	\$ million	29.2	36.1	-19	✓
The lower 2022-23 actual primarily reflects the removal of corporate costs, which have been transferred to the Department of Government Services as part of the machinery of government change effective from 1 January 2023.					

Revenue management and administrative services to government

This output provides revenue management and administrative services across the various state-based taxes in a fair and efficient manner for the benefit of all Victorians. By administering Victoria's taxation legislation and collecting a range of taxes, duties and levies, this output contributes to the Department's objective to optimise Victoria's fiscal resources.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Revenue collected as a percentage of State budget target	per cent	108	≥99	-	✓
Cost to collect \$100 of tax revenue raised is less than the average of State and Territory Revenue Offices	achieved/ not achieved	achieved	achieved	-	✓
Compliance revenue assessed meets target The higher 2022-23 result is attributable to strong Landholder Duty receipts.	per cent	150	95	45	✓
Quality					
Customer satisfaction level	per cent	82	≥85	-4	○
Ratio of outstanding debt to total revenue (monthly average) The higher 2022-23 actual is due to the debt level remaining high, due to debts accumulated over the pandemic period and ongoing increases in new debts arising in the post pandemic period – including the 2023 Land Tax which increased on the previous year. High debt levels were addressed by the full return to business-as-usual debt recovery activities, including legal actions, and targeted debt reduction campaigns. This resulted in the continued reduction of debt levels and improvement in the ratio of outstanding debt to total revenue over the course of the FY, from 3.07 per cent at the end of Q1 to 2.66 per cent at the end of the FY.	per cent	2.66	<2	-28	■
Objections received to assessments issued as a result of compliance projects	per cent	0.06	<3	-	✓
Timeliness					
Revenue banked on day of receipt	per cent	100	≥99	-	✓
Timely handling of objections (within 90 days)	per cent	80	≥80	-	✓
Timely handling of private rulings (within 90 days)	per cent	81	≥80	-	✓
Achievement of scheduled milestones in budget funded projects of Master Data Management Toolsets, Identity and Access Management system and Microservices implementation The lower 2022-23 actual is due to a number of factors, including over 10 new initiatives announced in the 2023-24 Budget requiring immediate prioritisation and challenges in obtaining specialist skills in a timely manner. The impacts of these are being reviewed and assessed and the overall program will be realigned in 2023-24 to support the agreed outcomes of this program.	per cent	50	>85	-52	■
Cost					
Total output cost The higher 2022-23 actual primarily reflects additional funding for the extension of the Service Level Agreement with the Department of Transport and Planning for the collection of motor vehicle duties.	\$ million	171.8	154.7	11	■

Strengthen Victoria’s economic performance

Under this objective, the Department delivers advice on economic policy, forecasts, legislation and frameworks. It also supports the Government by administering economic regulation of utilities and other specified markets in Victoria to protect the long-term interests of Victorian consumers with regard to price, quality, efficiency and reliability of essential services.

The Department leads the development of advice to the Government on key economic and financial strategies including regulatory reform, Government tax policy and intergovernmental relations to drive improvements in Victoria's productive and efficient resource allocation, competitiveness and equity across the Victorian economy.

The departmental objective indicators are:

- economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)
- total Victorian employment to grow each year (annual percentage change)
- advice contributes to the achievement of Government policies and priorities relating to economic and social outcomes.

Economic and policy advice

This output contributes to the Department's objective to strengthen Victoria's economic performance through increased productive and efficient resource allocation, competitiveness and equity by providing evidence, advice and engagement on:

- medium and longer-term strategies to strengthen productivity, participation and the State's overall competitiveness
- state tax and revenue policy
- intergovernmental relations, including the distribution of Commonwealth funding to Australian states and territories (including representation on various inter-jurisdictional committees)
- production of the economic and revenue forecasts that underpin the State budget
- economic cost benefit analysis, demand forecasting and evaluation of best practice regulatory frameworks
- approaches for innovative, effective and efficient delivery of government services, including social services.

This output also provides advice on ways the Government can improve the business environment from the Commissioner for Better Regulation and Red Tape Commissioner:

- reviewing Regulatory Impact Statements, Legislative Impact Assessments, and providing advice for Regulatory Change Measurements
- assisting agencies to improve the quality of regulation in Victoria and undertaking research into matters referred to it by the Government
- operating Victoria's competitive neutrality unit
- working with businesses and not-for-profit organisations to identify and solve red tape issues.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Economic research projects and papers completed that contribute to deeper understanding of economic issues and development of government policy The higher 2022-23 actual is due to the timely completion of reports and the work program of the various teams across Economic Division.	number	14	8	75	✓
Regulation reviews completed The higher 2022-23 actual is due to DTF undertaking a larger number of smaller reviews resulting in a higher number of reviews.	number	11	6	83	✓

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
High-level engagement with non-Victorian Public Service stakeholder groups that contributes to public policy debate The higher 2022-23 actual is due to increased program implementation with more stakeholder interactions.	number	109	20	445	✓
Home purchases settled through the Victorian Homebuyer Fund The higher 2022-23 actual is due to significant demand for the VHF.	number	2701	600	350	✓
Social Housing dwellings committed by the Social Housing Growth Fund Grants Program The higher 2022-23 actual is due to delivering the Big Housing Build and associated implementation timeframes which have led to a strong result for dwelling approvals in 2022-23.	number	980	500	96	✓
Quality					
Conduct an annual survey to assess the impact of changes to Victorian regulations on business	number	1	1	-	✓
Accuracy of estimating State taxation revenue in the State budget The higher 2022-23 actual is largely attributable to higher land transfer duty and land tax revenue arising from stronger than expected outcomes in Victoria's property market, and higher payroll tax revenue arising from the persistent strength in Victoria's labour market across 2022-23.	percentage variance	6.1	≤5.0	22	■
Accuracy of estimating the employment growth rate in the State budget The higher 2022-23 actual is due to high employment growth reflecting strong labour demand, and strong population growth supporting growth in labour supply.	percentage point variance	2.25	≤1.0	125	■
Accuracy of estimating the gross state product growth rate in the State budget The gross state product growth estimate will be available when the ABS State Accounts are released in November 2023.	percentage point variance	n/a	≤1.0	n/a	n/a
Better Regulation Victoria's support for preparing Regulatory Impact Statements or Legislative Impact Assessments was valuable overall, as assessed by departments The higher 2022-23 actual reflects a survey of all departments and agencies completing Regulatory Impact Statements or Legislative Impact Assessments in 2022-23. All respondents agreed that Better Regulation Victoria's support was valuable overall.	per cent	100	90	11	✓
Proportion of people making inquiries to the Red Tape Unit who found it responsive to issues raised The higher 2022-23 actual is due to all surveyed respondents finding Better Regulation Victoria's advice responsive.	per cent	100	80	25	✓
Benefit to business as a ratio of red tape savings delivered by the Business Acceleration Fund	ratio	4:1	2:1	-	✓

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Timeliness					
Briefings on key Australian Bureau of Statistics economic data on the day of release	per cent	100	100	-	✓
Better Regulation Victoria's advice on Regulatory Impact Statements or Legislative Impact Assessments was timely, as assessed by departments	per cent	100	90	11	✓
The 2022-23 actual is higher than the 2022-23 target. All departments and agencies completing Regulatory Impact Statements or Legislative Impact Assessments in 2022-23 were surveyed. All respondents agreed that Better Regulation Victoria's advice was timely.					
Regulation reviews completed by scheduled date	per cent	100	100	-	✓
Cost					
Total output cost	\$ million	374.5	100.7	272	■
The higher 2022-23 actual primarily reflects one-off funding for WorkSafe's financial sustainability that was paid in the first half of the financial year when this function was with the Department of Justice and Community Services before being transferred as part of the machinery of government change effective from 1 January 2023.					

Economic Regulatory Services

This output provides economic regulation of utilities and other specified markets in Victoria to protect the long-term interests of Victorian consumers with regard to price, quality, reliability and efficiency of essential services. By providing these services, this output contributes to the Departmental objective to strengthen Victoria's economic performance.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Performance reports for regulated industries	number	12	12	–	✓
Performance reviews and compliance audits of regulated businesses	number	180	150	20	✓
The higher 2022-23 actual reflects a significant number of audits conducted in the Victorian Energy Upgrade (VEU) division as part of investigations into Accredited Providers, which concluded in June 2023.					
Price determinations of regulated businesses	number	19	20	-5	■
The lower 2022-23 actual is due to the merger of City West Water and Western Water to Greater Western Water in July 2022 which resulted in one less price determination than originally planned.					
Registration, project-based activity, product and accreditation decisions/approvals in relation to the Victorian Energy Upgrades program	number	9 692	6 000	62	✓
The higher 2022-23 actual reflects the market submitting claims in advance of reforms to the Victorian Energy Efficiency Target (VEET) Act due to come into effect later in the year.					
Reviews, investigations or advisory projects	number	4	2	100	✓
The higher 2022-23 actual is due to an ad-hoc project relating to Port of Melbourne and the update to the Statement of Regulatory Approach resulting from the outcomes of the Port of Melbourne compliance inquiry.					
Compliance and enforcement activities—energy	number	327	150	118	✓
The higher 2022-23 actual reflects proactive compliance monitoring in addition to business-as-usual assessment of self-reporting by regulated entities.					
Setting of regulated price and tariffs in the energy sector	number	15	15	–	✓
Quality					
Stakeholder satisfaction survey result	per cent	52	≥65	-22	■
The 2022-23 actual is lower than the 2022-23 target as although there was an increase in reputation with community and consumer groups (76 per cent), this was offset by a decline in results from regulated industries; noting stronger compliance and enforcement actions have been taken in the last 12 months.					
Timeliness					
Delivery of major milestones within agreed timelines	per cent	100	100	–	✓
Cost					
Total output cost	\$ million	37.3	35.7	4	○

Improve how government manages its balance sheet, commercial activities and public sector infrastructure

Under this objective, the Department delivers government policies focused on overseeing the State's balance sheet, major infrastructure and Government Business Enterprises by the delivery and application of prudent financial and commercial principles and practices.

The Department leads the development of strategic commercial and financial advice to the Government to support key decisions regarding the State's financial assets and liabilities and infrastructure investment to drive improvement in public sector commercial and asset management and the delivery of infrastructure for Victoria.

The departmental objective indicators are:

- High-Value High-Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice and governance to increase the likelihood that projects are completed within agreed timeframes, budget and scope
- Government Business Enterprises performing against agreed financial and non-financial indicators
- advice contributes to the achievement of government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure
- quality infrastructure drives economic growth activity in Victoria.

Commercial and Infrastructure Advice

This output contributes to the Department's objective to improve how the Government manages its balance sheet, commercial activities and public sector infrastructure by:

- providing advice to the Government and guidance to departments on infrastructure investment and other major commercial projects
- overseeing a range of commercial and transactional activities on behalf of the Government, including providing governance oversight of Government Business Enterprises
- providing advice and reports on the State's financial assets and liabilities and associated financial risks, including the State's investments, debts, unfunded superannuation, and insurance claims liabilities, and overseeing the registration and regulation of rental housing agencies
- providing commercial, financial and risk management advice to the Government and guidance to departments regarding infrastructure projects including Partnerships Victoria projects, administration of the Market-led Proposals Guideline and managing major commercial activities on behalf of the Government
- Office of Projects Victoria (OPV) providing project advice on technical, scope, cost and scheduling matters at key milestones in a project's lifecycle to complement the economic, financial, contractual and risk advice provided by the Department
- overseeing potential commercialisation opportunities
- producing budget and financial reporting data for Government Business Enterprise sectors.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Gateway reviews undertaken	number	69	70	-1	○
Develop and implement policy guidance and infrastructure investment frameworks to govern and build capability to deliver infrastructure	number	59	58	2	✓
Develop and implement training to build capability to deliver infrastructure	number	57	56	2	✓
Undertake project reviews to support the Government's program in the delivery of public infrastructure projects	number	12	12	-	✓
Number of cost redesign reviews undertaken	number	3	3	-	✓

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Provision of PNFC/PFC financial estimates and actuals, along with commentary and analysis, for the State budget papers and financial reports	number	6	6	-	✓
Number of HVHR project assurance plans in place	number	6	6	-	✓
Percentage of registered housing agencies assessed annually against performance standards <small>The higher 2022-23 actual reflects the Housing Registrar completing all annual compliance and performance assessments of registered housing agencies.</small>	per cent	100	90	11	✓
Quality					
Conduct surveys on the stakeholder experiences of OPV initiatives to determine the effectiveness of project system initiatives, technical advice and trainings provided to internal government clients	grading	satisfactory	satisfactory	-	✓
Credit agencies agree that the presentation and information provided support annual assessment <small>The higher 2022-23 actual is due to Standard and Poor's, and Moody's Investors Service providing a satisfaction rating of 100 per cent This is due to DTF providing timely and concise responses to the queries raised by them and the clarity of content and the level of transparency maintained by DTF.</small>	per cent	100	80	22	✓
Senior responsible owner agrees Gateway review was beneficial and would impact positively on project outcomes <small>The 2022-23 actual is higher than the 2022-23 target. The expected annual outcome has been exceeded based on responses received to post review surveys.</small>	per cent	100	90	11	✓
Timeliness					
Advice provided to Government on board appointments at least three months prior to upcoming board vacancies	per cent	100	100	-	✓
Analysis and review of corporate plans within two months of receipt <small>The higher 2022-23 actual reflects all corporate plan reviews being completed and presented to the Treasurer in line with required timeframes.</small>	per cent	100	95	5	✓
Dividend collection in accordance with budget decisions	per cent	100	100	-	✓
Develop and implement reporting to ensure the effective monitoring of the delivery of HVHR public infrastructure commitments	per cent	100	100	-	✓
Cost					
Total output cost <small>The higher 2022-23 actual primarily reflects funding for financial adviser fees and transaction costs associated with VicRoads Modernisation Project.</small>	\$ million	89	54.1	65	■

Infrastructure Victoria

This output provides independent and transparent advice to government on infrastructure priorities and sets a long-term strategy for infrastructure investment.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Number of publications or discussion papers released	number	6	6	–	✓
Quality					
Stakeholder satisfaction with consultation process	per cent	86	75	15	✓
The higher 2022-23 actual reflects Infrastructure Victoria conducting successful stakeholder consultation throughout 2022-23.					
Timeliness					
Delivery of research, advisory or infrastructure strategies within agreed timelines	per cent	100	100	–	✓
Cost					
Total output cost	\$ million	10.1	10.0	1	○

Discontinued operations

There were no discontinued operations in 2022-23.

Capital projects/asset investment programs

The Department and its related portfolio entities manage a range of capital projects to deliver services for government.

Information on the new and existing capital projects for Departments and the broader Victorian public sector is contained in Budget Paper No. 4 *State Capital Program*, which is available on DTF's website.

No major projects with a total estimated investment of \$10 million or greater were completed during the year.

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:

–	zero, or rounded to zero
1 billion	1 000 million
200x	year period
200x-0x	year period
n/a	not available or not applicable
(xxx.x)	negative numbers

Victorian Future Fund

Overview

The Victorian Future Fund (the Fund, or 'VFF') was announced in the *2022-23 Budget* as part of the Government's debt stabilisation strategy. The purpose of the Fund is to help manage the fiscal impact of the COVID-19 pandemic and deliver positive outcomes for Victorians by reducing the debt burden on future generations.

The Fund was established as a notional allocation within the Consolidated Fund using proceeds from the VicRoads Modernisation Joint Venture. Further investments will be allocated to the Fund in the future through proceeds from designated government land sales and a proportion of future budget surpluses once net debt stabilises.

Over the long term, the Fund's investment return is expected to exceed the State's cost of borrowing, meaning it improves the State's overall fiscal position more than simply paying down debt would.

The investment returns from the Fund will be quarantined and returned to the Fund so that its balance will grow over time. Under the COVID Debt Repayment Plan announced in the *2023-24 Budget*, the Fund will initially serve to offset the impact of debt incurred in the Government's response to the COVID-19 pandemic.

Structure and governance

The Treasurer is responsible for administering the Fund and has appointed the Victorian Funds Management Corporation (VFMC) as fund manager to invest the assets of the Fund in accordance with section 9A(3) of the *Victorian Funds Management Corporation Act 1994*.

DTF supports the Treasurer in administering the Fund from a whole of State balance sheet and risk management perspective, and monitoring and reporting on the balance and performance of the Fund.

The *Victorian Future Fund Act 2023* (VFF Act) received Royal Assent in June 2023 and came into operation on 22 August 2023. The VFF Act establishes the VFF as a dedicated account in the Public Account as part of the Trust Fund and sets out the purpose of the Fund, its administration and payments into and from the Fund. In particular, the VFF Act prescribes that funds can only be used to reduce the State's debt or for costs and expenses incurred in administering the Fund.

Future reporting of the VFF will be undertaken in accordance with the requirements of the VFF Act and the *Financial Management Act 1994* in DTF's annual reports as part of its report of operations and audited financial statements, including with respect to the Fund's opening and closing balances, and any payments into or out of the Fund.

Contributions and redemptions

During 2022-23, \$7.9 billion was received by the State from the VicRoads Modernisation Joint Venture. These proceeds, net of transaction costs, were then notionally allocated to the Fund within the Consolidated Fund. The Fund balance increased by a further \$215 million in 2022-23 as interest revenue generated on the proceeds was quarantined and reinvested within the Fund.

There were no withdrawals from the Fund in 2022-23, and the value of the Fund as at 30 June 2023 was \$8.1 billion.

Reconciliation of Fund balance

	2022-23 actual \$m
Opening balance	–
Contributions into the Fund	
Net VicRoads Modernisation Joint Venture proceeds	7 846
Interest revenue earned	215
Closing balance	8 061

Investment approach

Following proclamation of the VFF Act in August 2023, VFMC has commenced investing the Fund balance into a long-term, growth-oriented and diversified portfolio.

VFMC is managing the Fund in line with environmental, social and governance (ESG) principles consistent with VFMC's Investment Stewardship Policy. VFMC proactively engages on a range of ESG matters and ensures relevant ESG factors are integrated into the selection, management and monitoring of the Fund's investments.

Victorian Transport Fund^(a)

	2022-23 actual
	\$m
Opening cash balance	609
Receipts into the trust	
Interest revenue	10
Commonwealth funding ^(b)	78
State Appropriations ^(c)	2 879
Total funding available	3 577
Payments from the trust	
Level Crossing Removal Program	1 790
North East Link (including State Tolling Corporation)	858
Airport Rail Link	524
Regional Rail Revival	214
Tarneit Station Bus and Cycle Access	7
Kananook Stabling Stage 2	7
Caulfield to Dandenong Signalling Upgrade Works	6
Wyndham Vale Stabling Yard	2
Movement in accounts payable and provisions	(78)
Total payments from the trust	3 329
Closing balance	248

Notes:

(a) Reflects trust fund movements at a general government level.

(b) Reflects the Commonwealth's contribution to Gippsland Line Upgrade – Stage 1 and Airport Rail Link.

(c) Reflects the State Appropriations relating to North East Link and Level Crossing removals.

Budget portfolio outcomes

The budget portfolio outcomes statements provide a comparison between the actual financial information of all general government entities within the portfolio and the forecasted financial information published in the budget papers. The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, and administered items statement.

The budget portfolio outcomes have been prepared on a consolidated basis and include all general government entities within the portfolio. Financial transactions and balances are classified into either controlled or administered consistent with the published statements in the budget papers.

The following budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office. They are not prepared on the same basis as the Department's financial statements as they include the consolidated financial information of Essential Services Commission and Infrastructure Victoria in addition to that of the Department. The Essential Services Commission and Infrastructure Victoria are not consolidated in the Department's audited financial statements enclosed within this annual report, as they prepare separate annual reports for tabling in Parliament. Further, the Department's audited financial statements include certain whole of government transactions, as referred to in note 4.3. Otherwise, albeit in a different format, the following statements are reflective of the audited financial statements.

Budget portfolio outcomes

Comprehensive operating statement for the year ended 30 June 2023

Controlled	2022-23 budget	2022-23 actual	Variance
	\$m	\$m	\$m
Income from transactions			
Output appropriations ^(a)	564.5	427.8	(136.7)
Sale of goods and services ^(b)	15.2	41.5	26.3
Grants	9.6	10.5	0.9
Fair value of assets and services received free of charge or for nominal consideration	–	5.1	5.1
Other income	37.3	29.8	(7.5)
Total income from transactions	626.6	514.7	(111.9)
Expenses from transactions			
Employee benefits	245.2	247.1	1.9
Depreciation ^(c)	33.4	14.7	(18.7)
Grants and other transfers ^(d)	160.7	45.1	(115.6)
Other operating expenses	187.1	186.2	(0.9)
Total expenses from transactions	626.4	493.1	(133.3)
Net result from transactions	0.2	21.6	21.4
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	(7.1)	1.0	8.1
Net gain/(loss) on financial instruments and statutory receivables/payables	–	(0.8)	(0.8)
Other gains/(losses) from other economic flows	–	(0.2)	(0.2)
Total other economic flows included in net result	(7.1)	–	7.1
Net result	(6.9)	21.6	28.5
Other economic flows – other comprehensive income	–	–	–
Comprehensive result	(6.9)	21.6	28.5

Notes:

(a) The variance is primarily due to the machinery of government changes effective from 1 January 2023, resulting in a reduction in appropriations drawn by DTF in 2022-23.

(b) The variance is primarily due to the Essential Services Commission's regulatory fees collected in the Department's controlled accounts as part of their trust arrangements. They were previously recognised through the Department's administered accounts.

(c) The variance is primarily due to the machinery of government changes effective from 1 January 2023. Depreciation on buildings is now recognised by the Department of Transport and Planning (DTP).

(d) The variance is primarily due to the machinery of government changes effective from 1 January 2023. The 2022-23 budget included grants expenditure expected to be incurred by Invest Victoria, which now forms part of the Department of Jobs, Skills, Industry and Regions (DJSIR) portfolio.

Budget portfolio outcomes

Balance sheet as at 30 June 2023

Controlled	2022-23 budget	2022-23 actual	Variance
	\$m	\$m	\$m
Financial assets			
Cash and deposits ^(a)	96.6	58.5	(38.1)
Other financial assets ^(b)	28.0	–	(28.0)
Receivables from government ^(c)	326.5	146.3	(180.2)
Other receivables	17.9	18.6	0.7
Total financial assets	469.0	223.4	(245.6)
Non-financial assets			
Inventories ^(d)	49.2	0.1	(49.1)
Property, plant, and equipment ^(e)	1 004.9	5.8	(999.1)
Intangible assets ^(f)	24.4	36.8	12.4
Other assets	5.0	6.7	1.7
Total non-financial assets	1 083.5	49.4	(1 034.1)
Total assets	1 552.5	272.8	(1 279.7)
Liabilities			
Payables	55.1	65.4	10.3
Borrowings	4.9	5.1	0.2
Provisions	89.7	60.3	(29.4)
Total liabilities	149.7	130.8	(18.9)
Net assets	1 402.9	142.0	(1 260.9)
Equity			
Contributed capital	506.2	31.1	(475.1)
Reserves	648.7	–	(648.7)
Accumulated surplus	248.0	110.9	(137.1)
Total equity ^(g)	1 402.9	142.0	(1 260.9)

Notes:

(a) The variance is primarily due to the machinery of government changes effective from 1 January 2023, including the transfer of cash balances in the Shared Services Provider (SSP) and VicFleet trust to DGS.

(b) The variance is primarily due to the machinery of government changes effective from 1 January 2023, reflecting equity investments held by Invest Victoria which have now been transferred to DJSIR.

(c) The variance is primarily due to the machinery of government changes effective from 1 January 2023. The majority of the variance reflects the transfer of the State Administration Unit (SAU) balances to DTP, associated with accumulated depreciation equivalent balances.

(d) The variance primarily reflects sale of the Hihett Gasworks property and the transfer of properties held for sale to DTP as part of the machinery of government changes effective from 1 January 2023.

(e) The variance is primarily due to the machinery of government changes effective from 1 January 2023, reflecting the transfer of land and buildings previously held by DTF to DTP.

(f) The higher actual balance is related to SRO's investment in revenue collection systems including State Revenue Office Advanced Revenue Management Program, and State Revenue Office Compliance Program.

(g) The variance is primarily due to the machinery of government changes effective from 1 January 2023, and the associated changes in equity to give effect to the transfers as contributions.

Budget portfolio outcomes

Cash flow statement for the year ended 30 June 2023

Controlled	2022-23 budget	2022-23 actual	Variance
	\$m	\$m	\$m
Cash flows from operating activities			
Receipts from government ^(a)	545.3	440.4	(104.9)
Other receipts	69.0	94.1	25.1
	614.3	534.5	(79.8)
Payments of grants and other transfers ^(a)	(167.6)	(48.1)	119.5
Payments to suppliers and employees	(427.1)	(446.2)	(19.1)
Interest and other finance costs	(0.3)	(0.1)	0.2
	(595.0)	(494.4)	100.6
Net cash flows from operating activities	19.3	40.1	20.8
Cash flows from investing activities			
Net investment	(23.0)	(1.0)	22.0
Net payments for non-financial assets ^(b)	(147.3)	(18.6)	128.7
Proceeds from sale of non-financial assets	–	1.9	1.9
Net loans to other parties	0.2	(4.0)	(4.2)
Net cash flows used in investing activities	(170.1)	(21.6)	148.5
Cash flows from financing activities			
Owner contributions by State government ^(c)	157.4	4.5	(152.9)
Repayment of leases and service concession liabilities	(2.4)	(4.4)	(2.0)
Net borrowings	–	7.1	7.1
Cash transferred in via machinery of government change ^(d)	–	4.7	4.7
Cash transferred out via machinery of government change ^(e)	–	(92.5)	(92.5)
Net cash flows from financing activities	155.0	(80.6)	(235.6)
Net increase/(decrease) in cash held	4.2	(62.1)	(66.3)
Cash at the beginning of the financial year	92.4	120.6	28.2
Cash at the end of the financial year	96.6	58.5	(38.1)

Notes:

(a) The variance is primarily due to the machinery of government changes effective from 1 January 2023. The 2022-23 budget included grants expenditure expected to be incurred by Invest Victoria, which now forms part of the DJSIR portfolio.

(b) The variance is primarily due to the machinery of government changes effective from 1 January 2023, mainly due to the budget including the purchase of the Bendigo GovHub which will now be done through DTP.

(c) The variance is primarily due to the machinery of government changes effective from 1 January 2023.

(d) Transfer in of Workplace Safety from the Department of Justice and Community Safety (DJCS).

(e) Transfer out of Invest Victoria to DJSIR, the Land and Property Group to DTP, and the Corporate and Government Services division (except for DTF Legal, Cabinet and Parliamentary Services and Strategic Communications) to DGS.

Budget portfolio outcomes

Statement of changes in equity for the year ended 30 June 2023

Controlled	Reserves	Accumulated surplus	Contributions by owner	Total
	\$m	\$m	\$m	\$m
2022-23 original budget				
Balance at 1 July 2022	648.7	254.9	351.2	1 254.8
Net result for the year	–	(6.9)	–	(6.9)
Transactions with owners in their capacity as owners	–	–	155.0	155.0
Balance at 30 June 2023	648.7	248.0	506.2	1 402.9
2022-23 actuals				
Balance at 1 July 2022	895.0	320.2	316.9	1 532.1
Net result for the year	–	21.6	–	21.6
Transfer to accumulated surplus	(895.0)	895.0	–	–
Transfer to contributed capital	–	(1 125.8)	1 125.8	–
Capital appropriations	–	–	4.4	4.4
Administrative restructure – net assets received	–	–	0.5	0.5
Administrative restructure – net assets transferred	–	–	(1 416.5)	(1 416.5)
Balance at 30 June 2023	–	110.9	31.1	142.0
Variance to original budget				
Balance at 1 July 2022	246.3	65.3	(34.3)	277.3
Net result for the year	–	28.5	–	28.5
Transfer to accumulated surplus	(895.0)	895.0	–	–
Transfer to contributed capital	–	(1 125.8)	1 125.8	–
Capital appropriations	–	–	4.4	4.4
Transactions with owners in their capacity as owners	–	–	(155.0)	(155.0)
Administrative restructure – net assets received	–	–	0.5	0.5
Administrative restructure – net assets transferred	–	–	(1 416.5)	(1 416.5)
Balance at 30 June 2023 ^(a)	(648.7)	(137.0)	(475.1)	(1 260.9)

Note:

(a) The variance is primarily due to the machinery of government changes effective from 1 January 2023, and the associated changes in equity to give effect to the transfers as contributions.

Budget portfolio outcomes

Administered items statement for the year ended 30 June 2023

	2022-23 budget	2022-23 actual	Variance
	\$m	\$m	\$m
Administered income from transactions			
Appropriations – payments made on behalf of the State ^(a)	17 681.7	5 209.8	(12 471.9)
Special appropriations ^(b)	2 864.6	1 045.6	(1 819.0)
Interest ^(c)	58.1	433.1	375.0
Sales of goods and services ^(d)	581.2	218.8	(362.4)
Grants ^(e)	29 052.0	30 472.8	1 420.8
Other income ^(f)	26 151.1	28 012.3	1 861.2
Total administered income from transactions	76 388.7	65 392.4	(10 996.3)
Administered expenses from transactions			
Expenses on behalf of the State ^(a)	2 938.4	412.6	(2 525.8)
Employee benefits ^(a)	2 858.4	1 206.1	(1 652.3)
Grants and other transfers ^(a)	7 312.3	5 687.3	(1 625.0)
Interest expense ^(g)	2 746.9	3 227.4	480.5
Payments into Consolidated Fund ^(h)	54 169.7	69 619.7	15 450.0
Total administered expenses from transactions	70 025.7	80 153.1	10 127.4
Net result from transactions	6 363.0	(14 760.7)	(21 123.7)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	25.3	–	(25.3)
Net gain/(loss) on financial instruments and statutory receivables/payables	0.1	(17.6)	(17.7)
Total other economic flows included in net result	25.4	(17.6)	(43.0)
Net result	6 388.4	(14 778.3)	(21 166.7)
Other economic flows – other non-owner changes in equity			
Remeasurement of superannuation defined benefit plans ⁽ⁱ⁾	984.3	1 355.7	371.4
Other	–	61.8	61.8
Total other economic flows – other non-owner changes in equity	984.3	1 417.5	433.2
Comprehensive result	7 372.7	(13 360.8)	(20 733.5)
Administered assets			
Cash and deposits ^(j)	1 087.0	8 116.5	7 029.5
Receivables ^(k)	55 385.0	5 546.3	(49 838.7)
Other financial assets ^(l)	2 937.3	2 102.6	(834.7)
Property, plant and equipment ^(m)	5 655.2	–	(5 655.2)
Total administered assets	65 064.5	15 765.4	(49 299.1)

	2022-23 budget	2022-23 actual	Variance
	\$m	\$m	\$m
Administered liabilities			
Payables	698.8	580.0	(118.8)
Borrowings ⁽ⁿ⁾	128 148.1	121 798.6	(6 349.5)
Provisions	9.0	–	(9.0)
Superannuation ^(o)	23 557.1	18 907.7	(4 649.4)
Total administered liabilities	152 413.0	141 286.3	(11 126.7)

Notes:

(a) The budget for the Department includes the estimates for Treasurer's Advances which may be provided during the year to all departments. This includes both the appropriation revenue and the underlying expenditure.

(b) The lower actual result reflects a reduced debt retirement during 2022-23 (under *Treasury Corporation of Victoria Act No. 80 of 1992*, Section 38 – Debt Retirement) and lower tax waivers/refunds (under *Taxation Administration Act 1997*, Section 121).

(c) Higher than expected interest revenue from Central Banking System deposits.

(d) The variance is primarily due to the machinery of government changes effective from 1 January 2023, reflecting the transfer of the SSP trust to DGS, which includes the recognition of operating revenue collected for the accommodation services provided on behalf of other departments and agencies.

(e) The variance is mainly due to higher than expected GST and other Commonwealth grants.

(f) The variance is mainly due to higher than expected stamp duty on conveyances and land transfers, land tax and payroll tax.

(g) The variance is mainly due to higher central banking system interest expenses.

(h) Higher actuals mainly driven by the year-on-year increase in borrowings paid into the Consolidated Fund during 2022-23. The budget does not account for the increase in borrowings being paid into the Consolidated Fund in the same manner, but rather as an increase in State Administration Unit Public Account Investments (and identified as receivables in the balance sheet).

(i) There is a remeasurement gain in 2022-23 of approximately \$1.4 billion compared to an estimated gain in the 2022-23 published budget of around \$1.0 billion, an increase of \$0.4 billion. The variation relative to the published budget is due to the combined impact higher than expected investment returns in 2022-23, an increase in the bond yield that underlies the superannuation discount rate in 2022-23, the impact of the change in the approach to setting inflation assumptions which increased the inflation assumption and reduced the salary increase assumption during 2022-23; and actual pension increases exceeding expectations in 2022-23.

(j) Higher cash balance due to the cash held for the Victorian Future Fund.

(k) Lower than budgeted receivables are mainly due to inter-entity receivables from other departments.

(l) The budget for the Department includes the estimates for Treasurer's Advances which may be provided during the year to all departments for investment in other financial assets.

(m) The budget for the Department includes the estimates for Treasurer's Advances which may be provided during the year to all departments for capital projects. The budget also included the right of use accommodation assets managed by the Shared Services Provider, which has now been transferred to the Department of Government Services.

(n) Lower actuals are mainly driven by the removal and transfer of Right of Use liabilities as a result of the machinery of government changes and lower than budgeted borrowings with TCV.

(o) The decrease in superannuation as compared to the published budget is mainly attributable to bond yields increases, investment performance fell short of expectations which reduced assets, and increased the net liability. In combination, this reduced the net liability by \$4.4 billion.

Financial performance

Overview

The Department recorded a surplus on its net result from transactions of \$12.8 million in 2022-23 compared to \$21.5 million in 2021-22. DTF's operating surplus in 2022-23 is largely driven by surplus movements in various trust funds. This is partially offset by expenses funded through existing balances in the State Administration Unit under Section 33 of the *Financial Management Act 1994*.

Total assets of the Department decreased from \$1.7 billion in 2021-22 to \$0.2 billion in 2022-23, mainly due to the transfer of assets to other Departments as part of the machinery of government change on 1 January 2023. The largest movement was from the transfer of land and buildings to the Department of Transport and Planning. The Department's remaining assets primarily consist of receivables from the Victorian Government and intangible assets.

Total liabilities decreased from \$195.2 million in 2021-22 to \$134.8 million in 2022-23, mainly due to the transfer of liabilities to other Departments as part of the machinery of government change on 1 January 2023. The Department's remaining liabilities primarily consist of payables and employee related provisions.

Core operations

Total revenue paid by the Government for DTF outputs has decreased this year to \$428 million, from \$516 million in 2021-22. The decrease is mainly due to the transfer of functions and their related funding to other Departments as part of the machinery of government change on 1 January 2023.

The following table details operational revenue by output group.

Revenue from the provision of outputs^(a)

Output group	2022-23 \$m	2021-22 \$m	Change \$m
Optimise Victoria's fiscal resources	208	196	12
Strengthen Victoria's economic performance	92	198	-106
Improve how Government manages its balance sheet, commercial activities and public sector infrastructure	106	75	31
Deliver strategic and efficient whole of government common services	22	47	-25
Total	428	516	-88

Note:

(a) Includes only Parliamentary appropriations.

Five-year financial summary: departmental (controlled) activities

	2022-23 \$m	2021-22 \$m	2020-21 \$m	2019-20 \$m	2018-19 \$m
Government output appropriations income	428	516	506	441	403
Other income	58	91	98	70	61
Total income from transactions	485	607	604	511	464
Total expenses from transactions	(473)	(585)	(570)	(505)	(454)
Net result from transactions	13	22	34	6	10
Total other economic flows included in net result	1	4	4	(1)	(2)
Net result	14	26	38	5	8
Net cash flow from operations	14	19	34	24	31
Total assets	218	1 676	1 392	1 291	1 184
Total liabilities	135	195	151	201	195

Financial statements

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Declaration in the financial statements

The attached financial statements for the Department of Treasury and Finance have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 2023 and financial position of the Department as at 30 June 2023.

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 2 October 2023.



Tania Reaburn
Chief Financial Officer
Department of Treasury and Finance

Melbourne
2 October 2023



David Martine
Secretary
Department of Treasury and Finance

Melbourne
2 October 2023

Independent auditor's report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Secretary of the Department of Treasury and Finance

Opinion	<p>I have audited the financial report of the Department of Treasury and Finance (the Department) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• Accountable Officer's and Chief Financial Officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Department as at 30 June 2023 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>
Basis for opinion	<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</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>
Key audit matter	<p>A key audit matter is a matter that, in my professional judgement, is of most significance in my audit of the financial report of the current period. This matter was addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.</p>

Independent auditor's report (continued)

Key audit matter	How I addressed the matter
<p>Valuation of defined benefit superannuation liability <i>Refer to Note 4.4.2 of the financial report - Administered assets and liabilities as at 30 June 2023</i></p>	
<p>Defined benefit superannuation liability: \$18.91 billion</p> <p>The Emergency Services and State Super funds account for \$17.9 billion (94.7 per cent) of the State's defined benefit superannuation liability (the liability). The Emergency Services Superannuation Board (ESSB) manages these funds.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> • the liability is financially significant • the underlying model used to value the liability is complex • a significant degree of management judgement is required to determine the method, the model and key assumptions used in valuing the liability • a small adjustment to an assumption may have a significant effect on the total value of the liability • ESSB has outsourced core member administration and fund accounting to an outsourced service provider. An independent assurance auditor was engaged by ESSB to report on the design, implementation and operating effectiveness of controls at the outsourced service provider • extensive disclosures are required by Australian Accounting Standards which are critical to the users understanding of the valuation of the liability. <p>Each year, the Department engage an actuary to value the liability as at 30 April, then adjust the value of the liability to account for actual market performance and movements in key assumptions up to 30 June.</p>	<p>My key procedures included:</p> <ul style="list-style-type: none"> • gaining an understanding of the design and implementation of key controls over the outsourced arrangement, and then testing their operating effectiveness, including those: <ul style="list-style-type: none"> ○ supporting the completeness and accuracy of membership data ○ assisting with the management and oversight of the arrangement • obtaining the independent assurance auditor's report over the outsourced service provider's controls and: <ul style="list-style-type: none"> ○ assessing the adequacy of the scope of work agreed between management and the assurance auditor ○ assessing the professional competence and independence of the assurance auditor ○ considering the relevance of the stated control objectives and controls covered by the assurance report ○ assessing the testing performed by the assurance auditor and the results of the tests ○ assessing the sufficiency and appropriateness of the audit evidence provided by the assurance report • assessing the professional competence and independence of the Department's actuary • obtaining the Department's actuarial report and year-end adjustments, and engaging an appropriately qualified independent actuary to assist in obtaining sufficient appropriate audit evidence for the liability and disclosures, including to: <ul style="list-style-type: none"> ○ assess the appropriateness of the model used to value the liability ○ review the reasonableness of membership data in the model by comparing it to the data in the service providers system ○ assess the appropriateness of the Department's selection and application of the method, significant assumptions and data used to value the liability ○ challenge the reasonableness of key assumptions by comparing against accepted industry benchmarks ○ assess the reasonableness of the reported liability value • assessing the adequacy of financial report disclosures against the requirements of Australian Accounting Standards.

Independent auditor's report (continued)

The Secretary's responsibilities for the financial report	<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 a 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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none">• 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 our 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. <p>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.</p>
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Independent auditor's report (*continued*)

Auditor's responsibilities for the audit of the financial report (continued)	From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
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MELBOURNE
5 October 2023



Roberta Skliros
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

for the financial year ended 30 June 2023

		2023	2022
	Notes	\$'000	\$'000
Revenue and income from transactions			
Output appropriations	2.3	427 793	516 392
Other revenue and income	2.5	57 704	90 618
Total revenue and income from transactions		485 497	607 010
Expenses from transactions			
Employee expenses	3.1.1	213 489	233 232
Depreciation and amortisation	5.1.1	14 181	23 329
Interest expenses	8.1.1	48	125
Grant expenses	3.2	67 477	136 739
Supplies and services	3.3	176 941	188 673
Land remediation costs	3.4	230	(597)
Payments to Consolidated Fund		340	4 033
Total expenses from transactions		472 706	585 534
Net result from transactions		12 791	21 476
Other economic flows included in net result			
Net gain on non-financial assets	9.1	951	560
Net (loss) on financial instruments	9.1	–	(169)
Net (loss)/gain from revaluation of leave liabilities	9.1	(131)	3 879
Total other economic flows included in net result		820	4 270
Net result		13 611	25 746
Other economic flows – other comprehensive income			
Changes in physical asset revaluation surplus	9.2	–	246 310
Comprehensive result		13 611	272 056

The accompanying notes form part of these financial statements.

Balance sheet

as at 30 June 2023

		2023 ^(a)	2022
	Notes	\$'000	\$'000
Assets			
Financial assets			
Cash and deposits	7.2	14 863	88 682
Receivables	6.1	156 783	393 419
Total financial assets		171 646	482 101
Non-financial assets			
Prepayments		5 618	5 149
Non-financial assets classified as held for sale	6.3	50	15 923
Property, plant and equipment	5.1	3 575	1148 644
Intangible assets	5.2	36 766	24 190
Total non-financial assets		46 009	1193 906
Total assets		217 655	1676 007
Liabilities			
Payables	6.2	73 793	101 303
Employee related provisions	3.1.2	52 812	73 558
Provision for land remediation	3.4	–	7 131
Contract liabilities	6.4	5 080	6 160
Borrowings	7.1	3 134	7 045
Total liabilities		134 819	195 197
Net assets		82 836	1480 810
Equity			
Contributed capital		30 094	315 875
Physical asset revaluation surplus	9.2	–	894 970
Accumulated surplus		52 742	269 965
Net worth		82 836	1480 810

The accompanying notes form part of these financial statements.

Note:

(a) Certain balances are not comparable to the comparative balances due to the machinery of government changes impact effective on 1 January 2023. The machinery of government changes are further described in notes 4.1.2, 4.3 and 9.8.

Statement of changes in equity

for the financial year ended 30 June 2023

		Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owners \$'000	Total \$'000
Balance at 1 July 2021		648 660	244 219	348 611	1 241 490
Net result for the year		–	25 746	–	25 746
Other comprehensive income for the year	9.2	246 310	–	–	246 310
Capital appropriations	2.3	–	–	22 345	22 345
Transfer from contributed capital	9.8	–	–	(55 081)	(55 081)
Balance at 30 June 2022		894 970	269 965	315 875	1 480 810
Net result for the year		–	13 611	–	13 611
Other comprehensive income for the year	9.2	–	–	–	–
Capital appropriations	2.3	–	–	4 420	4 420
Transfer to accumulated surplus	9.2	(894 970)	894 970	–	–
Transfer to contributed capital ^(a)	9.8	–	(1 125 804)	1 125 804	–
Administrative restructure – net assets received ^(b)	4.3	–	–	457	457
Administrative restructure – net assets transferred ^(c)	4.3	–	–	(1 416 462)	(1 416 462)
Balance at 30 June 2023		–	52 742	30 094	82 836

The accompanying notes form part of these financial statements.

Notes:

(a) The reclassification from accumulated funds to contributed capital is to facilitate the net assets distribution through contributed capital as part of the machinery of government changes effective on 1 January 2023.

(b) Represents the net assets received from the Workplace Safety function as part of the machinery of government changes effective on 1 January 2023.

(c) Represents the net assets transferred to the Department of Jobs, Skills, Industry and Regions, Department of Transport and Planning and Department of Government Services as part of the machinery of government changes effective on 1 January 2023.

Cash flow statement

for the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from government		494 253	563 369
Receipts from other entities		12 413	11 124
Goods and services tax (GST) recovered from the ATO ^(a)		6 939	320
Total receipts		513 605	574 813
Payments to suppliers and employees		(414 270)	(423 106)
Grants paid		(69 379)	(132 802)
Interest and other finance costs paid	8.1.1	(48)	(125)
Total payments		(483 697)	(556 033)
Net cash flows from operating activities	7.2.1	29 908	18 780
Cash flows from investing activities			
Payments for property, plant and equipment		(3 896)	(4 246)
Proceeds from sale of property, plant and equipment		1 864	1 602
Payments for intangible assets		(16 680)	(13 937)
Loans granted to Victorian Government agencies and other entities		–	(16 598)
Repayment of loans from Victorian Government agencies and other entities		–	–
Net cash flows (used in) investing activities		(18 712)	(33 179)
Cash flows from financing activities			
Cash received on activities transferred in – machinery of government changes		4 687	–
Cash transferred on activities transferred out – machinery of government changes		(92 488)	–
Owner contributions by the State Government – appropriation for capital expenditure purposes	2.3	4 420	22 345
Repayment of borrowings and principal portion of lease liabilities ^(b)		(1 612)	(1 982)
Net cash flows (used in)/from financing activities		(84 993)	20 363
Net (decrease)/increase in cash and cash equivalents		(73 797)	5 964
Cash and cash equivalents at the start of the year		88 660	82 696
Cash and cash equivalents at the end of the year	7.2	14 863	88 660
Non-cash transactions	7.2.2		

The accompanying notes form part of these financial statements.

Notes:

(a) GST paid to/received from the Australian Taxation Office is presented on a net basis.

(b) The Department has recognised cash payments for the principal portion of lease payments as financing activities, cash payments for the interest portion as operating activities consistent with the presentation of interest payments, and short-term lease payments for leases and low-value assets as operating activities.

1 About this report

The Department of Treasury and Finance (the Department) is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Administrative Arrangements Act 1983*. It is an administrative agency acting on behalf of the Crown.

Its principal address is: 1 Treasury Place
Melbourne VIC 3002

A description of the nature of its operations and its principal activities is included in the 'Report of operations' which does not form part of these financial statements.

Basis of preparation

The financial statements are presented in Australian dollars and the historical cost convention is used 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* (AASB 1004), 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 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. 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 are disclosed in the notes as a 'Significant judgement or estimates'.

These financial statements cover the Department as an individual reporting entity and include all the controlled activities of the Department. Infrastructure Victoria and the Essential Services Commission, which are part of the Department's portfolio, prepare separate annual financial statements and are not included in the Department's financial statements.

Following the machinery of government changes, the Workplace Safety function was transferred to the Department from the Department of Justice and Community Safety (DJCS) on 1 January 2023. Invest Victoria, the Land and Property group, and the majority of the Corporate and Government Services division were transferred out of the Department. The functions transferred out of the Department are included in the financial statements until 31 December 2022 and the functions transferred into the Department are included in the financial statements from 1 January 2023. The machinery of government changes are further described in notes 4.1.2, 4.3 and 9.8.

Pursuant to section 53(1)(b) of the *Financial Management Act 1994* (FMA), the results of the Registrar of Housing Agencies and the Victorian Government Purchasing Board are reported in aggregate as part of the Department's financial statements. These entities are not controlled by the Department and are not material entities. The Victorian Government Purchasing Board under the responsibilities of the Corporate and Government Services division was transferred to the Department of Government Services (DGS) as part of the machinery of government changes on 1 January 2023.

1. About this report

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Certain comparative amounts have been reclassified to conform with the current financial year's presentation.

Impact of machinery of government changes

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. In December 2022, the Government issued an administrative order under section 11 of the *Public Administration Act 2004* restructuring some of its activities via machinery of government changes which had a material impact on the Department. The financial impact of the transfer on categories of assets and liabilities is detailed in note 4.3. The statement of changes in equity, cashflow statement, summary of annual appropriations (note 2.3), reconciliation of movements in the carrying amount of property, plant and equipment (note 5.1.3), intangible assets (note 5.2) and trust account balances (note 7.2.3.1) include these impacts as line items.

Compliance information

These general-purpose financial statements have been prepared in accordance with the FMA and applicable AASs 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 relevant, those AASs paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

2 Funding delivery of our services

Introduction

The Department's overall objective is to pursue its mission of providing leadership in economic, financial and resource management. This leadership focus is reflected in the Department's long-term operational objectives, which guide its policy directions:

- optimise Victoria's fiscal resources
- strengthen Victoria's economic performance
- improve how government manages its balance sheet, commercial activities and public sector infrastructure
- deliver strategic and efficient whole of government common services.

To enable the Department to fulfil its objectives and provide outputs as described in note 4.1.1, it receives income (predominantly funded by accrual-based Parliamentary appropriations for the provision of outputs).

Structure

2.1	Summary of income that funds the delivery of our services	51
2.2	Appropriations	51
2.3	Summary of compliance with annual Parliamentary appropriations	52
2.4	Annotated income agreements	53
2.5	Other revenue and income	54

2.1 Summary of income that funds the delivery of our services

	Notes	2023 \$'000	2022 \$'000
Revenue and income from transactions			
Output appropriations	2.3	427 793	516 392
Other revenue and income	2.5	57 704	90 618
Total revenue and income from transactions		485 497	607 010

Income is recognised to the extent that it is probable that the economic benefits will flow to the Department and the income can be reliably measured. Amounts disclosed as income are, where applicable, net of duties and taxes.

2.2 Appropriations

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.

Output appropriations

Income from the outputs the Department provides to the Government is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria.

2.3 Summary of compliance with annual Parliamentary appropriations

The following table discloses the details of the various annual Parliamentary appropriations received by the Department during the year. In accordance with accrual output-based management procedures, provision of 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, and over which the Department has no control or discretion.

	Appropriation Act				Financial Management Act 1994			Total Parliamentary authority	Appropriations applied	Variance
	Annual appropriations – as published	Advance from Treasurer	Transfers to other departments – administrative restructure	Transfer from other departments – administrative restructure	Section 29 ^(a)	Section 30	Section 32			
	\$'000	\$'000			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023										
Controlled										
Provision of outputs	555 941	62 089	(126 467)	8 339	6 407	–	25 486	531 795	427 793	104 002
Additions to net assets	172 403	–	(151 393)	–	–	–	–	21 010	4 420	16 590
Administered										
Payments made on behalf of the State	3 655 059	1 556 585	–	–	–	–	–	5 211 644	5 209 776	1 868
2023 total	4 383 403	1 618 674	(277 860)	8 339	6 407	–	25 486	5 764 449	5 641 989	122 460
2022										
Controlled										
Provision of outputs	579 292	21 900	–	–	9 732	(52 000)	14 411	573 335	516 392	56 943
Additions to net assets	147 120	13 208	–	–	–	(124 100)	–	36 228	22 345	13 883
Administered										
Payments made on behalf of the State	4 004 495	941 100	–	–	–	176 100	1 356	5 123 051	4 962 099	160 952
2022 total	4 730 907	976 208	–	–	9 732	–	15 767	5 732 614	5 500 836	231 778

Notes:

(a) Revenue retained by the Department under section 29 of the FMA is provided in note 2.4 Annotated income agreements.

Explanation of key variances between total Parliamentary authority and appropriations applied – year ended 30 June 2023

- **Provision of outputs**

\$104.0 million was not applied primarily due to the rephasing of expenditure into future years, new trust funding arrangement for the Essential Services Commission and unapplied section 32 following the machinery of government change from 1 January 2023.

- **Additions to net assets**

Capital funding of \$16.6 million was not applied due to the Department's utilisation of depreciation equivalent for the purchase of infrastructure, plant and equipment.

2.4 Annotated income agreements

The Department is permitted under section 29 of the FMA to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the Department and the receipts paid into the Consolidated Fund as an administered item. At the point of income recognition, section 29 provides for an equivalent amount to be added to the annual appropriation. The following is a listing of the FMA section 29 annotated income agreements approved by the Treasurer.

	2023 \$'000	2022 \$'000
User charges		
State Revenue Office (SRO) land tax certificates	4 375	5 206
Property Exchange Australia ^(a)	498	–
Victorian Energy and Efficiency Target certificates ^(b)	–	2 500
Receipts from other departments, agencies and municipal councils		
Building reform review secretariat	699	593
Construction supplier register	375	459
Government bodies gymnasium ^(c)	–	3
Public financial corporations' risk prudential supervision	75	164
Asset sales cost recovery		
Government land and property (land sales) ^(d)	385	807
Total annotated income agreements	6 407	9 732

Notes:

(a) The collection of this fee is administered by the State Revenue Office and commenced during financial year 2023.

(b) The collection of this fee is now managed through the Essential Service Commission Operating Fund trust account in financial year 2023, and no longer requires a Section 29 arrangement.

(c) The Government bodies gymnasium ceased operations after financial year 2022.

(d) This function, and related section 29 arrangement, was transferred to the Department of Transport and Planning (DTP) on 1 January 2023 as part of the machinery of government change.

2. Funding delivery of our services

2.5 Other revenue and income

	2023	2022
	\$'000	\$'000
Provision of services	16 116	32 922
Rental accommodation income	22 270	44 381
Resources received free of charge	5 104	–
Other income	14 214	13 315
Total other revenue and income	57 704	90 618

Provision of services

Income from the provision of services where they can be deployed to achieve departmental objectives, is accounted for under AASB 15 *Revenue from Contracts with Customers* and is recognised when the services are provided.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Department recognises revenue when it transfers control of a good or service to the customer. Revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied. Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied and when the service is completed, and over time when the customer simultaneously receives and consumes the services as it is provided. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (note 6.4). Where the performance obligation is satisfied but not yet billed, a contract asset is recorded.

Rental accommodation income

Income from the provision of rental accommodation to government departments and agencies is recognised on a straight-line basis over the lease term.

Fair value of assets and services received free of charge or for nominal consideration recognised as income

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency as a capital contribution transfer.

Other income

Other income includes grants income, VicFleet car hire income and management fee.

Grants recognised under AASB 1058

The Department has determined that grants included in other income relate to arrangements that are either not enforceable and/or not linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Department has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Department first recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue (related amounts) in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15)
- a lease liability in accordance with AASB 16 *Leases* (AASB 16)
- a financial instrument, in accordance with AASB 9 *Financial Instruments* (AASB 9) or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137).

3 The cost of delivering services

Introduction

This section provides an account of the expenses incurred by the Department in delivering services and outputs. In note 2, the funds that enable the provision of services are disclosed and in this note the cost associated with the provision of services are recorded. Note 4 discloses disaggregated information in relation to the income and expenses by output.

Judgement required

Judgement has been applied in the calculations of employee benefits provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.

Structure

3.1	Expenses incurred in delivery of services	55
3.2	Grant expenses	57
3.3	Supplies and services	57
3.4	Land remediation costs	58

3.1 Expenses incurred in delivery of services

	Notes	2023 \$'000	2022 \$'000
Employee expenses	3.1.1	213 489	233 232
Grant expenses	3.2	67 477	136 739
Supplies and services	3.4	176 941	188 673
Land remediation costs	3.5	230	(597)

3.1.1 Employee expenses – comprehensive operating statement

	2023 \$'000	2022 \$'000
Salaries and wages	162 966	171 257
Annual leave and long service leave	19 482	26 756
Defined contribution superannuation expense	17 922	17 184
Defined benefit superannuation expense	910	1 172
On-costs	12 208	11 891
Termination benefits	1	4 972
Total employee expenses	213 489	233 232

Employee expenses comprise all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. Superannuation expenses represent the 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 discloses, on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as administered items (note 4.4).

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the prior financial year, the Department announced a voluntary Early Retirement Scheme and Early Retirement Package offers were made to eligible employees. The final date for the acceptance of offers was in May 2022.

3. The cost of delivering services

3.1.2 Employee-related provisions – balance sheet

	2023	2022
Provisions	\$'000	\$'000
Current		
Annual leave		
• unconditional and expected to be settled within 12 months	9 889	12 972
• unconditional and expected to be settled after 12 months	6 396	9 915
Long service leave		
• unconditional and expected to be settled within 12 months	1 660	2 771
• unconditional and expected to be settled after 12 months	22 500	28 836
On-costs	6 144	7 853
Performance bonus	319	307
Termination benefits	–	4 110
Total current employee related provisions	46 908	66 764
Non-current		
Long service leave	5 198	6 034
On-costs	706	760
Total non-current employee related provisions	5 904	6 794
Total provisions	52 812	73 558

3.1.3 Reconciliation of movement in on-costs provisions

	2023
	\$'000
Opening balance	8 613
Additional provisions recognised	1 916
Reductions arising from payments/other sacrifices of future economic benefits	(1 630)
Unwind of discount and effect of changes in the discount rate	14
Reductions due to machinery of government transfers out	(2 063)
Closing balance	6 850
Current	6 144
Non-current	706
Total on-costs provision	6 850

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

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.

Provisions made in respect of employee benefits expected to be wholly settled within 12 months are measured at their nominal values, using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits that are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Department in respect of services provided by employees up to the reporting date. The liability is classified as a current liability where the Department does not have an unconditional right to defer settlement for at least 12 months after the reporting date. The long service leave liability is classified as non-current where the Department has an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

Any gain or loss following revaluation of the present value of the non current long service leave liability is recognised in the net result from transactions, except to the extent that a gain or loss arises due to changes in discount rates for which it is then recognised in the net result as an other economic flow.

3.2 Grant expenses

	2023 \$'000	2022 \$'000
Grant expenses		
Victorian government entities	52 489	85 522
Other government entities	11 983	13 726
Other organisations	3 005	37 491
Total grant expenses	67 477	136 739

Grants to third parties (other than contributions to owners) are recognised as an expense 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.

3.3 Supplies and services

	2023 \$'000	2022 \$'000
Rental and property outgoings	27 418	42 128
Purchases of services ^(a)	112 438	111 248
Information and communication technology expenses	21 146	20 315
Other	15 939	14 982
Total supplies and services	176 941	188 673

Note:

(a) Purchases of services include the remuneration of auditors, contract services and consultancies.

Supplies and services are recognised as an expense in the period in which they are incurred.

3. The cost of delivering services

3.4 Land remediation costs

Provisions are recognised when the Department has a present obligation where the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rates that reflect the time value of money and risks specific to the provision.

The provision for land remediation is to remediate sites intended for residential and commercial development. During financial year 2023, \$2.4 million was utilised against the provision and the unutilised provision of \$4.7 million was transferred to the Department of Transport and Planning (DTP) due to the machinery of government changes effective on 1 January 2023. Additionally, land remediation costs of \$0.2 million were incurred for properties where there was no present obligation to remediate. These costs were excluded from the provision for land remediation and were recognised as expense when incurred.

	2023	2022
	\$'000	\$'000
Reconciliation of movements in provision for land remediation		
Opening balance	7 131	11 079
Reductions arising from payments	(2 385)	(2 727)
Reductions resulting from remeasurement	–	(1 221)
Machinery of government transfer out	(4 746)	–
Closing balance	–	7 131

4 Disaggregated financial information by output

Introduction

The Department is predominantly funded by accrual-based Parliamentary appropriations for the provision of outputs. This section provides a description of the departmental outputs delivered during the year ended 30 June 2023 along with the objectives of those outputs.

This section disaggregates revenue and income that enables the delivery of services (described in note 2) by output and records the allocation of expenses incurred (described in note 3) also by output, which forms part of the controlled balances of the Department.

It also provides information on items administered in connection with these outputs, which do not form part of the controlled balances of the Department.

Judgement required

Judgement is required in allocating income and expenditure to specific outputs. Judgement is also required to identify controlled and administered items.

Distinction between controlled and administered items

The distinction between controlled and administered items is drawn based 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 financial statements, except in notes 4.4, 7.2.3, 7.3 and 8.2.

Structure

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4. Disaggregated financial information by output

4.1 Departmental outputs

4.1.1 Descriptions and objectives of the Department

The description of the departmental objectives and outputs delivered during the financial year ended 30 June 2023 are summarised below.

Objective 1: Optimise Victoria's fiscal resources

The Department provides high-quality advice to Government on sustainable financial, resource and performance management policy and other key policy priorities; overseeing related frameworks; as well as leading the production of the State budget papers and reports of both financial and non-financial performance in the Victorian public sector.

Outputs

Budget and Financial Advice

This output contributes to the provision of strategic, timely and comprehensive analysis and information to Government to support decision-making and reporting.

Revenue Management and Administrative Services to Government

This output provides revenue management and administrative services across the various state-based taxes for the benefit of all Victorians.

Objective 2: Strengthen Victoria's economic performance

The Department provides the Government with advice on key economic matters and policies to increase economic productivity, competitiveness and equity across the Victorian economy.

Outputs

Economic and Policy Advice

This output provides strategic, timely and comprehensive analysis and information to the Government to support decision-making and reporting.

Economic Regulatory Services

This output provides economic regulation of utilities and other specified markets in Victoria to protect the long-term interests of Victorian consumers with regard to the price, quality, reliability and efficiency of essential services.

Invest Victoria (until 31 December 2022)

This output facilitates private sector investment in Victoria to strengthen innovation, productivity, job creation and diversification of Victoria's economy. The output was transferred to the Department of Jobs, Skills, Industry and Regions (DJSIR) effective from 1 January 2023 as part of the machinery of government changes described in notes 4.1.2, 4.3 and 9.8.

Objective 3: Improve how Government manages its balance sheet, commercial activities and public sector infrastructure

The Department develops and applies prudent financial and commercial principles and practices to influence and help deliver government policies focused on overseeing the State's balance sheet, major infrastructure and government business enterprises (in the public non-financial corporations sector and public financial corporations sector).

Outputs

Commercial and Infrastructure Advice

This output provides strategic, timely and comprehensive analysis and information to the Government to support decision-making and reporting.

Infrastructure Victoria

This output provides independent and transparent advice to the Government on infrastructure priorities and sets a long-term strategy for infrastructure investment.

Objective 4: Deliver strategic and efficient whole of government common services (until 31 December 2022)

The Department assists government agencies by delivering integrated and client-centric common services that achieve value for the Victorian public sector.

Output

Services to Government

This output delivers whole of government services, policies and initiatives in areas including procurement, fleet and accommodation. The output was transferred to DGS effective from 1 January 2023 as part of the machinery of government changes described in notes 4.1.2, 4.3 and 9.8.

4. Disaggregated financial information by output

4.1.2 Changes to outputs

The outputs schedule disclosures in note 4.1.3 Departmental outputs schedule, note 4.4.1 Administered income and expenses for the financial year ended 30 June 2023 and note 4.4.2 Administered assets and liabilities as at 30 June 2023 are classified by the departmental objectives.

The Department has made changes to the output structure due to the machinery of government changes as described in notes 1 Basis of preparation and 4.3 Restructuring of administrative arrangements.

Incoming function

The Workplace Safety function under the Economic and Policy Advice output was transferred from DJCS to the Department as a consequence of the machinery of government changes announced on 5 December 2022. Accounts and reports for this output for the purposes of the *Financial Management Act 1994* (FMA) were kept and provided from 1 January 2023 as per the Administrative Arrangements Order (No. 251) 2022. Expenses and income attributable to the transferred outputs for financial year 2023 are disclosed in note 4.3 Restructuring of administrative arrangements.

Outgoing functions

At the same time, activities of Invest Victoria, the Land and Property group, and parts of Corporate and Government Services division were transferred to the following departments. The table below provides an overview of the movement of outputs between departments.

This is in line with the Government's commitment to continuously improve efficiency through centralisation of common administrative functions within Victorian government departments. Accounts and reports for these outputs for the purposes of the *Financial Management Act 1994* (FMA) were kept and provided from 1 January 2023 as per the Administrative Arrangements Order (No. 251) 2022.

Outputs	Activities/Functions	Old department	New department
Invest Victoria	Invest Victoria	Department of Treasury and Finance	DJSIR
Commercial and Infrastructure Advice	Land and Property (except for Shareholder Advice)	Department of Treasury and Finance	DTP
Services to Government	Corporate and Government Services division (except for DTF Legal, Cabinet and Parliamentary Services and Strategic Communications)	Department of Treasury and Finance	DGS

4. Disaggregated financial information by output

4.1.3 Departmental outputs schedule

	Optimise Victoria's fiscal resources		Strengthen Victoria's economic performance	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Controlled revenue and income and expenses for the year ended 30 June 2023				
Revenue and income from transactions				
Output appropriations	208 086	196 592	91 984	197 785
Other income	2 873	1 816	1 695	1 848
Total revenue and income from transactions	210 959	198 408	93 679	199 633
Expenses from transactions				
Employee expenses	113 265	111 491	43 592	48 938
Depreciation and amortisation	5 660	4 703	76	290
Interest expense	47	48	(1)	4
Grant expenses	19 833	5 703	25 116	120 941
Supplies and services	69 018	72 888	22 133	23 370
Land remediation costs	–	–	–	–
Payments to Consolidated Fund	–	–	340	–
Total expenses from transactions	207 823	194 833	91 256	193 543
Net result from transactions	3 136	3 575	2 423	6 090
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	58	89	62	23
Net (loss) on financial instruments	–	–	–	–
Net gain from revaluation of leave liabilities	(258)	2 074	42	659
Total other economic flows included in net result	(200)	2 163	104	682
Net result	2 936	5 738	2 527	6 772
Total other economic flows – other comprehensive income				
Changes in physical asset revaluation surplus	–	–	–	–
Comprehensive result	2 936	5 738	2 527	6 772
Controlled assets and liabilities as at 30 June 2023				
Assets				
Financial assets	9 799	8 338	29 108	66 245
Non-financial assets	44 807	31 237	151	618
Total assets	54 606	39 575	29 259	66 863
Liabilities				
Total liabilities	69 721	71 391	45 594	71 138
Net assets/(liabilities)	(15 115)	(31 816)	(16 335)	(4 275)

Note:

(a) These amounts consist predominantly of the Department's State Administration Unit balances with the Consolidated Fund and the Trust Fund.

4. Disaggregated financial information by output

Improve how Government manages its balance sheet, commercial activities and public sector infrastructure		Deliver strategic and efficient whole of government common services		Other – not attributable ^(a)		Departmental total	
2023	2022	2023	2022	2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
106 035	75 303	21 688	46 712	–	–	427 793	516 392
14 999	8 475	38 137	78 479	–	–	57 704	90 618
121 034	83 778	59 825	125 191	–	–	485 497	607 010
39 500	43 021	17 132	29 782	–	–	213 489	233 232
152	410	8 293	17 926	–	–	14 181	23 329
7	10	(5)	63	–	–	48	125
22 519	10 057	9	38	–	–	67 477	136 739
55 230	36 787	30 560	55 628	–	–	176 941	188 673
230	(597)	–	–	–	–	230	(597)
–	–	–	4 033	–	–	340	4 033
117 638	89 688	55 989	107 470	–	–	472 706	585 534
3 396	(5 910)	3 836	17 721	–	–	12 791	21 476
32	(52)	799	500	–	–	951	560
–	–	–	(169)	–	–	–	(169)
(29)	707	114	439	–	–	(131)	3 879
3	655	913	770	–	–	820	4 270
3 399	(5 255)	4 749	18 491	–	–	13 611	25 746
–	78 190	–	168 120	–	–	–	246 310
3 399	72 935	4 749	186 611	–	–	13 611	272 056
8 580	23 013	11 416	82 111	112 743	302 394	171 646	482 101
873	450 217	178	711 834	–	–	46 009	1 193 906
9 453	473 230	11 594	793 945	112 743	302 394	217 655	1 676 007
18 825	15 126	679	37 542	–	–	134 819	195 197
(9 372)	458 104	10 915	756 403	112 743	302 394	82 836	1 480 810

4. Disaggregated financial information by output

4.2 Centralised Accommodation Management

In October 2019, the Shared Service Provider (SSP) established the Centralised Accommodation Management (CAM) model to manage the Government's accommodation related service payments to realise whole of government efficiencies and cost savings.

The right-of-use (RoU) lease accommodation assets and corresponding liabilities, previously recorded by relevant government departments and agencies, were recognised by the Department on 1 November 2019 as contributions by owners-transfer of net assets as disclosed in note 4.4.2 Administered assets and liabilities. No income or expense was recognised in respect of the net assets transferred.

The RoU lease accommodation assets and corresponding liabilities are within the Services to Government output and they were transferred to the DGS effective from 1 January 2023 as part of the machinery of government changes.

Shared Service Provider occupancy agreement

A significant judgement was made that the occupancy agreement is a service contract (rather than a lease as defined in AASB 16). The income for office accommodation rent and facilities management fees are recognised as other administered income in note 4.4.1, based on agreed receipts in the occupancy agreement.

The occupancy agreement comprises the following components:

- management fees and business improvement fees - recognised as provision of services in note 2.5 Other revenue and income (controlled income for SSP)
- income for office accommodation rent and facilities management fees - recognised as other income in note 4.4.1 (administered income for SSP), with the associated expense recognised as rental and property outgoings in note 3.3 (controlled expenses for the Department), and as other expenses in note 4.4.1 (administered expense for SSP).

Total commitments receivable by SSP up to 30 June 2024 under the occupancy agreements have been transferred to DGS and is nil for the Department as at 30 June 2023 (2022 – \$491.1 million). Similarly, the controlled commitments receivable is nil (2022 – 13.8 million) and administered commitments receivable is nil (2022 – \$477.3 million). Refer to note 7.4 Commitments for income.

4.3 Restructuring of administrative arrangements

In December 2022, the Government issued an administrative order restructuring some of its activities via machinery of government changes, taking effect from 1 January 2023. As part of the machinery of government restructure, the Department (as transferor) relinquished its outputs for:

- Invest Victoria to DJSIR
- the Land and Property group including the Government Accommodation Trust to DTP
- the Corporate and Government Services division (except for DTF Legal, Cabinet and Parliamentary Services and Strategic Communications) to the new DGS. This includes the Shared Corporate Services Trust, Strategic Sourcing, People and Culture, Information and Technology Services, and Corporate Performance.

The combined income and expenses of these outputs for the reporting period are reported by DJSIR, DTP and DGS respectively.

In addition, the Department (as transferee) assumed:

- responsibility of the Workplace Safety function from DJCS
- portfolio oversight responsibilities for WorkSafe, the Transport Accident Commission (TAC) and associated insurance policy functions.

The combined income and expenses for Workplace Safety function under the Economic and Policy Advice output for the reporting period (including those recognised by DJCS) are as follows:

Workplace Safety function under the Economic and Policy Advice output

	DJCS Jul-Dec 2022 \$'000	Department Jan-Jun 2023 \$'000	Total \$'000
Controlled income and expenses			
Income	308 493	6 842	315 335
Expenses	308 493	6 464	314 957

The comparative amounts for the prior year have not been adjusted.

The net assets assumed by the Department for Workplace Safety due to the administrative restructure is recognised in the balance sheet at the carrying amount of those assets in the transferor's (DJCS) balance sheet immediately before the transfer.

The net asset transfers were treated as a contribution of capital by the State. No income has been recognised by the Department in respect of the net asset transferred from DJCS.

4. Disaggregated financial information by output

Restructuring of administrative arrangements

	1 January 2023 transfer in	1 January 2023 transfers out		
	Economic and Policy Advice from DJCS	Invest Victoria to DJSIR	Commercial and Infrastructure Advice to DTP	Services to Government to DGS
	\$'000	\$'000	\$'000	\$'000
Controlled				
Assets				
Cash and deposits	–	(13 840)	(11 264)	(67 384)
Receivables	–	(5 329)	(16 443)	(11 707)
Prepayments	–	–	(5 426)	(1 194)
State Administration Unit	4 824	(13 583)	(4 980)	(18 138)
State Administration Unit-depreciation equivalent	–	–	(138 085)	–
Investments and other financial asset	–	(1 000)	–	–
Non-financial assets classified as held for sale	–	–	(15 527)	–
Property, plant and equipment	–	(6)	(1134 801)	(3 194)
Intangible assets	–	–	–	(337)
Liabilities				
Payables	–	601	3 395	1 418
Employee related provisions	(155)	3 982	1 031	11 115
Provision for land remediation	–	–	5 604	–
Contract liabilities	(4 212)	–	3 267	12 700
Borrowings	–	6	53	2 604
Net assets recognised/(transferred)	457	(29 169)	(1 313 176)	(74 117)
Net capital contribution from the Crown	–	–	–	–

	1 January 2023 transfers out	
	Commercial and Infrastructure Advice to DTP	Services to Government to DGS
	\$'000	\$'000
Administered		
Assets		
Cash and deposits	(22 469)	(296 923)
Receivables	(10 855)	(683 873)
Prepayments	(5 235)	(44 545)
State Administration Unit	1 292	(212 706)
Property, plant and equipment	–	(1 575 998)
Liabilities		
Payables	13 350	27 905
Provisions	–	12 706
Contract liabilities	8 308	345 902
Borrowings	–	2 417 347
Net assets recognised/(transferred)	(15 609)	(10 185)
Net capital contribution from the Crown	–	–

4.4 Administered items

In addition to the specific departmental operations which are included in the balance sheet, comprehensive operating statement and cash flow statement, the Department administers, but does not control, certain resources and activities on behalf of the State. It is accountable for the transactions involving those administered resources but does not have the discretion to deploy the resources for its own benefit or for the achievement of its objectives.

Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis. Administered income includes taxes raised by the State Revenue Office, fees, Commonwealth grants and the proceeds from the sale of surplus land and buildings. Administered expenses include payments of administered revenue into the Consolidated Fund, grants paid to other government departments, interest on borrowings and superannuation expenses.

Accordingly, transactions and balances relating to these administered resources are not recognised as departmental income, expenses, assets or liabilities within the body of the financial statements but are disclosed separately in notes 4.4.1 and 4.4.2. Except as otherwise disclosed, administered transactions are accounted for on an accrual basis using the same accounting policies adopted for recognition of departmental items in the financial statements.

4. Disaggregated financial information by output

4.4.1 Administered income and expenses for the financial year ended 30 June 2023

	Optimise Victoria's fiscal resources		Strengthen Victoria's economic performance	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Administered income from transactions				
Payments on behalf of the State appropriations	301 694	1 282 356	1 664 871	1 188 543
Special appropriations	326 795	562 365	–	–
Grants	(653)	17 823	19 207 075	18 155 097
Taxation	26 936 526	25 786 276	–	–
Dividends	–	–	34 401	–
Interest	–	–	–	38
Other income	134 937	97 245	706	2 973
State revenues received into Consolidated Fund, net of appropriations applied within government departments	–	–	–	–
Total administered income from transactions	27 699 299	27 746 065	20 907 053	19 346 651
Administered expenses from transactions				
Grant expenses	438 856	1 413 962	543 540	1 173 627
Interest expense	670	1 298	–	–
Superannuation – non-departmental	–	–	–	–
Contribution to GST administration costs	–	–	164 706	151 996
Depreciation and amortisation	–	–	–	–
Short-term lease expenses	–	–	–	–
Ex gratia expenses ^(a)	21 681	23 383	–	–
Other expenses	10 381	16 830	4 924	10 849
Payments to Consolidated Fund	26 528 651	26 379 342	19 225 898	18 155 773
Total administered expenses from transactions	27 000 239	27 834 815	19 939 068	19 492 245
Administered net result from transactions	699 060	(88 750)	967 985	(145 594)
Other economic flows included in net result				
Net (loss)/gain on non-financial assets	–	–	–	–
Net (loss)/gain on financial instruments	(68 108)	(51 763)	–	638
Net gain arising from revaluation of financial assets at fair value through net result	–	–	50 496	2 214
Total other economic flows included in net result	(68 108)	(51 763)	50 496	2 852
Administered net result	630 952	(140 513)	1 018 481	(142 742)
Other economic flows – other comprehensive income				
Items that will not be reclassified to net result				
Remeasurement of superannuation defined benefit plans	–	–	–	–
Items that may be reclassified subsequently to net result				
Changes to debt instruments measured at fair value through other comprehensive income revaluation reserve	–	–	61 822	(184 008)
Total other economic flows – other comprehensive income	–	–	61 822	(184 008)
Administered comprehensive result	630 952	(140 513)	1 080 303	(326 750)

Note:

(a) Ex gratia payments mainly represent tax relief provided by the State in various circumstances including financial hardship.

4. Disaggregated financial information by output

Improve how Government manages its balance sheet, commercial activities and public sector infrastructure		Deliver strategic and efficient whole of government common services		Other – not attributable		Departmental total	
2023	2022	2023	2022	2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3 243 087	2 463 514	124	27 686	–	–	5 209 776	4 962 099
28 712	1 032 536	–	–	690 084	1 083 314	1 045 591	2 678 215
–	458 859	–	–	11 266 630	12 661 869	30 473 052	31 293 648
792 593	748 358	–	–	–	–	27 729 119	26 534 634
110 389	246 989	–	–	–	–	144 790	246 989
430 103	20 721	3 002	7 121	–	–	433 105	27 880
7 771	15 052	211 776	453 111	–	–	355 190	568 381
–	–	–	–	12 222 561	8 701 367	12 222 561	8 701 367
4 612 655	4 986 029	214 902	487 918	24 179 275	22 446 550	77 613 184	75 013 213
3 931	2 800	26 689	–	4 700 987	4 307 912	5 687 314	6 898 301
3 200 043	1 661 720	–	52 918	–	–	3 227 402	1 715 936
–	–	–	–	1 205 488	1 424 894	1 205 488	1 424 894
–	–	116 427	–	–	–	164 706	151 996
–	–	–	255 600	–	–	116 427	255 600
–	–	–	9 186	–	–	–	9 186
–	–	–	–	–	–	21 681	23 383
8 054	7 310	86 271	176 075	–	–	109 630	211 064
17 299 123	27 721 017	(1 123)	1 651	6 565 643	8 353 957	69 618 192	80 611 740
20 511 151	29 392 847	228 264	495 430	12 472 118	14 086 763	80 150 840	91 302 100
(15 898 496)	(24 406 818)	(13 362)	(7 512)	11 707 157	8 359 787	(2 537 656)	(16 288 887)
–	9 589	–	(122 250)	–	–	–	(112 661)
–	–	–	–	–	–	(68 108)	(51 125)
–	–	–	–	–	–	50 496	2 214
–	9 589	–	(122 250)	–	–	(17 612)	(161 572)
–	–	–	–	1 355 731	7 791 381	1 355 731	7 791 381
–	–	–	–	–	–	61 822	(184 008)
–	–	–	–	1 355 731	7 791 381	1 417 553	7 607 373
(15 898 496)	(24 397 229)	(13 362)	(129 762)	13 062 888	16 151 168	(1 137 715)	(8 843 086)

4. Disaggregated financial information by output

Administered income and expenses

Payments on behalf of the State (POBOS) Appropriations

POBOS is an appropriation which provides for payments to be made on behalf of the State. These payments are not related to the direct provision of outputs of the Department.

Special appropriations

Special appropriations income is recognised when the amount appropriated for the purpose specified under the relevant legislation is due and payable by the Department.

Authority	Purpose	Appropriations applied	
		2023 \$'000	2022 \$'000
<i>Constitution Act, No. 8750 of 1975 – Governors' Pensions</i>	Governors' pensions	1 642	1 783
<i>Constitution Act, No. 8750 of 1975 – Supreme Court Judges</i>	Judges' pensions	19 056	16 568
<i>County Court Act, No. 6230 of 1958 – Judges</i>	Judges' pensions	22 784	22 047
<i>Financial Management Act No. 18 of 1994, Section 10^(a)</i>	Appropriation of Commonwealth grants	54 361	335 267
<i>Financial Management Act, No. 18 of 1994, Section 39</i>	Interest on advances	–	1 916
<i>Gambling Regulation Act, No. 114 of 2003, Section 3.6.12</i>	Payments to Community Support Fund	166 945	122 820
<i>Gambling Regulation Act No.114 of 2003, Section 4.6A.5A</i>	Anzac Day Proceeds Fund	722	737
<i>Gambling Regulation Act No. 114 of 2003, Section 4.6A.5</i>	Payments to Victorian Racing Industry	88 581	82 024
<i>Liquor Control Reform Act, No. 94 of 1998, Section 177(2)</i>	Safety net payments	5 689	5 583
<i>State Owned Enterprises Act, No. 90 of 1992, Section 88</i>	State equivalent tax refunds	–	2 890
<i>State Superannuation Act, No. 50 of 1988, Section 90(2) – Contributions</i>	Superannuation contributions	646 602	1 042 915
<i>Taxation (Interest on Overpayments) Act, No. 35 of 1986, Section 11</i>	Interest on overpayments of tax	670	1 298
<i>Taxation Administration Act 1997, Section 121</i>	Tax waivers, refunds and court costs	9 827	14 637
<i>Treasury Corporation of Victoria Act, No. 80 of 1992, Section 38 – Debt Retirement^(b)</i>	Budget sector debt retirement	28 712	1 027 730
Total special appropriations		1 045 591	2 678 215

Notes:

(a) Appropriation of Commonwealth grants to Victoria to deliver the HomeBuilder grant scheme.

(b) Based on future funding requirements and the State's liquidity position at a given point in time, decisions are taken by the Department and the Treasury Corporation of Victoria to retire maturing debt. These decisions are part of broader decisions taken in terms of managing the budget sector debt portfolio in the most efficient manner (reduce debt and interest expenses even at shorter time frames) and maximising the available liquidity.

Grants

	2023	2022
	\$'000	\$'000
General purpose grants	19 152 014	17 619 902
Specific purpose grants for on-passing	4 661 601	4 278 950
Other specific purpose grants	6 659 390	8 917 521
Total Commonwealth grants ^(a)	30 473 005	30 816 373
Other contributions and grants	47	477 275
Total grants	30 473 052	31 293 648

Note:

(a) Grants predominantly relate to grants from the Commonwealth Government, which are recognised under AASB 1058 *Income of Not-for-Profit Entities*.

The Department's administered grants income mainly comprise contributions from the Commonwealth to assist the State in meeting general or specific service delivery obligations, primarily for the purpose of aiding in the financing of operations of the recipient, capital purposes and/or for on-passing to other recipients. Grants also include grants from other jurisdictions.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised using AASB 1058, when the Department has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue (related amounts) in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability, in accordance with AASB 16
- a financial instrument, in accordance with AASB 9 or
- a provision, in accordance with AASB 137.

Income received for specific purpose grants for on-passing is recognised simultaneously with the grant expense as the funds are immediately on-passed to the relevant recipient entities on behalf of the Commonwealth Government.

Income from grants to construct capital assets that are controlled by the State is recognised progressively as the assets are constructed. The progressive percentage costs incurred are used to recognise income because this most closely reflects the progress to completion.

GST is collected by the Commonwealth and paid to states and territories in the form of general-purpose grants. Funds are typically remitted by the Commonwealth monthly throughout the financial year based on estimates of each state's relative share of the GST pool for that financial year. The Commonwealth subsequently updates each state's share of the national GST pool when the final aggregate GST pool is known and adjusts any over or under payment during the year through the remittance of funds in the subsequent year. The State has made the significant judgement that the legislation, operation and objectives of the GST arrangements are such that its entitlement to the annual GST pool forms the basis for GST income recognition, rather than the funding progressively received from the Commonwealth across the financial year. As a result, the State monitors and tracks its share of the GST pool progressively to determine if a receivable or payable needs to be recognised at the end of each reporting period.

Victoria's GST income was \$17.6 billion in the 2022 financial year, which was \$0.4 billion lower than the 2021 financial year due to the decrease in Victoria's GST relativity. Victoria's GST income is \$19.2 billion in the 2023 financial year, which is \$1.5 billion higher than the previous year. The increase in GST revenue in the 2023 financial year is due to the increase in Victoria's GST relativity.

4. Disaggregated financial information by output

Taxation (includes taxes, fines, regulatory fees and other state revenue)

State taxation revenue is recognised by the State on receipt of a taxpayer's self-assessment, or the time the taxpayer's obligation to pay arises pursuant to the issue of an assessment, whichever is earlier.

Revenue in relation to the Growth Area Infrastructure Contribution (GAIC) is recognised on the occurrence of the first GAIC taxable event. Revenue in relation to the Fire Services Property Levy is recognised on receipt from a municipal council of an annual estimate of liability, a payment or an annual reconciliation. Fines and regulatory fees revenue is recognised at the time the fine or regulatory fee is issued.

Income tax equivalent and rate equivalent revenue are recognised when the right to receive the payment is established.

	2023 \$'000	2022 \$'000
Taxation revenue		
Land transfer duty	8 738 077	10 361 063
Payroll tax	8 331 721	7 556 354
Land tax	5 372 466	4 141 935
Taxes on Insurance	1 875 467	1 724 446
Fire Services Property Levy	791 858	758 758
Income tax and rate equivalents	636 932	596 602
Mental Health and Wellbeing Levy	1 087 625	414 849
Growth Areas Infrastructure Charge	259 581	361 364
Other taxes	635 392	619 263
Total taxation revenue	27 729 119	26 534 634

In the 2021 financial year, as part of the Economic Survival Package, the State introduced emergency tax relief measures to support the Victorian community. These tax relief measures include a combination of waivers, deferrals and refunds. The taxes affected include payroll tax, land tax, land transfer duty, motor vehicle duty, liquor licence fees, congestion levy and commercial passenger vehicle levy. The State taxation revenue that is forgone due to tax refunds or waivers is recognised as reductions in income. The taxes refunded or waived for the 2023 financial year were payroll tax of \$8.4 million (2022 – \$394.9 million), liquor license fees of \$4 770 (2022 – nil), congestion levy of \$765 (2022 – \$1.1 million), land transfer duty of \$34.7 million (2022 – \$92.4 million) and commercial passenger vehicle levy of \$271 (2022 – \$1757).

Dividends

Dividends are recognised when the right to receive the payment is established.

Interest income

Interest income includes interest received on bank term deposits and other investments, and the unwinding over time of discounts on financial assets including interest on leases. Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Other income

Other income relates to other miscellaneous revenue.

Grant expenses

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.

Contribution to GST administration costs

Payments are made to the Commonwealth for the State's share of the cost of administering GST.

Depreciation and amortisation

Depreciation is generally 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 estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

RoU assets are generally depreciated over the shorter of the asset's useful life and the lease term.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Short-term lease expenses and low-value assets

The following lease payments are recognised on a straight-line basis:

- Short-term leases - leases with a term less than 12 months
- Low-value leases - leases in which 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.

Other economic flows included in net result

Net realised and unrealised gains and losses on the revaluation of investments that do not form part of income from transactions are reported as part of income from other economic flows in the net result, or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth in the comprehensive result.

4. Disaggregated financial information by output

4.4.2 Administered assets and liabilities as at 30 June 2023

	Optimise Victoria's fiscal resources		Strengthen Victoria's economic performance	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Administered assets				
Financial assets				
Cash and deposits	–	–	–	–
Receivables	4 765 951	4 161 445	40 023	21 363
Advances paid	–	–	–	–
Investments in controlled entities ^(a)	–	–	–	–
Other investments	643 775	242 596	1 458 774	1 331 904
Total financial assets	5 409 726	4 404 041	1 498 797	1 353 267
Non-financial assets				
Right-of-use assets ^(b)	–	–	–	–
Prepayments	–	–	–	–
Total non-financial assets	–	–	–	–
Total administered assets	5 409 726	4 404 041	1 498 797	1 353 267
Administered liabilities				
Payables	(3 058)	371 284	124 237	120 265
Advances received	–	–	–	–
Public Account State Administration Unit liability	–	–	–	–
Provisions	–	–	–	–
Contract liability	–	–	120	120
Advances for capital works	–	–	–	–
Borrowings ^(c)	–	–	158 796	–
Leases ^(b)	–	–	–	–
Superannuation liability ^(d)	–	–	–	–
Total administered liabilities	(3 058)	371 284	283 153	120 265
Net administered assets	5 412 784	4 032 757	1 215 644	1 232 882

Notes:

(a) The State's investment in all its controlled entities includes the investment in the Department's portfolio entities.

(b) The right-of-use lease accommodation assets and the associated lease liabilities recognised by the Department under Centralised Accommodation Management were transferred to DGS as part of the machinery of government changes on 1 January 2023.

(c) The higher borrowings are primarily due to the requirement to finance the State's capital infrastructure program, the response to COVID-19 and to maintain higher liquidity levels.

(d) The Department discloses, on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans. Refer to note 4.3.2 Administered assets and liabilities – superannuation liability for detailed disclosures of the plans.

4. Disaggregated financial information by output

Improve how Government manages its balance sheet, commercial activities and public sector infrastructure		Deliver strategic and efficient whole of government common services		Other – not attributable		Departmental total	
2023	2022	2023	2022	2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
8 116 464	20 677	–	–	2 157 545	2 489 566	10 274 009	2 510 243
506 048	498 258	(3 056)	409 043	–	461 309	5 308 966	5 551 418
227 662	476 319	–	–	–	–	227 662	476 319
–	–	–	–	211 472 503	195 128 111	211 472 503	195 128 111
15	15	–	–	–	–	2 102 564	1 574 515
8 850 189	995 269	(3 056)	409 043	213 630 048	198 078 986	229 385 704	205 240 606
–	–	–	1 694 582	–	–	–	1 694 582
–	–	–	32 914	–	–	–	32 914
–	–	–	1 727 496	–	–	–	1 727 496
8 850 189	995 269	(3 056)	2 136 539	213 630 048	198 078 986	229 385 704	206 968 102
186 717	116 168	(481)	28 233	(4 052)	505 878	303 363	1 141 828
227 662	476 319	–	–	–	–	227 662	476 319
–	–	–	–	17 555 634	15 071 137	17 555 634	15 071 137
–	–	–	12 706	–	–	–	12 706
38 662	58 893	–	18 873	–	–	38 782	77 886
–	–	–	143 971	–	–	–	143 971
121 639 873	97 199 938	–	363 792	–	–	121 798 669	97 563 730
–	–	–	1 936 654	–	–	–	1 936 654
–	–	–	–	18 907 731	19 759 058	18 907 731	19 759 058
122 092 914	97 851 318	(481)	2 504 229	36 459 313	35 336 073	158 831 841	136 183 289
(113 242 725)	(96 856 049)	(2 575)	(367 690)	177 170 735	162 742 913	70 553 863	70 784 813

4. Disaggregated financial information by output

Administered assets and liabilities

Cash and deposits

On 1 July 2022, the Victorian Government entered into a joint venture (JV) partnership with a consortium of Aware Super, Australian Retirement Trust and Macquarie Asset Management to deliver a modernised Registration & Licensing and Custom Plates service following an extensive and robust market engagement process. The partnership was delivered through a 40-year concession to the JV between the State and the consortium, which is managed by DTP. The State received upfront proceeds of \$7.9 billion from granting the concession, which was used to establish the Victorian Future Fund and is recorded in the Department and included as part of the Central Banking System deposits of \$8.1 billion as at 30 June 2023.

Receivables – taxation

Land transfer duty
Payroll tax
Land tax
Fire Service Property Levy
State tax equivalent receivables
Mental Health and Wellbeing Surcharge
Growth areas infrastructure charge receivable
Congestion levy
Financial accommodation levy
Other taxation receivables
Provision for doubtful debts taxation receivable
Total receivables – Taxation

Advances paid

These are advances from the Victorian Transport Fund paid to the Melbourne Port Lessor Pty Ltd under a formal loan/advance agreement at an agreed commercial rate of interest. Advances are initially measured at fair value and subsequently measured at amortised cost.

Investment in controlled entities

This relates to the State's equity investment in entities controlled by the State, in its capacity as owner and is carried at cost.

Receivables

Receivables mainly comprise receivables relating to taxation, dividends, grants and the Department's lease arrangements relating to the State's motor vehicle fleet. Lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. The majority of the receivables balance is comprised of taxation-related receivables, and a breakdown is provided in the following table.

	2023	2022
	\$'000	\$'000
	70 358	63 766
	405 506	422 828
	2 970 103	2 359 514
	143 502	159 510
	393 179	440 878
	–	17 358
	1 149 686	1 043 803
	76 238	89 086
	38 926	38 726
	12 072	8 538
	(137 263)	(86 931)
	5 122 307	4 557 076

Other investments

Other investments mainly comprise managed investments and the State's shared equity scheme. Managed investments are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in Other economic flows – other comprehensive income until the investments are disposed. Movements resulting from impairment are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in other economic flows – other comprehensive income is transferred to other economic flows in the net result.

The State's shared equity scheme is measured at fair value through net results.

Property, plant and equipment

Following the CAM implementation on 1 November 2019, government departments' and portfolio agencies' RoU lease accommodation assets and associated liabilities of \$1.9 billion were transferred to the administered balance sheet. The accounting policies for the RoU assets are disclosed in note 5.1.

The Department depreciates the RoU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term. The RoU assets are subject to revaluation. The latest independent valuation of the Department's RoU assets was performed by Jones Lang LaSalle as at 30 June 2022 and resulted in a net revaluation decrease of \$122.2 million.

The government departments' and portfolio agencies' RoU lease accommodation assets and associated liabilities output were transferred to the DGS effective from 1 January 2023 as part of the machinery of government changes.

Public Account State Administration Unit liability

These are the outstanding liabilities to other departments in respect of (a) amounts appropriated from the Consolidated Fund but remaining undrawn at the end of the year, net of Public Account advances to other departments, and (b) Trust Account funds held on their behalf within the Public Account.

Contract liability

This mainly represents the GST funding received in advance from the Commonwealth for the following year's GST income entitlement, and upfront payment of a 30-year lease obligation resulting from the sale of the State's hydroelectricity scheme – Southern Hydro Limited. Revenue is recognised on a straight-line method over the lease period.

Borrowings

Borrowings are recorded initially at fair value, being the cost of the borrowings, net of transaction costs. The measurement basis subsequent to initial recognition is at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in the net result over the period of the borrowings using the effective interest rate method.

Borrowings refer to interest bearing liabilities mainly for the Budget Sector Debt Portfolio (BSDP), lease liabilities and other interest-bearing arrangements. Borrowings exclude liabilities raised from other government entities, which are classified as advances received. Management of the BSDP is based on the key objectives of achieving relative certainty of interest cost over the budgeting period while minimising net borrowing costs, and conservatively managing the financial and operational risks of the budget sector treasury operations.

The BSDP is primarily composed of fixed rate borrowing facilities that have an even maturity profile. This ensures that a relatively small proportion of the BSDP is subject to re-pricing in any one period, with the effect that BSDP interest costs are not subject to large fluctuations as a result of movements in market interest rates. Since borrowings in the BSDP are held to maturity, the BSDP is accounted for on an historical cost basis. This is categorised as financial liabilities carried at amortised cost.

Leases

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) less any lease incentive receivable
- 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
- payments arising from purchase and termination options reasonably certain to be exercised.

4. Disaggregated financial information by output

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 to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or comprehensive operating statement if the RoU 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 RoU asset and lease liability, the payments in relation to these are recognised as an expense in comprehensive operating statement on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

The Department presents RoU assets as property, plant and 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.

Advances received

Advances received are from Melbourne Port Lessor Pty Ltd. The advance received is under a loan agreement based on similar terms and conditions as the advances paid from the Victorian Transport Fund with a small interest rate spread and is categorised as financial liabilities at amortised cost.

Advances for capital works

Funds received in advance for capital works managed on behalf of other departments and agencies are recognised as current liabilities until the associated capital expenditure is incurred. Advances for capital works are managed through the Finance Agency Trust.

Superannuation liability

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of administered assets and liabilities. This is determined in accordance with AASB 119 Employee Benefits (AASB 119) and actuarial valuations are carried out to determine the amount to recognise at each reporting date. Accrued benefits are measured as the net present value of estimated future benefit payments to members arising from their membership of the scheme up to the end of the reporting period. Remeasurements of the liability are recognised in full in the statement of administered income and expenses in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The superannuation liability recognised in the administered balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. This liability mainly represents the State's superannuation liability with respect to superannuation funds operated principally for general government sector employees, being the State's share of the shortfall between the total net assets of the State's general government sector superannuation funds at 30 June 2023 and the present value of benefits that members have accrued up to that date, as determined by an actuarial assessment. The balance of the superannuation liability with respect to these funds is to be met by Commonwealth funded agencies. In addition, the State also recognises a liability for accrued benefits arising from constitutionally protected pension entitlements principally in respect of judges and other judicial office holders. No assets are held in respect of these liabilities and pensions are paid from the Consolidated Fund.

AASB 119 requires the defined benefit obligation to include an assumed value of contributions tax relating to service before the reporting date or on benefits resulting from that service. The contributions tax component is calculated as the present value of the tax that is estimated to be paid on contributions that are expected to be made to fund the past service liability. These tax payments have been determined based on the deficit (if any) valued using the funding valuation assumptions, which is smaller than the deficit shown in these statements valued using the AASB 119 assumptions. The expected payments are then discounted to the reporting date using the AASB 119 discount rate.

4. Disaggregated financial information by output

It is Government policy that the superannuation liability in respect of the State's public sector schemes that relate to the entire general government sector be recognised and disclosed in the administered balance sheet of the Department. The Department manages the State's superannuation liability by:

- conducting regular actuarial valuations of the State's public sector superannuation schemes
- monitoring the performance of the associated superannuation assets, the majority of which are required to be invested through the Victorian Funds Management Corporation (VFMC)
- prudentially supervising the State's public sector superannuation schemes and VFMC
- providing advice to government on a wide range of superannuation issues.

The State's superannuation liability with respect to superannuation funds operated principally for general government sector employees was \$18.908 million as at 30 June 2023 (2022 – \$19 759 million). In accordance with the *State Superannuation Act 1988*, the Government, through the Consolidated Fund, is primarily responsible for meeting the employer's share of the superannuation liability of the State Superannuation Fund section of the Emergency Services Superannuation Scheme. However, under the terms of that Act, the responsible Minister can effectively pass this liability to individual authorities. The liability also includes \$1029 million (2022 – \$1183 million) for accrued benefits arising from constitutionally protected pension entitlements, principally in respect of judges and other judicial office holders.

	2023 \$m	2022 \$m
Reconciliation of the present value of the defined benefit obligation		
Balance at the start of the period	44 148	53 439
Current service cost	977	1 338
Interest cost	1 630	928
Contributions by plan participants	241	215
Actuarial (gains)/losses	408	(9 377)
Benefits paid	(2 863)	(2 395)
Balance at the end of the period	44 541	44 148
Reconciliation of fair value of superannuation plan assets		
Balance at the start of the period	24 389	26 220
Interest income	910	447
Expected return on plan assets excluding interest income	836	1 299
Actuarial gains/(losses)	928	(2 884)
Employer contributions	1 192	1 487
Contributions by plan participants	241	215
Benefits paid (including tax paid)	(2 863)	(2 395)
Balance at the end of the period	25 633	24 389
Reconciliation of liabilities disclosed in the administered statement of assets and liabilities		
State Superannuation Fund/Emergency Services Superannuation Scheme	17 907	18 594
Other funds (Health Super DB Scheme and Constitutionally Protected Scheme)	1 001	1 165
Total superannuation liability	18 908	19 759

4. Disaggregated financial information by output

	2023 %	2022 %
Actuarial assumptions		
<i>State Superannuation Fund/Emergency Services Superannuation Scheme</i>		
Expected return on assets	7.0	7.6
Discount rate	4.2	3.8
Wages growth	3.3	3.7
Inflation rate	2.5	2.2
<i>Constitutionally Protected Pensions</i>		
Discount rate	4.2	3.8
Wages growth	3.3	3.7
Inflation rate	n/a	n/a
<i>Health Superannuation Fund</i>		
Expected return on assets	5.0	3.8
Discount rate	4.2	3.8
Wages growth	3.3	3.7
Inflation rate	2.5	2.2

Change in financial assumptions

For previous financial statements, the inflation assumptions adopted for superannuation valuation purposes, under AASB 119, were based on the relationship between the yields on nominal and index linked Commonwealth Government bonds. In particular, the rate at which pensions were assumed to increase, which is linked to price inflation, was determined based on the relationship between the yields on nominal and inflation linked Commonwealth Government bonds with terms similar to that of the liability and included an allowance for an inflation risk premium. Based on the historical relationship between price and wage inflation, salaries were assumed to increase by 1.5 per cent per annum more than price inflation.

This approach has been changed effective from 30 June 2023 such that the wage growth and inflation assumptions are now determined based on fund experience along with long-term economic and market indicators. This simplifies the assumption setting process and better aligns it with the approach adopted for most other government and corporate schemes.

Both the prior and current approaches to setting wage growth and inflation assumptions are acceptable under AASB 119 and are consistent with actuarial guidance.

Impact of the change in inflation assumptions

The change in the approach to setting inflation assumptions as at 30 June 2023 had the following impact on the assumptions adopted as outlined below.

	Prior basis %	New basis %	Difference %
Discount rate per annum	4.2	4.2	–
Salary increase rate per annum (excluding promotional)	3.9	3.3	(0.6)
Future pension increase rate per annum (2024-25 and onwards)	2.4	2.5	0.1

The change in approach to setting wage growth and inflation assumptions is estimated to have increased the defined benefit obligation at 30 June 2023 by approximately \$20 million. This is recognised as a remeasurement in other comprehensive income.

The change in approach to setting inflation assumptions does not impact the superannuation expense from transactions for financial year 2023 and its impact in future financial years will depend on the relative change in the inflation assumptions that are adopted over time.

Market volatility and bond yield movements

High inflation and rising interest rates, which, along with concerns regarding geopolitical tensions, contributed to a fall in global markets over the later stages of financial year 2022 resulting in negative overall portfolio returns.

This negative market sentiment continued in the early part of financial year 2023. However, the second half of financial year 2023 was positively impacted by signs of easing inflation pressures and resilient company earnings, especially within the large cap technology stocks exposed to Artificial Intelligence.

This resulted in the investment returns on the State's defined benefit superannuation assets exceeding expectations in financial year 2023.

The favourable impact this had on the State's superannuation liability was partially offset by an increase in the defined benefit superannuation obligation (DBO). This increase was primarily attributable to increases in actual and expected inflation partly offset by the impact of an increase in the Commonwealth Government bond yield that underlies the superannuation valuation assumptions and a relative reduction in the rate of wage growth in financial year 2023.

Overall, the State's superannuation liability decreased by \$851 million in the year to 30 June 2023.

It is important to note that changes in the reported superannuation liability that arise solely due to changes in the bond yields that underlie its valuation do not affect the amount of cash required to fund this liability over time. However, superannuation funding requirements will vary over time to reflect any differences between the actual and expected returns on superannuation assets.

These scenarios are expected to have the following impact on the State's defined benefit obligation:

	Base case	Discount rate plus 0.25 per cent	Wage growth plus 0.25 per cent	Inflation rate plus 0.25 per cent
Sensitivity analysis				
Discount rate (per cent a year)	4.2	4.5	4.2	4.2
Salary growth (per cent a year)	3.3	3.3	3.5	3.3
Inflation rate (per cent a year)	2.5	2.5	2.5	2.8
Estimated increase/(decrease) in defined benefit obligation (per cent)	n/a	(2.7)	0.4	2.0
Estimated increase/(decrease) in defined benefit obligation (\$ million)	n/a	(1 203)	178	891

Sensitivity analysis

The key risks associated with the State's defined benefit superannuation plans are:

- investment risk - the risk that investment returns will be lower than assumed and that state contributions will need to increase to offset the shortfall
- wages growth risk - the risk that wages or salaries (on which future benefits are based) will rise more rapidly than assumed, thereby increasing defined benefits and requiring additional employer contributions
- pension growth risk - the risk that CPI and therefore pension increases will be higher than assumed, thereby increasing defined benefit pension payments and requiring additional employer contributions
- longevity risk - the risk that pensioners will live longer than expected, thereby increasing defined benefit pension payments and requiring additional employer contributions.

To illustrate the impact that movements in these assumptions can have on the State's superannuation liability, the defined benefit obligation has been remeasured under the scenarios below.

The assumptions below have been adjusted while maintaining all other assumptions. There have been no changes to the methods and assumptions used to prepare this sensitivity analysis since the prior period.

4. Disaggregated financial information by output

Target asset allocation

	2023	2022
	%	%
Asset class		
Domestic equity	20.9	19.2
International equity	28.8	28.9
Domestic debt assets	16.4	17.3
International debt assets	3.8	4.3
Property	7.8	7.4
Cash	7.2	7.7
Other (including private equity, hedge funds and infrastructure)	15.1	15.2
Total	100.0	100.0

The assets are invested in the asset classes shown above. The chosen assets are not designed to match the liabilities exactly. However, the nature of the liabilities is considered in setting the investment strategy.

5 Key assets available to support output delivery

Introduction

The Department controls property, plant and equipment 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 delivery of those outputs.

Judgement required

Where the assets included in this section are carried at fair value, additional information is disclosed in note 8.3 in connection with how those fair values were determined.

In addition, judgements have also been applied in assessing the useful lives of property, plant and equipment.

Structure

5.1 Property, plant and equipment	83
5.2 Intangible assets	88

5.1 Property, plant and equipment

	2022 \$'000	2021 \$'000
Land		
At fair value	–	846 469
Buildings (including heritage buildings)		
At fair value	–	291 913
At cost	–	989
Less: accumulated depreciation	–	(30)
	–	292 872
Construction in progress – at cost	–	1 632
Total buildings	–	294 504
Leasehold improvements		
Leasehold improvements – at fair value	293	301
Less: accumulated depreciation	(293)	(301)
Total leasehold improvements	–	–
Plant and equipment		
Office and computer equipment – at fair value	6 177	7 906
Less: accumulated depreciation	(4 009)	(4 071)
	2 168	3 835
Motor vehicles under lease – at fair value	1 884	5 311
Less: accumulated depreciation	(477)	(1 475)
	1 407	3 836
Total plant and equipment	3 575	7 671
Total property, plant and equipment	3 575	1 148 644

5. Key assets available to support output delivery

Initial recognition

Property, plant and equipment are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where 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 leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Right-of-use asset acquired by lessees – initial measurement

The Department recognises a RoU asset and a lease liability at the lease commencement date. The RoU 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 less any lease incentive received
- any initial direct costs incurred
- 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.

Subsequent measurement

Property, plant and equipment is 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 by asset category in note 8.3.

Right-of-use asset – subsequent measurement

The Department depreciates the RoU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term. The RoU assets are also subject to revaluation. In addition, the RoU asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Restricted nature of heritage assets and specialised land

During the first half of the 2023 financial year, the Department held heritage assets and specialised land (note 8.3), which are deemed worthy of preservation for the social rather than financial benefits they provide to the community. Consequently, there were certain limitations and restrictions imposed on their use and/or disposal. These heritage assets cannot be modified nor disposed of without formal ministerial approval. The carrying amount of buildings listed as heritage assets is nil (2022 – \$100.5 million) as these assets were transferred to DTP as part of the machinery of government changes on 1 January 2023.

Revaluation of non-financial physical assets

Non-financial physical assets are measured at fair value in accordance with the FRDs issued by the Assistant Treasurer. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Scheduled revaluations and any interim revaluations are conducted by independent valuers as determined in accordance with the requirements of the FRD. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in other economic flows – other comprehensive income, and accumulated in the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in other economic flows – other comprehensive income to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in other economic flows – other comprehensive income reduces the amount accumulated in the asset revaluation surplus.

5. Key assets available to support output delivery

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment are offset against one another in that class but are not offset in respect of assets in different classes. The latest revaluations of the Department's land and building assets was conducted as at 30 June 2022, which resulted in a net revaluation increase of \$248.2 million. The Valuer-General Victoria (VGV), the Department's independent valuation agency, performed the scheduled revaluations. Certain assets were revalued using specialised advisors Opteon (Victoria) Pty Ltd, Urbis Valuations Pty Ltd, Gippsland Property Valuations, Value IT Pty Ltd and Dominion Group (Vic) Pty Ltd under the direction of the VGV.

Refer to note 8.3 for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant and equipment

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 Impairment of Assets does not apply to such assets that are regularly revalued.

	2023 \$'000	2022 \$'000
Charge for the period		
Buildings – structures and ground development	4 547	9 573
Buildings – other building components	3 432	7 836
Leasehold improvements	–	17
Office and computer equipment	1 213	1 174
Motor vehicles under lease	548	1 188
Capitalised software development	4 441	3 541
Total depreciation and amortisation	14 181	23 329

Land assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets as their service potential has not, in any material sense, been consumed during the reporting period.

All buildings, plant and equipment and other non-financial physical assets, excluding assets held for sale, that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their estimated useful life, using the straight-line method. Intangible produced assets with finite useful lives are amortised as an expense from transactions on a straight-line basis over the asset's useful life. Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Estimated useful lives applicable for the years ended 30 June 2023 and 30 June 2022 are as follows:

Estimated useful lives applicable for the years ended 30 June 2023 and 30 June 2021 are as follows:

Buildings – structures and ground development	5-45 years
Buildings – other building components	5-30 years
Heritage buildings–structures and ground development	12-220 years
Heritage buildings – other building components	4-200 years
Leasehold improvements	4-10 years
Office and computer equipment	3-10 years
Motor vehicles under lease	2-3 years
Capitalised software development	3-7 years

The estimated useful lives, residual values and depreciation method are reviewed at least annually, and adjustments are made where appropriate.

The following tables are subsets of property, plant and equipment by RoU assets.

5.1.1 Total right-of-use assets: buildings and plant and equipment

	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2023 \$'000	2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
Office and computer equipment	3 942	(2 080)	1 862	3 942	(1 122)	2 820
Motor vehicles under lease	1 884	(477)	1 407	5 311	(1 475)	3 836
Net carrying amount	5 826	(2 557)	3 269	9 253	(2 597)	6 656

	Office and computer equipment \$'000	Motor vehicles under lease \$'000
Opening balance – 1 July 2022	2 820	3 836
Additions	–	1 339
Disposals	–	(909)
Net transfers from/(to) held for sale	–	346
Machinery of government transfer out	–	(2 657)
Depreciation	(958)	(548)
Closing balance – 30 June 2023	1 862	1 407
Opening balance – 1 July 2021	2 273	4 739
Additions	1 371	1 914
Disposals	–	(1 629)
Depreciation	(824)	(1 188)
Closing balance – 30 June 2022	2 820	3 836

5.1.2 Reconciliations of movements in carrying amounts of property, plant and equipment

	Land \$'000	Buildings (including heritage buildings) \$'000	Building construction in progress \$'000	Leasehold improvements \$'000	Office and computer equipment \$'000	Motor vehicles under lease \$'000	Total \$'000
2023							
Opening balance	846 469	292 872	1 632	–	3 835	3 836	1 148 644
Additions	–	–	1 732	–	164	1 339	3 235
Disposals	–	–	–	–	–	(909)	(909)
Transfers between classes	–	(20)	–	–	20	–	–
Net transfers from/(to) held for sale machinery of government transfer out (note 4.3)	– (846 469)	– (284 873)	– (3 364)	–	– (638)	346 (2 657)	346 (1 138 001)
Depreciation expense (note 5.1.1)	–	(7 979)	–	–	(1 213)	(548)	(9 740)
Closing balance	–	–	–	–	2 168	1 407	3 575
2022							
Opening balance	636 522	278 896	15 278	18	3 022	4 739	938 475
Additions	–	–	3 120	–	1 710	1 914	6 744
Disposals	(127)	–	–	(1)	(4)	(1 629)	(1 761)
Transfers between classes	–	3 461	(3 742)	–	281	–	–
Net transfers from/(to) property held for sale	(8 312)	–	(12 954)	–	–	–	(21 266)
Revaluation increment	218 386	29 846	–	–	–	–	248 232
Impairment written back to revaluation reserve	–	(1 922)	–	–	–	–	(1 922)
Impairment expense	–	–	(70)	–	–	–	(70)
Depreciation expense (note 5.1.1)	–	(17 409)	–	(17)	(1 174)	(1 188)	(19 788)
Closing balance	846 469	292 872	1 632	–	3 835	3 836	1 148 644

5. Key assets available to support output delivery

5.2 Intangible assets

	2023 \$'000	2022 \$'000
Capitalised software development	71 187	60 648
Less: accumulated amortisation	(51 927)	(51 014)
Total capitalised software development	19 260	9 634
Intangible assets under development	17 506	14 556
Total intangible assets	36 766	24 190
Reconciliations of carrying amounts		
Capitalised software development		
Carrying amount at the start of the year	9 634	9 151
Disposals	–	(86)
Transfers from intangible assets under development	14 404	4 110
Machinery of government transfer out	(337)	–
Amortisation expense (note 5.1.1)	(4 441)	(3 541)
Carrying amount at the end of the year	19 260	9 634
Intangible assets under development		
Carrying amount at the start of the year	14 556	4 774
Additions	17 354	13 892
Transfers to capitalised software development	(14 404)	(4 110)
Carrying amount at the end of the year	17 506	14 556

Initial recognition

Intangible assets represent identifiable non-monetary assets without physical substance. Purchased intangible assets are initially recognised at cost. Subsequently, purchased intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The Department's internally generated produced assets comprise capitalised software development. When the recognition criteria in AASB 138 Intangible Assets are met, internally generated intangible assets are recognised and measured at cost less accumulated amortisation and impairment. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible assets with finite useful lives, are amortised as an expense from transactions on a straight-line basis over their useful lives. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Department. Purchased intangible assets include costs incurred in acquiring databases, software and licences that will contribute to future economic benefits.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

6 Other assets and liabilities

Introduction

This section sets out the receivables, payables, assets held for sale and contract liabilities that arise from the Department's controlled operations.

Structure

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6.4	Contract liabilities	91

6.1 Receivables

	2023 \$'000	2022 \$'000
Current:		
Contractual		
Debtors	3 891	13 944
Loans to Victorian Government departments and agencies ^(a)	–	2 796
	3 891	16 740
Statutory		
Amounts owing from Victorian Government ^(b)	134 909	349 636
GST recoverable	12 799	7 596
	147 708	357 232
Total current receivables	151 599	373 972
Non-current:		
Contractual		
Loans to Victorian Government departments and agencies ^(a)	–	11 341
Loans to other entities ^(b)	–	2 461
	–	13 802
Statutory		
Amounts owing from Victorian Government ^(c)	5 184	5 645
	5 184	5 645
Total non-current receivables	5 184	19 447
Total receivables	156 783	393 419

Notes:

(a) The Greener Government Buildings program provided interest free loan funding with a maximum five-year term to support general government sector departments and agencies to implement building energy efficiency projects that reduce operating costs and achieve greenhouse gas abatement. The loans were transferred to DTP as part of the machinery of government changes on 1 January 2023.

(b) The loans were transferred to DJSIR as part of the machinery of government changes on 1 January 2023.

(c) Represents balance of appropriations relating to the provision of outputs and for additions to the net asset base, for which payments had not been disbursed at balance date, and accordingly had not been drawn from the Consolidated Fund.

Receivables consist of:

- statutory receivables, predominantly amounts owing from the Victorian Government and GST input tax credits recoverable
- contractual receivables, mainly debtors in relation to goods and services and accrued investment income.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments. Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowance for impairment. Debtors are generally due for settlement no more than 30 days from the date of recognition. Collectability of debtors is reviewed on an ongoing basis. A provision for doubtful debts is raised when there is objective evidence that the debts may not be collected. Bad debts are written off when identified.

6. Other assets and liabilities

6.1.1 Ageing analysis of contractual receivables

	Carrying amount \$'000	Neither past due nor impaired \$'000	Past due but not impaired				Greater than 5 years \$'000
			Less than 1 month \$'000	1–3 months \$'000	3 months–1 year \$'000	1–5 years \$'000	
2023							
Receivables	3 891	2 215	893	323	–	460	–
2022							
Receivables	30 542	22 936	97	1 557	4 287	1 665	–

Impairment of financial assets under AASB 9

The Department assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as an expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as other economic flows.

The Department has assessed its debtors as at 30 June 2023. No further adjustments or provisions have been made, as the Department's debtors are predominantly government entities and assessed as low credit risk entities.

6.2 Payables

	2023 \$'000	2022 \$'000
Current:		
Contractual		
Creditors and accruals	42 440	52 866
Statutory		
Amounts payable to other government agencies	31 353	48 437
Total payables	73 793	101 303

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid, and arise when the Department becomes obliged to make future payments in respect of the purchase of those goods and services
- statutory payables, amounts owing to government agencies.

Contractual payables are classified as financial instruments and measured at amortised cost. Statutory payables 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 amounts are unsecured and are usually paid within 30 days of recognition.

6.2.1 Maturity analysis of contractual payables

At balance date the carrying amount and nominal amount of contractual payables amounted to \$42.4 million (2022 – \$52.9 million), and are usually paid within 30 days.

6.3 Non-financial assets classified as held for sale

	2023 \$'000	2022 \$'000
Vehicles held for sale	50	396
Land held for sale ^(a)	–	15 527
Total non-financial physical assets classified as held for sale	50	15 923

Note:

(a) The land held for sale were transferred to DTP as part of the machinery of government changes effective 1 January 2023.

Non-financial physical assets are classified as held for sale and treated as current assets if their carrying amount will be recovered through a sale transaction rather than continuing use. This condition is regarded as met only when the asset is available for immediate use in the current condition and the sale is highly probable and is expected to be completed within one year from the date of classification. Non-financial assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not subject to depreciation.

Surplus land and buildings that fall within the Government's asset sales program and are not controlled by the Department, are reported by the relevant agency and not by the Department. Reporting responsibility for these assets remains with the relevant agency until the total sale price is fully discharged.

6.4 Contract liabilities

Contract liabilities relate mainly to accommodation rentals on government-owned buildings invoiced and paid in advance by tenants.

7 Financing 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 financing activities of the Department.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 8.1 and 8.3 provide additional, specific financial instrument disclosure.

Structure

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7.4	Commitments for income	101

7.1 Borrowings

	2023 \$'000	2022 \$'000
Current:		
Unsecured		
Bank overdrafts (note 7.2)	–	22
Secured		
Lease liabilities	1 236	3 075
Total current borrowings	1 236	3 097
Non-current:		
Secured		
Lease liabilities	1 898	3 948
Total non-current borrowings	1 898	3 948
Total borrowings	3 134	7 045
Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.		
Assets pledged as security		
The carrying amounts of non-current assets pledged as security are:		
• Motor vehicles under lease liabilities	1 407	3 836

Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Department has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through net result', or 'financial liabilities at amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. The Department determines the classification of its interest-bearing liabilities at initial recognition.

7.1.1 Lease liabilities

Information about leases for which the Department is a lessee is presented below.

The Department's leasing activities

The Department leases motor vehicles. The lease contracts are typically made for fixed periods of one to five years. The Department does not provide an option to renew the lease after that date.

The Department leases information and communications technology equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Department has elected not to recognise RoU assets and lease liabilities for these leases. At 30 June 2023, the Department was committed to short term leases and the total commitment at that date was \$2.3 million (2022 – \$4.2 million).

Interest expense on lease liabilities	
Expenses relating to short-term leases	
Expenses relating to leases of low-value assets	
Total amount recognised in the comprehensive operating statement	

Right-of-use assets

RoU assets are presented in note 5.12.

Amounts recognised in the comprehensive operating statement

The following amounts are recognised in the comprehensive operating statement relating to leases:

	2023 \$'000	2022 \$'000
	48	125
	1	77
	589	621
Total amount recognised in the comprehensive operating statement	638	823

Amounts recognised in the cash flow statement

The following amounts are recognised in the cash flow statement relating to leases:

	2023 \$'000	2022 \$'000
Total cash outflow for leases	1 618	1 982

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:

- 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
- whether 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
- whether 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 RoU asset amount.

Recognition and measurement of leases as a lessee

The recognition and measurement of leases as a lessee is described in note 4.4.2 Administered assets and liabilities – Leases.

7. Financing our operations

7.1.2 Maturity analysis of borrowings

	Maturity dates ^(a)						
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	Greater than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023							
Lease liabilities	3 134	3 178	215	83	1 170	1 710	–
Bank overdrafts	–	–	–	–	–	–	–
	3 134	3 178	215	83	1 170	1 710	
2022							
Lease liabilities	7 023	7 161	824	492	1 849	3 996	–
Bank overdrafts	22	22	22	–	–	–	–
	7 045	7 183	846	492	1 849	3 996	

Note:

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

7.2 Cash flow information and balances

	2023 \$'000	2022 \$'000
Cash on hand	1 528	412
Funds held in trust	13 335	88 270
Total cash and deposits disclosed in the balance sheet	14 863	88 682
The above figures are reconciled to cash and cash equivalents at the end of the year as shown in the cash flow statement as follows:		
Balances as above	14 863	88 682
Bank overdrafts (note 7.1)	–	(22)
Balance as per cash flow statement	14 863	88 660

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call, and short-term deposits with original maturities of three months or less, that 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 change in value. Cash and deposits with original maturities of three months or less that are held for the purpose of meeting long-term funding management are classified as other financial assets. For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation above.

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 from the generation of income is generally paid into the State's bank account (the Public Account). Similarly, departmental expenditure, including that in the form of cheques drawn for the payment of goods and services to its suppliers and creditors, is made via the Public Account. The Public Account remits 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.

7.2.1 Reconciliation of net result for the year to cash flows from operating activities

	2023 \$'000	2022 \$'000
Net result	13 611	25 746
Depreciation and amortisation expense	14 181	23 329
(Gain) on disposal of property, plant and equipment	(951)	(630)
Impairment of property, plant and equipment	–	70
Change in operating assets and liabilities, net of effects of restructuring		
• decrease/(increase) in receivables	28 390	(73 096)
• (increase) in other non-financial assets	(7 434)	(865)
• (decrease)/increase in payables	(22 264)	35 255
• increase in other liabilities	4 375	8 971
Net cash flows from operating activities	13 659	18 780

7.2.2 Non-cash transactions

During the reporting period, motor vehicles with a fair value of \$1.3 million (2022 – \$1.9 million) were acquired by means of leases.

The restructuring of administrative arrangements are not reflected in the cash flow statement.

7. Financing our operations

7.2.3 Trust account balances

The financial statements include the transactions and balances of the following controlled trusts accounts:

Controlled trust account	Purpose
Finance Agency Trust – <i>Financial Management Act 1994</i>	To record the receipt of funds pending disbursement for fitout works, minor and major capital works, construction and construction-related works and general projects undertaken on the Department’s buildings and tenancies.
Government Accommodation Trust (GAT) – <i>Financial Management Act 1994</i>	To receive all rents and pay all outgoings associated with the management of properties managed by the Department, to fund minor capital works and to issue loans and receive loan repayments related to the Greener Government Buildings Fund.
Industry Supervision Fund – <i>Financial Sector Reform (Victoria) Act 1999</i>	To facilitate the registration of financial institutions made under the Financial Sector Reform Act.
Inter-departmental Transfer Trust – <i>Financial Management Act 1994</i>	To record inter-departmental transfers where no other trust arrangement exists.
Master Agency Media Services Trust (MAMS) – <i>Financial Management Act 1994</i>	To record the receipt of service fees and disbursement of media-related expenses under the MAMS contract.
Shared Corporate Services Trust Account – <i>Financial Management Act 1994</i>	To record receipts and payments for shared corporate services, including, but not limited to, the operations of the SSP.
Treasury Trust – <i>Financial Management Act 1994</i>	To record the Department’s receipt and disbursement of unclaimed and unidentified monies and other funds held in trust.
Vehicle Lease Trust – <i>Financial Management Act 1994</i>	To record transactions relating to the Department’s vehicle pool and the management fee revenue and costs of the VicFleet business unit.
Victorian Social Housing Growth Fund – <i>Financial Management Act 1994</i>	To facilitate the secretariat that supports the review of the Social Housing Regulation panel.

The administered activities of the Department include the following administered trust accounts:

Administered trust account	Purpose
Asset Sales Deposit Trust Account – <i>Financial Management Act 1994</i>	To record the receipt of deposits lodged in connection with asset sales and their disbursement in accordance with the terms of settlement.
Cattle Compensation Fund – <i>Livestock Disease Control Act 1994</i>	To receive stamp duties paid by agents relating to sale of cattle, and fines and monies received from the Commonwealth, as well as to make payments including compensation claims from graziers, and costs of transportation and destruction of condemned cattle.
Community Support Fund Trust – <i>Gaming Machine Control Act 1991</i>	To record the receipt (under special appropriations) of certain gambling revenues and the disbursement of these funds in accordance with the requirements of the Act, including the funding of gambling research and various community programs.
Debt Portfolio Trust – <i>Financial Management Act 1994</i>	To facilitate the recording of the cash transactions associated with Public Account borrowings and their management, aimed at enhancing administrative and operational efficiency.
Finance Agency Trust – <i>Financial Management Act 1994</i>	To record the receipt of funds from client departments and agencies pending disbursement for fitout works, minor and major capital works, construction and construction related works and general projects undertaken on their behalf.
HomesVic Trust – <i>Financial Management Act 1994</i>	To record the receipt and disbursement of funds relating to the State’s shared equity scheme to support lower to moderate income first home buyers enter into home ownership.
Inter-departmental Transfer Trust – <i>Financial Management Act 1994</i>	To record inter-departmental transfers where no other trust arrangement exists.

Administered trust account	Purpose	Administered trust account	Purpose
Land Acquisition and Compensation Trust – <i>Land Acquisition and Compensation Act 1986</i>	To hold land compensation monies where claimant not found.	Victorian Social Housing Growth Fund – <i>Financial Management Act 1994</i>	To record the receipt of capital funds and investment revenues pending disbursement of such revenues to increase the supply of social housing either directly through dedicated construction of social and affordable housing or by subsidising rental properties in the private market.
Public Service Commuter Club Trust – <i>Financial Management Act 1994</i>	To record the receipt and payment of amounts relating to the purchase of rail tickets and associated reimbursement from club members.		
Security Trust – <i>Financial Management Act 1994</i>	To hold securities lodged by contractors to various departments as a guarantee of satisfactorily fulfilling contractual obligations.	Victorian Transport Fund – <i>Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Act 2016</i>	To fund infrastructure projects for or in relation to public transport, roads, rail, the movement of freight, ports or other infrastructure (including regional infrastructure).
Shared Corporate Services Trust Account – <i>Financial Management Act 1994</i>	To record receipts and payments for shared corporate services, including, but not limited to, the operations of the CAM initiative on behalf of the Government.		
Sheep And Goat Compensation Fund – <i>Livestock Disease Control Act 1994</i>	To receive stamp duties paid by agents relating to sale of sheep and goats, and fines and monies received from the Commonwealth, as well as to make payments including compensation claims from graziers, and costs of transportation and destruction of condemned sheep and goats.		
Swine Compensation Trust – <i>Livestock Disease Control Act 1994</i>	To receive stamp duties, penalties and other monies relating to the sale of pigs and to make payments including compensation claims and costs of transportation and destruction of condemned pigs.		
Treasury Trust – <i>Financial Management Act 1994</i>	To record, on behalf of the State, the receipt and disbursement of unclaimed and unidentified monies and other funds held in trust.		
Vehicle Lease Trust – <i>Financial Management Act 1994</i>	To record transactions relating to the Government's vehicle pool and fleet management operations.		

Trust account balances relating to trust accounts controlled and/or administered by the Department

	2023					2022			
	Opening balance	Inflows	Outflows	Machinery of government transfer out	Closing balance	Opening balance	Inflows	Outflows	Closing balance
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
Controlled trusts									
Finance Agency Trust ^{(a)(b)}	8 352	7 667	(9 143)	(6 876)	–	7 484	9 410	(8 542)	8 352
Government Accommodation Trust ^(c)	953	62 697	(54 610)	(9 040)	–	12 651	51 974	(63 672)	953
Inter-departmental Transfer Trust ^(d)	27 361	14 624	(16 533)	(22 081)	3 371	27 204	10 046	(9 889)	27 361
Master Agencies Media Services Trust ^(b)	1 723	5 314	(1 998)	(5 039)	–	82	2 688	(1 047)	1 723
Shared Corporate Services Trust Account ^{(b)(e)}	36 131	47 534	(52 960)	(30 705)	–	21 518	94 700	(80 087)	36 131
Treasury Trust ^(f)	4 238	13 866	(7 404)	(883)	9 817	4 239	894	(895)	4 238
Vehicle Lease Trust ^{(f)(g)}	8 044	20 541	(10 621)	(17 873)	91	5 703	6 688	(4 347)	8 044
Victorian Social Housing Growth Fund ^(b)	1 468	994	(2 416)	10	56	1 723	2 314	(2 569)	1 468
Total controlled trusts	88 270	173 237	(155 685)	(92 487)	13 335	80 604	178 714	(171 048)	88 270
Administered trusts ^(h)									
Asset Sales Deposit Trust Account ^(c)	7 551	–	1	(7 552)	–	7 551	6 560	(6 560)	7 551
Cattle Compensation Fund	–	5 835	(5 835)	–	–	–	6 665	(6 665)	–
Community Support Fund Trust	119 341	278 303	(210 197)	–	187 447	55 210	122 844	(58 713)	119 341
Debt Portfolio Trust	1 363	–	–	–	1 363	1 363	–	–	1 363
Finance Agency Trust ^{(a)(b)}	146 811	100 632	(113 664)	(133 779)	–	130 328	95 969	(79 486)	146 811
HomesVic Trust	228 971	1 288 411	(859 935)	–	657 447	19 060	804 494	(594 583)	228 971
Inter-departmental Transfer Trust ⁽ⁱ⁾	26 960	44 158	(61 517)	(1 054)	8 547	18 758	19 637	(11 435)	26 960
Public Service Commuter Club Trust	154	40	(43)	–	151	157	33	(36)	154
Security Trust ^(c)	20 645	13 390	(20 172)	(13 863)	–	16 307	60 630	(56 292)	20 645
Shared Corporate Services Trust Account ^{(b)(e)}	223 156	592 321	(672 390)	(143 087)	–	145 321	603 257	(525 422)	223 156
Sheep And Goat Compensation Fund	–	3 169	(3 169)	–	–	–	2 317	(2 317)	0
Swine Compensation Trust	–	194	(194)	–	–	–	206	(206)	0
Treasury Trust	729	4 681 857	(4 682 586)	–	–	24	4 308 748	(4 308 043)	729
Vehicle Lease Trust ^{(b)(g)}	9 673	243 214	(232 830)	(20 057)	–	33 057	215 064	(238 448)	9 673
Victorian Social Housing Growth Fund	461 011	653 539	(377 074)	–	737 476	843 689	527 633	(910 311)	461 011
Victorian Transport Fund	9 230	68 000	(68 000)	–	9 230	9 230	981 185	(981 185)	9 230
Total administered trusts	1 255 595	7 973 063	(7 307 605)	(319 392)	1 601 661	1 280 055	7 755 242	(7 779 702)	1 255 595

Notes:

(a) The Finance Agency Trust comprising advances received for capital works on behalf of client departments is an administered trust. The portion remaining in the controlled trust relates to the Department's owned buildings and fitouts.

(b) The trust was transferred to DGS on 1 January 2023 as part of the machinery of government changes.

(c) The trust was transferred to DTP on 1 January 2023 as part of the machinery of government changes.

(d) The trust was partially transferred to DGS, DTP and DJSIR on 1 January 2023 as part of the machinery of government changes.

Notes (continued):

(e) The SSP business unit that operates the CAM initiative on behalf of the State operates through the controlled portion of the Shared Corporate Services Trust. The administered trust relates to the rent and facilities management revenue and associated costs incurred in delivering the CAM initiative.

(f) The trust was partially transferred to DGS and DTP on 1 January 2023 as part of the machinery of government changes.

(g) The VicFleet business unit that operates the VicFleet lease facility on behalf of the State operates through the controlled portion of the Vehicle Lease Trust. The portion remaining in the administered trust relates to the VicFleet Lease Management Service.

(h) There were no balances and transactions for the Industry Supervision Fund and the Land Acquisition and Compensation Trust during financial years 2023 and 2022.

(i) The trust was partially transferred to DTP on 1 January 2023 as part of the machinery of government changes.

7. Financing our operations

7.3 Commitments for expenditure

Commitments for future expenditure include capital, outsourcing and lease commitments arising from contracts (including those administered on behalf of the State, where applicable). These commitments are disclosed at their nominal value and are inclusive of GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	2023 \$'000	2022 \$'000
Capital commitments		
Contracted commitments for capital expenditure on building improvements, fitouts and information technology development, at the reporting date but not recognised as liabilities, and payable:		
Capital commitments – controlled ^(a)		
• within one year	–	6 060
Total capital commitments (inclusive of GST)	–	6 060
Capital commitments – administered ^(a)		
• within one year	–	86 660
Total capital commitments (inclusive of GST)	–	86 660
Outsourcing commitments – controlled ^(a)		
Commitments under outsourcing contracts for human resource, property management, security services and information technology services, and payable:		
• within one year	450	23 334
• later than one year but not later than five years	–	41 515
Total outsourcing commitments (inclusive of GST)	450	64 849
In addition, the outsourcing of information technology services from Cenitex is subject to an open-ended memorandum of understanding with an annual cost to the Department. The outsourcing commitment has been transferred to DGS effective from 1 January 2023 as part of the machinery of government changes and is nil as at 30 June 2023 (2022 \$6 475 776).		
Outsourcing commitments – administered ^(a)		
Commitments under outsourcing contracts for property management and security services, and payable:		
• within one year	–	11 190
Total outsourcing commitments (inclusive of GST)	–	11 190
Lease commitments – controlled		
Commitments for minimum lease payments in relation to non-cancellable operating leases, not recognised as liabilities, are payable as follows:		
• within one year	1 278	1 855
• later than one year but not later than five years	1 031	2 310
Total lease commitments (inclusive of GST)	2 309	4 165

Note:

(a) The commitments were transferred to the DGS effective from 1 January 2023 as part of the machinery of government changes.

7.4 Commitments for income

Centralised Accommodation Management services

The SSP has occupancy agreements, ending on 30 June 2025, with government departments and portfolio agencies for office accommodations and related services.

The income for management fees and business improvement fees are recognised as provision of services based on agreed receipts in the occupancy agreement.

	2023 \$'000	2022 \$'000
SSP fees receivable – controlled^(a)		
Due within one year	–	13 847
Due later than one year but not later than five years	–	–
Total commitments receivable (inclusive of GST)	–	13 847

Note:

(a) The commitments receivable were transferred to the DGS effective from 1 January 2023 as part of the machinery of government changes.

Rental accommodation income

Income from the provision of rental accommodation to government departments and agencies is recognised on a straight-line basis over the lease term.

The Department acts as a lessor for tenancies relating to state-owned properties. The tenancy agreements detail the lease terms, including options negotiated with the occupying departments. All tenancy arrangements contain market reviews in line with the biennial market rental valuations completed on the state-owned properties. The tenancy

arrangements do not include an option to purchase the property at the expiry of the tenancy. These tenancy arrangements are based on a five-year lease term. The risks associated with rights that the Department retains in underlying assets are not considered to be significant as the Department employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Department when a property has been subject to excess wear and tear during the lease term.

	2023 \$'000	2022 \$'000
Government Agency Trust rental income receivable – controlled^(a)		
Due within one year	–	48 216
Due later than one year but not later than five years	–	132 909
Due later than five years	–	6 613
Total commitments receivable (inclusive of GST)	–	187 738

Note:

(a) The commitments receivable were transferred to the DTP effective from 1 January 2023 as part of the machinery of government changes.

The income under CAM for office accommodation rent and facilities management fees are recognised as other income in note 4.4.1, based on agreed receipts in the occupancy agreement.

	2023 \$'000	2022 \$'000
SSP rental and facilities management receivable – administered^(a)		
Due within one year	–	477 303
Due later than one year but not later than five years	–	–
Total commitments receivable (inclusive of GST)	–	477 303

Note:

(a) The commitments receivable were transferred to the DGS effective from 1 January 2023 as part of the machinery of government changes.

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 instrument 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 relate mainly to fair value determination.

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 assets and 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 are financial assets 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
- 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 financial assets at amortised cost category includes cash and deposits, receivables (excluding statutory receivables) and loans.

Structure

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Financial assets at fair value through other comprehensive income

are debt investments administered by the Department measured at fair value through other comprehensive income 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 achieve its objective both by collecting the contractual cash flows and by selling the financial assets
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments administered by the Department are measured at fair value through other comprehensive income if the assets are not held for trading and the Department has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

The Department recognises certain unlisted equity instruments within this category.

Financial assets at fair value through net result are equity instruments administered by the Department that are held for trading as well as derivative instruments 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.

The Department recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as well as certain five-year government bonds as fair value through net result.

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. 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 income and expenses over the period of the interest bearing liability, using the effective interest rate method. Financial liabilities at amortised cost include all of the Department's contractual payables and borrowings (including lease liabilities).

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.

8.1.1 Categorisation of financial instruments

Carrying amount of financial instruments by category:

	Note	Category	2023 \$'000	2022 \$'000
Financial assets				
Cash and deposits	7.2	Financial assets at amortised cost	14 865	88 682
Receivables ^(a)	6.1	Financial assets at amortised cost	3 891	30 542
Total contractual financial assets			18 756	119 224
Financial liabilities				
Payables ^(a)	6.2	Financial liabilities at amortised cost	3 134	7 045
Borrowings	7.1	Financial liabilities at amortised cost	45 574	59 911
Total contractual financial liabilities			14 865	88 682

Note:

(a) Receivables and payables disclosed here exclude statutory receivables (i.e. amounts owing from Victorian Government and GST recoverable) and statutory payables (i.e. amounts payable to other government agencies).

Net holding gain/(loss) on financial instruments by category:

	Category	2023 \$'000	2022 \$'000
Financial liabilities			
Borrowings	Financial liabilities at amortised cost	(48)	(125)
Total contractual financial liabilities		(48)	(125)

8. Risks, contingencies and valuation judgements

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, financial assets at amortised cost, the net gain or loss is calculated by taking the interest income minus any impairment recognised in the net result
- for financial liabilities measured at amortised cost, the net gain or loss is the interest expense.

8.1.2 Financial risk management objectives and policies

The Department's main financial risks include credit risk, liquidity risk and interest rate risk. The Department manages these financial risks in accordance with its financial risk management policy. The Department uses different methods to measure and manage the different risks.

Financial instruments: credit risk

Credit risk arises from the financial assets of the Department, which comprise cash and cash equivalents, and trade and other receivables. The Department's exposure to credit risk arises from the potential default of counter parties 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 main debtors are Victorian Government entities.

Provision for impairment of contractual financial assets is calculated based on past experience and current and expected changes in client credit ratings. The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, 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

	Other institutions (non-rated)	Government agencies (AA credit rating)	Total
	\$'000	\$'000	\$'000
2022			
Receivables			
Government departments/councils	–	1 632	1 632
Other entities	583	–	583
Total contractual financial assets	583	1 632	2 215
2021			
Receivables			
Government departments/councils	–	19 263	19 263
Other entities	3 673	–	3 673
Total contractual financial assets	3 673	19 263	22 936

Financial instruments: liquidity risk

The Department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Financial instruments: market risk

The Department's exposures to market risk are primarily through interest rate risk, which it manages by matching borrowing and investment decisions to projected forecasts. The Department has no exposure to foreign currency or other price risks.

Sensitivity disclosure analysis and assumptions

The Department cannot be expected to predict movements in market rates and prices. Sensitivity analysis shown is for illustrative purposes only. The following movements in market interest rates are used for the sensitivity analysis – a movement of 50 (2022 – 50) basis points up and down. The impact on the net operating result and value of each category of financial instruments held by the Department at year end, if the above movement was to occur, is immaterial for the 2023 financial year.

Interest rate risk

Exposure to interest rate risk is insignificant and may arise primarily through the Department's lease liabilities.

8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities (including those administered on behalf of the State, where applicable) are not recognised in the balance sheet and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively. At balance date, the Department had no contingent assets (2022 – \$nil) and no quantifiable contingent liability in relation to land remediation costs (2022 – \$2.0 million). The land remediation costs were transferred to the DTP effective from 1 January 2023 as part of the machinery of government changes.

Quantifiable contingent assets – administered

	2023 \$m	2022 \$m
The following table summarises quantifiable contingent assets administered on behalf of the State.		
Legal proceedings and disputes	–	500
Total	–	500

Quantifiable contingent liabilities – administered

	2023 \$m	2022 \$m
The following table summarises quantifiable contingent liabilities administered on behalf of the State.		
Specific guarantees and indemnities under statute	977	980
Guarantees for loans to water industry entities	14 027	13 743
Guarantees for loans to other entities	1 663	1 312
Litigation against State Revenue Office	114	97
Other	7	26
Total	16 788	16 158

Non-quantifiable contingent liabilities – administered

The Department has a number of non-quantifiable contingent liabilities administered on behalf of the State as follows.

Victorian Managed Insurance Authority – insurance cover

The Victorian Managed Insurance Authority (VMIA) was established in 1996 as an insurer for state government departments, participating bodies as defined under the Victorian Managed Insurance Authority Act 1996 and other entities as declared by the Minister. The VMIA insures its clients for property, public and products liability, professional indemnity, medical indemnity, contract works and a range of other insurances. The VMIA also provides domestic building insurance to Victorian residential builders.

The VMIA reinsures in the private market based on the likelihood and impact of events as well as the cost and availability of such cover. The risk of losses above what VMIA reinsures in the private market is borne by the State.

The State, under separate deeds of indemnity, has agreed to reimburse the VMIA:

- if the costs of public sector medical indemnity claims for a policy year exceed the initial estimate, on which the risk premium was based, by more than 20 per cent
- for losses above a certain limit that VMIA may incur due to changes in the availability of reinsurance.

8. Risks, contingencies and valuation judgements

Other contingent liabilities not quantified – administered

There are other commitments, made by Government, which are not quantifiable at this time, arising from:

- indemnities provided in relation to transactions, including financial arrangements and consultancy services, as well as for directors and administrators
- performance guarantees, warranties and letters of comfort
- deeds in respect of certain obligations
- unclaimed monies, which may be subject to future claims by the general public against the State.

8.3 Fair value determination

Consistent with AASB 13 Fair Value Measurement, the Department determines the policies and procedures for both recurring fair value measurements such as, property, plant and equipment and financial instruments and for non-recurring fair value measurements, such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For the purpose of fair value disclosures, the Department has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, 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 reporting period.

The Department, in conjunction with the VGV, monitors changes in the fair value of its assets through relevant data sources to determine whether revaluation is required.

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Specialised land ^(a)	Market approach	Community service obligations adjustment Heritage adjustment
Buildings (including heritage buildings) ^(a)	Market approach (net market rentals)	Rental income per square metre Capitalisation rate Useful life
Cultural assets	Market approach	Community service obligation adjustment
Office and computer equipment ^(b)	Current replacement cost	Cost per unit Useful life
Vehicles ^{(b)(c)}	Current replacement cost	Cost per unit Useful life

Note:

(a) The specialised land, buildings and cultural assets were transferred to DTP on 1 January 2023 as part of the machinery of government changes.

(b) Some of the office and computer equipment were transferred to DGS on 1 January 2023 as part of the machinery of government changes.

(c) Some of the vehicles were transferred to DGS, DTP and DJSIR on 1 January 2023 as part of the machinery of government changes.

The significant unobservable inputs remain unchanged from 2022.

Land and buildings (including heritage buildings)

Specialised and non-specialised land, and buildings are valued based on the market approach. Specialised land is adjusted for heritage and community services obligations (CSO) to reflect the specialised nature of the land being valued.

The heritage and CSO adjustments reflect the valuer's assessment of the impact of restrictions associated with an asset to the extent that they are equally applicable to market participants. This approach is taken 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.

For non-specialised land, the assets are compared to sales of comparable assets which are considered to have nominal or no added improvement value.

For buildings (including heritage buildings), fair value is determined by applying an appropriate capitalisation rate based on factors such as building design, location and tenancy size on the average rental income of the building area.

The latest valuations of the Department's land and building assets were conducted as at 30 June 2022, resulting in a net revaluation increase of \$248.2 million (refer to Note 5.1 Property, plant and equipment-revaluation of non-financial physical assets).

Office and computer equipment

The fair value of office and computer equipment is normally determined by reference to the asset's current replacement cost. For the Department's office and computer equipment, existing depreciated historical cost is generally a reasonable proxy for current replacement cost because of the short lives of the assets concerned.

Vehicles

Vehicles are valued using the current replacement cost method. The Department acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Department who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment

Plant and equipment is held at fair value. 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.

There were no changes in valuation techniques throughout the period to 30 June 2023. For all assets measured at fair value, the current use is considered the highest and best use.

8. Risks, contingencies and valuation judgements

	Carrying amount	Fair value measurement using:		
		Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Fair value measurement hierarchy at 30 June 2023				
Land at fair value ^(a)				
Specialised land	–	–	–	–
Non-specialised land	–	–	–	–
Total land at fair value	–	–	–	–
Buildings at fair value ^(a)				
Buildings (including heritage buildings)	–	–	–	–
Total buildings at fair value	–	–	–	–
Plant and equipment at fair value				
Office and computer equipment	2 168	–	–	2 168
Motor vehicles under lease	1 407	–	–	1 407
Total plant and equipment at fair value	3 575	–	–	3 575
Fair value measurement hierarchy at 30 June 2022				
Land at fair value				
Specialised land	840 974	–	–	840 974
Non-specialised land	5 495	–	5 495	–
Total land at fair value	846 469	–	5 495	840 974
Buildings at fair value				
Buildings (including heritage buildings)	292 872	–	–	292 872
Total buildings at fair value	292 872	–	–	292 872
Plant and equipment at fair value				
Office and computer equipment	3 835	–	–	3 835
Motor vehicles under lease	3 836	–	–	3 836
Total plant and equipment at fair value	7 671	–	–	7 671

Note:

(a) The land and buildings were transferred to DTP as part of the machinery of government changes effective 1 January 2023.

Reconciliation of Level 3 fair value

	Specialised land	Buildings (including heritage buildings)	Office and computer equipment	Motor vehicles under lease
	\$'000	\$'000	\$'000	\$'000
2023				
Opening balance	840 974	292 872	3 835	3 836
Purchases	–	–	164	1 339
	(840 974)	(284 873)	(638)	(2 657)
Disposal				(909)
Transfers between classes	–	(20)	20	–
Transfers from/(to) held for sale				346
Gains or losses recognised in net result	–	–	–	–
Depreciation		(7 979)	(1 213)	(548)
Subtotal	–	–	2 168	1 407
Gains or losses recognised in other economic flows-other comprehensive income				
Revaluation	–	–	–	–
Subtotal	–	–	–	–
Closing balance	–	–	2 168	1 407
2022				
Opening balance	631 298	278 896	3 022	4 739
Purchases	–	–	1 710	1 914
Disposal	(127)	–	(4)	(1 629)
Transfers between classes	–	3 461	281	–
Transfers from/(to) held for sale	(8 312)	–	–	–
Gains or losses recognised in net result	–	–	–	–
Impairment loss	–	(1 922)	–	–
Depreciation	–	(17 409)	(1 174)	(1 188)
Subtotal	–	(19 331)	(1 174)	(1 188)
Gains or losses recognised in other economic flows-other comprehensive income				
Revaluation	218 115	29 846	–	–
Subtotal	218 115	29 846	–	–
Closing balance	840 974	292 872	3 835	3 836

8. Risks, contingencies and valuation judgements

The following table provides the fair value measurement hierarchy of the Department's non-financial physical assets held for sale.

Fair value measurement of land held for sale

	Carrying amount	Fair value measurement using:		
		Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000
Fair value measurement hierarchy at 30 June 2023				
Land at fair value ^(a)				
Specialised land	–	–	–	–
Total land at fair value	–	–	–	–
Fair value measurement hierarchy at 30 June 2022				
Land at fair value				
Specialised land	15 527	–	–	15 527
Total land at fair value	15 527	–	–	15 527

Note:

(a) The land held for sale were transferred to DTP as part of the machinery of government changes effective 1 January 2023.

9 Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

9.1 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:

- the revaluation of present value of the long service leave liability due to changes in the bond interest rates
- reclassified amounts relating to financial instruments at fair value through other comprehensive income from reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets includes realised and unrealised gains and losses from impairments, and disposals of all physical and intangible assets.

Disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

9.2 Reserves

Physical asset revaluation surplus

Balance at beginning of financial year	
Revaluation increments	
Impairment losses	
Transfers to accumulated surplus ^(a)	
Balance at end of financial year	

Note:

(a) The physical assets revaluation surplus was transferred to accumulated surplus to facilitate the land and buildings transferred to the DTP effective from 1 January 2023 as part of the machinery of government changes.

Structure

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Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held for trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

Revaluations of financial instruments at fair value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the transfer of amounts from reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification, the revaluation of the present value of leave liabilities due to changes in bond interest rates and wage inflation, and the revaluation of restoration costs provision.

The net loss from the revaluation of leave liabilities is due to higher wage inflation rates from 3.85 per cent in 2022 to 4.35 per cent in 2023 that was partially offset by higher discount rates from 3.69 per cent in 2022 to 4.06 per cent in 2023.

	2023	2022
	\$'000	\$'000
	894 970	648 660
	–	248 232
	–	(1 922)
	(894 970)	–
	–	894 970

9. Other disclosures

9.3 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FMA, the following disclosures are made regarding responsible persons for the reporting period. The persons who held the positions of Ministers and Accountable Officer in the Department (from 1 July 2022 to 30 June 2023 unless otherwise stated) were as follows:

Name of Minister or Accountable Officer		Relevant title	
Tim Pallas MP		Treasurer of Victoria	
The Hon Danny Pearson MP		Minister for Economic Development (until 5 December 2022)	
Mr David Martine		Assistant Treasurer	
		Minister for WorkSafe and the TAC (from 5 December 2022)	
		Minister for Regulatory Reform (until 5 December 2022)	
		Secretary	

Name of Minister	Relevant office	Persons who acted in the positions	Dates acted in the positions
Tim Pallas MP	Office of the Treasurer	The Hon Ben Carroll MP The Hon Danny Pearson MP	2 July 2022 to 10 July 2022 11 July 2022 to 17 July 2022, 31 December 2022 to 7 January 2023 28 January 2023 to 6 February 2023
	Minister for Economic Development (until 5 December 2022)	The Hon Daniel Andrews MP The Hon Jacinta Allan MP The Hon Ben Carroll MP The Hon Danny Pearson MP	8 January 2023 to 12 January 2023 13 January 2023 – 18 January 2023 2 July 2022 to 10 July 2022 11 July 2022 to 17 July 2022
The Hon Danny Pearson MP	Office of the Assistant Treasurer	Tim Pallas MP The Hon Shaun Leane MP The Hon Daniel Andrews MP The Hon Jacinta Allan MP	1 July 2022 to 1 July 2022 26 June 2023 to 30 June 2023 2 July 2022 to 10 July 2022 8 January 2023 to 12 January 2023
	Office of the Minister for WorkSafe and the TAC (from 5 December 2022)	The Hon Daniel Andrews MP The Hon Jacinta Allan MP	13 January 2023 – 18 January 2023 8 January 2023 to 12 January 2023
	Office of the Minister for Regulatory Reform (until 5 December 2022)	Tim Pallas MP Tim Pallas MP	13 January 2023 – 18 January 2023 26 June 2023 to 30 June 2023 1 July 2022 to 1 July 2022

Name of Accountable Officer	Relevant office	Persons who acted in the positions	Dates acted in the positions
Mr David Martine	Office of the Secretary	Mr Chris Barrett Mr Jason Loos Mr Jamie Driscoll	7 January 2023 to 14 January 2023 26 January 2023 to 5 February 2023 18 May 2023 to 21 May 2023

The Hon Danny Pearson MP, Hon Ben Carroll MP, Hon Daniel Andrews MP and Hon Jacinta Allan MP acted for the Treasurer during the absences of Tim Pallas MP. Tim Pallas MP, Hon Shaun Leane, Hon Daniel Andrews and Hon Jacinta Allan MP acted for the Assistant Treasurer during the absences of Hon Danny Pearson MP. Chris Barrett, Jason Loos and Jamie Driscoll acted in the office of the Secretary during the absences of David Martine.

Total remuneration received or receivable by the Accountable Officer, in connection with the management of the Department during the reporting period, was in the range of \$690 000–\$700 000 (\$640 000–\$650 000 in 2021-22).

9.4 Remuneration of executives

The number of senior executive service members, 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) in all forms of consideration paid, payable or provided by the Department, or on behalf of the Department, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, 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 are employer contributions for members of both defined benefit and defined contribution superannuation plans.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of senior executive service members retired, resigned or were retrenched in the past year.

Remuneration of senior executive services (including key management personnel other than Ministers disclosed in note 9.5)

	Total remuneration	
	2023 \$'000	2022 \$'000
Short-term employee benefits	23 113	24 313
Post-employment benefits	2 400	2 435
Other long-term benefits	1 335	528
Termination benefits	127	52
Total remuneration ^{(a)(b)(c)}	26 975	27 328
Total number of executives ^{(a)(d)(e)}	132	137
Total annualised employee equivalents ^{(a)(f)}	129	117

Notes:

(a) The total number of executives include the nine departmental Chief Financial Officers (CFOs) employed by the DTF Secretary. The total remuneration excludes the nine CFOs remuneration as the expenses are recouped from the departments.

(b) The total remuneration includes the remuneration of senior executive service members acting in the position of the accountable officer during the reporting period.

(c) In the prior financial year, the total remuneration included the remuneration of a senior executive service member on secondment to the Commonwealth Government.

(d) The total number of senior executive service members includes persons who meet the definition of key management personnel of the Department under AASB 124 Related Party Disclosures (other than Ministers) and are also reported within the related parties note disclosure (note 9.5).

(e) The total number of executives includes 24 senior executive members transferred to DTP, DJSIR and DGS as part of the machinery of government changes effective 1 January 2023.

(f) Annualised employee equivalent is based on the time fraction worked over the reporting period.

9. Other disclosures

9.5 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. During the financial year there were no material related party transactions.

During the financial year there were no material related party transactions.

Key management personnel of the Department includes the Portfolio Ministers, Tim Pallas MP and the Hon Danny Pearson MP, the Secretary, David Martine, the Commissioner of the State Revenue Office, Paul Broderick, and members of the Department's Board, which includes:

- Deputy Secretary, Budget and Finance Division, Jamie Driscoll
- Deputy Secretary, Economic Division, Chris Barrett
- Deputy Secretary, Commercial Division, Jason Loos (until 16 June 2023)
- Acting Deputy Secretary, Commercial Division, Kate O'Sullivan (from 19 June 2023)
- Deputy Secretary, Corporate and Government Services Division, Gayle Porthouse (until 31 December 2022)
- Chief Executive Officer, Invest Victoria, Danni Jarrett (until 31 December 2022)
- Chief Executive Officer, Office of Projects Victoria, Cressida Wall

The compensation detailed below excludes the salaries and benefits of the Portfolio Ministers. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the State's Annual Financial Report.

Remuneration of key management personnel

	2023 \$'000	2022 \$'000
Short-term employee benefits	3 038	2 982
Post-employment benefits	202	175
Other long-term benefits	152	80
Termination benefits	–	–
Total remuneration ^{(a)(b)}	3 392	3 237

Notes:

(a) Note that key management personnel are also reported in the disclosure of remuneration of executive officers (Note 9.4).

(b) Two key management personnel were transferred out of the Department as part of the MoG changes effective 1 January 2023

Transactions and balances 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 of 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 Purchasing Board's requirements.

Outside of normal citizen type transactions with the Department, transactions that have occurred with key management personnel and their related parties are based on terms and conditions that prevail in arm's length transactions under the State's procurement processes and have not been considered for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Department's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.6 Remuneration of auditors

	2023 \$'000	2022 \$'000
Audit fees paid or payable to the Victorian Auditor-General's Office		
Annual financial statements of the Department	339	330
Annual financial report for the State of Victoria	406	395
Annual budget for the State of Victoria	411	400
	1 156	1 125

9.7 Subsequent events

Assets, liabilities, revenues or expenses arise from past transactions or other past events. Adjustments are made to amounts recognised in the financial statements for events that occur after the reporting period and before the date the statements are authorised for issue, where those events provide information about conditions that existed at the reporting date. If required, note disclosure is made about events that occur between the end of the reporting period and the date the statements are authorised for issue where the events relate to conditions that arose after the reporting period that are considered to be of material interest.

Commonwealth Games 2026

On 18 July 2023, the Victorian Government announced its decision not to proceed with hosting the Commonwealth Games 2026.

On 19 August 2023, the Commonwealth Games Federation, Commonwealth Games Federation Partnerships and Commonwealth Games Australia and the State of Victoria announced they had settled all their disputes regarding the cancellation of the multi-hub regional Victoria 2026 Commonwealth Games. The State of Victoria has agreed to pay the Commonwealth Games parties (the Commonwealth Games Federation, Commonwealth Games Federation Partnerships and Commonwealth Games Australia) \$380 million. This will be reflected in the financial year 2024 annual financial statements of the Department, as the Department will make this payment on behalf of the state. The settlement finalises all matters between the parties.

No events have arisen since the end of the financial year that have significantly affected or may significantly affect the Department's operations, results or state of affairs.

9.8 Other accounting policies

Contributions by owners

Consistent with the requirements of AASB 1004, contributions by owners (that is, contributed capital and its repayments) 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 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.

9.9 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period. These accounting standards have not been applied to the Department's Financial Statements. The Department is currently in the process of assessing the potential impacts of these accounting standards and amendments which include:

- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

AASB 2022-10 amends AASB 13 Fair Value Measurement by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

9. Other disclosures

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* and AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

AASB 2020-1 amended AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.

AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:

- clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current
- requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.

AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2023.

The Department is currently in the process of assessing the potential impact of these standards and amendments.

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the Department's financial statements in the period of initial application.

9.10 Glossary of technical terms

The following is a summary of the major technical terms used in these financial statements.

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- (b) the effects of changes in actuarial assumptions.

Administered item generally refers to a department lacking the capacity to benefit from that item in the pursuit of the department's objectives and to deny or regulate the access of others to that benefit.

Amortisation is the expense that arises from the consumption or use over time of a produced intangible asset. This expense is classified as a transaction.

Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over 52 weeks for a reporting period.

Borrowings refer to interest-bearing liabilities mainly from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are incurred for policy purposes.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of a department to benefit from that item in the pursuit of the department's objectives and to deny or regulate the access of others to that benefit.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset. This expense is classified as a transaction and so reduces the net result from transactions.

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 contributions.

Ex gratia expenses mean 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.

Financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity
- (c) a contractual right:
 - to receive cash or another financial asset from another entity or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability is any liability that is:

- (a) a contractual obligation:
 - to deliver cash or another financial asset to another entity or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or

9. Other disclosures

- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements comprises:

- a comprehensive operating statement for the period
- a balance sheet as at the end of the period
- a statement of changes in equity for the period
- a cash flow statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*
- a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

Grant expenses are 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. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

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.

Grants for on-passing are grants paid to one institutional sector (e.g. a state general government) 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 the borrowing of funds. It includes interest on advances, loans, bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest components of lease repayments and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income includes interest received on bank term deposits, interest from investments, and other interest received.

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Leases 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 is a measure of financial performance of the operations for the period. It is the net result of items of income, 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 is a key fiscal aggregate and is revenue 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.

Non-financial assets are all assets that are not 'financial assets'.

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. They include gains and losses from disposal or derecognition or reclassification, revaluation and impairment of non-financial physical and intangible assets, and fair value changes of financial instruments. It also includes revaluation of the present value of leave liabilities due to changes in bond interest rates and from revaluation of restoration costs provisions.

Other economic flows - other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result. The components of other economic flows - other comprehensive income include changes in physical asset revaluation surplus and changes arising from the remeasurement of defined benefit superannuation liabilities.

Payables includes short and long-term trade debt and accounts payable, grants and interest payable.

Receivables includes short and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods, 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.

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the Department.

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 within 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.

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Appendix 1 Workforce data

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 provide for fair treatment, career development opportunities and the early resolution of workplace issues. The Department advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts and hospitality and how to deal with misconduct.

Developing capability

Learning and development

Leveraging the learning management system (LMS) introduced in 2021, the Department continues to efficiently manage compliance training, external courses, and workshops while also developing learning modules requested by the business, including the Intern Interview Panel Member Training.

This centralised platform empowers employees to monitor their training progress and access the latest courses on a range of topics. In the last 12 months the most popular courses advertised via the LMS included:

- Aboriginal Cultural Awareness Training
- Building Resilience to Workplace Stress
- Making Hybrid Work
- Human Rights Charter Training
- Super Women Better Money Habits.

To enhance employees' capability and foster professional growth in a collaborative and engaging manner, the Department continues to use the LinkedIn Learning Hub and has now developed six learning segments, addressing learning needs across the following themes: diversity and inclusion, wellbeing and workload, individual contributors, emerging leaders, people leaders and career progression. The Department actively promotes this valuable resource by sharing testimonials from stakeholders across the business on the LinkedIn Learning Hub page and supplementing internal posts with recommended courses.

Since July 2022, 4 265 courses and 15 786 LinkedIn Learning videos have been viewed by employees. Particularly, courses on Power BI, Workplace Social Skills, Excel and SharePoint generated significant interest. The strategic grouping of courses into segments has led to increased engagement, with career progression courses becoming more popular. Currently 81 per cent of licences have been activated, indicating widespread adoption of this learning resource.

In June 2023, the Department engaged an external provider to deliver interactive workshops on 'Giving and Receiving Feedback' and 'Managing Difficult Conversations'. These workshops were designed to assist employees and managers in preparing for end of PDP cycle conversion and received positive feedback.

Leadership

The Department continued to offer the Leadership Development Program for Senior Executive Service (SES), Senior Technical Specialist (STS) 7 and Victorian Public Service Grade (VPSG) 6 employees. Participation across the program was gender balanced, and 7 SES, and 43 VPSG6 employees completed the program during 2022-23. The program is aligned with the Department's Gender Equality Action Plan.

Additionally, during 2022-23, a total of 70 employees (VPSG5 and above) participated in Victorian Leadership Academy short courses delivered by the Victorian Public Sector Commission.

New Victorian Public Service executives were invited to attend the Executive Induction Program facilitated by the Victorian Public Sector Commission. The induction is designed to provide new executives with critical knowledge, insights, networks and support for successful transition. A total of 13 new executives at the Department participated in this program during 2022-23.

Employee experience

The Department continues to focus on improving the employee experience through the DTF Ongoing People Matter Survey Action Plan. Key focus areas for the Department include wellbeing and workload management; leadership; diversity and inclusion; workplace flexibility/hybrid working practices; respectful workplace culture and learning, development, and career progression. The People Committee continue to review and provide input to support the delivery of people and culture related initiatives.

Human Rights Charter

Throughout 2022-23, DTF employees continued to consider human rights in the course of their work, including submissions to Cabinet on matters that affect members of the public. Commitment to the *Charter of Human Rights and Responsibilities Act 2006* (Charter) forms part of the Victorian Public Sector values and is highlighted for all new staff during the Department's corporate induction.

Charter training is available online for all employees, in addition to a bespoke module for leaders. The online Charter training is mandatory for new starters, and refresher training is required every two years for all employees. During 2022-23, a total of 531 employees participated in the online training.

Given the nature of its portfolio, the Department's interactions with the public tend to focus on individuals who are currently engaged, or seeking to be engaged, by the Department for a specific purpose. These include individuals who are job applicants, employees, tenderers, contractors, board appointees, purchasers, landlords and tenants of government land. To guide interactions with these individuals, the Department has various policies and processes in place to protect their rights. These include privacy, equal opportunity, occupational health and safety (OHS), protected disclosure and employment policies.

Cultivating a culture of flexibility and prioritising the mental health and wellbeing of our people

Flexibility

DTF remains committed to creating an environment that supports a flexible and adaptive workforce. During 2022-23, the Department focused on flexible work and in particular, hybrid ways of working.

DTF rolled out workshops to the entire organisation with a specific focus on supporting teams and individuals to establish how, where and when work is best performed, and to create team protocols that maximise hybrid and flexible working, as well as support for individuals to create flexible working arrangements with the support of their manager.

The Department also created an eLearning module including self-reflection exercises designed to help staff consider their individual hybrid working needs. During 2022-23, 291 employees completed this module. Additionally, DTF implemented a new desk booking system to support the move to hybrid working arrangements.

An experience centre was also created in 2022-23, based on feedback received as part of a Pulse Survey (September 2022). The aim of the Experience Centre was to provide a prototype space based on staff requirements and gather feedback prior to broader implementation.

Mental health and wellbeing

The VPS Mental Health and Wellbeing Charter commits to a holistic and inclusive approach to health and safety, promoting positive mental health and wellbeing and preventing and responding to occupational violence and aggression. The DTF Wellbeing and Resilience Framework reflects the Department's commitment to promoting and protecting the mental health of all DTF employees.

In 2022-23, the Department has implemented a Cold, Flu and COVID-19 policy which is aligned with the latest public health recommendations.

The Department's Employee Assistance Program (EAP) provider, Acacia Connection, provides confidential professional counselling services for employees. This includes tailored support for Aboriginal and Torres Strait Islanders, employees with disability, LGBTIQ+ employees and employees experiencing family violence. A specific hotline is also available for managers who require assistance with complex employee issues and a supportive check-in service where there is concern for their psychological safety and/or wellbeing.

DTF is continuing to progress the initiatives of the OHS Action Plan 2022-24, which aligns with the Department's Wellbeing and Resilience Framework. This plan outlines DTF's plan to prevent mental injury and ensure a safe return to the office.

DTF has implemented several new wellbeing-related initiatives which address specific focus areas, in line with the 2021-22 People Matter Action Plan. This includes implementation of a Quarterly Wellbeing and Workload Management Indicators Board report and the introduction of wellbeing-related goals in performance and development plans for people leaders. To further support wellbeing, the Department has rolled out Building Resilience to Workplace Stress training for employees and managers.

Monthly wellbeing articles were published focusing on themes such as mindfulness, hybrid work and physical wellbeing, to continue to raise awareness. This also includes celebrating days of significance such as Women's Health Week, Men's Health Week, R U OK Day, Mindful in May, Mental Health Month and Safe Work Month.

The Department has continued the Safe People program, where each Division has specific individuals who are trained to support employees with a range of sensitive issues. Additionally, the Department continues to train mental health first aid officers to ensure they are specifically equipped in mental health acute response.

Delivering diversity and inclusion strategy and action plans

Diversity and inclusion framework and action plan

DTF are midway through the implementation of its Diversity Inclusion Framework 2021-25, which includes a range of initiatives to ensure that employees are treated fairly and respectfully, and a positive workplace culture can continue to thrive. The framework is designed to improve diversity across all functional areas of the Department, from leadership to policies and metrics.

A Diversity and Inclusion committee continue to meet quarterly to monitor progress and promote awareness across DTF. An executive Diversity and Inclusion champion continues to support the delivery and promotion by attending high profile key events.

The framework complements a broad range of whole of Victorian Government initiatives, such as the Getting to Work Disability Employment Plan and Barring Djinang Aboriginal Employment Plan and the DTF Gender Equality Action Plan.

The Department continues to be committed to improving attraction and recruitment, creating a culturally safe workplace, enhanced support for Aboriginal staff and career experiences. During 2022-23, a combined total of 23 employees attended the Aboriginal Cultural Foundation session and the Aboriginal Cultural Extended Leadership sessions.

The *Advancing Self-Determination in DTF* plan outlines the Department's commitment to progressing self-determination and working towards reconciliation. The Plan presents DTF's initial actions on how the Department will deliver against commitments in the Victorian Aboriginal Affairs Framework and the Self-Determination Reform Framework.

DTF also hosted an event in July 2023 to celebrate NAIDOC week.

The Department continued its membership of the Australian Network on Disability. During 2022-23, a total of three employees attended Disability Awareness Essentials: Workplace Adjustments sessions. One employee from DTF also participated on the VPS Pilot Leadership Program for employees living with a disability.

The Department participated in the Stepping Into Internship program for people with disability, appointing three interns in a diverse range of positions. Additionally, the Department participated in the Australian Network on Disability's Positive Action towards Career Engagement mentoring program. The program matches jobseekers with disability with experienced mentors.

The Department supports participation in Victorian Public Service employee-led networks to provide employees the opportunity to connect with peers and improve outcomes.

The DTF Enablers Network is a well-established employee-led association for people with lived experience of disability and their allies. The role of the Enablers Network is to represent the needs, interests, and concerns of employees with disability to ensure fair and equitable treatment. The Enablers Network champions inclusion and job access and organises inclusive and accessible social and professional development events for members.

The Department supports the LGBTIQ+ Pride Network and uses its membership with Pride in Diversity to support LGBTIQ+ employees. The Department has an internal LGBTIQ+ Pride Network that champions days of significance and provides a safe space for LGBTIQ+ employees. DTF supported the Network to host an event to celebrate World Pride 2023 in March attended by over 100 employees in addition to The Victorian Commissioner for LGBTIQ+ and Communities.

During 2022-23, a combined total of nine employees attended the Foundations of LGBTQ Inclusion and the Empowering Allies session.

In addition to the DTF LGBTIQ+ Pride Network, employees may also join the Victorian Public Service Pride Network to connect with colleagues and allies across the service to encourage an LGBTIQ+ inclusive culture.

The Department is committed to the continuation of the Diversity Scholarship, providing a talented member of the community with financial support, mentoring and work experience during their university studies.

In 2022-23, several significant events were celebrated including National Reconciliation Week, NAIDOC week and International Day of People with Disability.

Gender equality

DTF's Gender Equality Action Plan 2021-25 reflects the Department's commitment to improving gender equality within the workplace and community to help the department better serve and support the Government and Victorian community.

A Gender Equality committee continues to meet quarterly to monitor progress and promote awareness across DTF. An executive Gender Equality champion continues to support the delivery and promotion of gender equality by attending high profile gender equality events.

The Plan includes a range of strategies and measures to improve gender equality and diversity across DTF and recognises that gender inequality may be compounded by other forms of disadvantage or discrimination that women may experience based on other attributes.

The Department facilitates a Mentoring Women in Economics program annually to increase women's participation in economics.

To better support all Victorians, the Department's Gender Responsive Budgeting continues to ensure that all policies, programs and services are developed with a gender lens to enable a more inclusive design of budget initiatives.

In March 2023 DTF hosted an event to celebrate International Women's Day with over 200 employees attending in addition to The Commission of Gender Equality for the Public Sector.

In the 2022-23, DTF has also reduced the reported gender pay gap, increased gender balance at the executive and VPS6 levels, and increased the number of women promoted. In addition, DTF has delivered three cohorts of the DTF Leadership Program with equal gender representation.

Attracting and retaining talented people

The Department is committed to ensuring the best people are attracted and selected through robust recruitment practices. These practices ensure applicants are assessed fairly and equitably based on key selection criteria and other role accountabilities, without discrimination.

During 2022-23, the Department prioritised enhancing the skills and capability of hiring managers and interview panellists. Online learning modules and support material was made available, ensuring they were well-equipped with the latest assessment techniques and skills to run a merit-based process and select the most suitable applicant.

The Department continued to utilise a LinkedIn recruiter license to attract traffic to DTF's LinkedIn profile, which saw the Department's influenced hire rates increase to 65 per cent.

Building a pipeline of high potential talent through early career programs

The Department continues to support the recruitment and development of early career talent by participating in a range of employment programs. During 2022-23, the Department recruited 23 graduates from varied streams including seven from economic, six from accounting and finance, three from generalist, three from data analytics, one from legal and three from project delivery. The Department continues to lead the economic and accounting and finance graduate streams, offering technical and stream specific training to graduates across the Victorian Government graduate program. Additionally, the Department recruited 31 penultimate university students from varied study disciplines including economics, legal, engineering and accounting and finance to participate in an internship placement.

The Department placed five trainees through the Youth Employment Scheme (YES). This included four trainees who were recruited through the Disability stream. YES offers a 12-month entry level traineeship position and accredited training for young people who may experience barriers to employment. At least one of the five trainees has since been directly appointed in an ongoing role with the Department.

Employee relations

During 2022-23, there were no industrial disputes lodged with the Fair Work Commission. The Department has a comprehensive review of action process to ensure employee concerns are dealt with fairly and promptly. Through the review of action process, two formal reviews of actions were received in the reporting period.

The Department has a full suite of policies to support all employees in the workplace, including recruitment and selection, issue resolution and grievance review, redeployment, unsatisfactory work, misconduct, probation and fair treatment. These policies are regularly reviewed and updated.

The Department has also contributed to the review and development of ten (existing and new) Victorian Public Sector common policies to align with the 2020 Enterprise Agreement. This also involved engaging with other DTF agencies including the State Revenue Office (SRO), Emergency Services Commission (ESC) and Infrastructure Victoria (IV) to gain their input and feedback to the policy updates.

Notes for all tables in Appendix 1

1. All figures reflect employment levels during the last pay period of June of each year unless otherwise stated.
2. Ongoing employees means people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last pay period of June.
3. FTE means full-time equivalent.
4. Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.
5. STS means senior technical specialist.
6. Employees have been correctly classified in workforce data collections by the VPSC, which have been used to prepare this workforce data disclosure.

Comparative workforce data

The following table discloses the head count and full-time staff equivalent (FTE) of all active public service employees of the Department, employed in the last full pay period in June of the current reporting period (2023), and in the last full pay period in June of the previous reporting period (2022).

Profile of Department of Treasury and Finance's workforce: June 2023

	June 2023						June 2022 ^(a)							
	All employees		Ongoing		Fixed term and casual		All employees		Ongoing		Fixed term and casual			
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender														
Male	305	300	273	8	279	24	21	498	492	415	12	425	71	68
Female	297	281	222	50	258	25	23	506	476	352	77	406	77	71
Self-described	–	–	–	–	–	–	–	2	2	1	–	1	1	1
Age														
15–24	52	48	43	–	43	9	5	68	61	46	3	48	19	13
25–34	207	205	183	7	188	17	17	288	284	237	10	244	41	40
35–44	190	180	145	30	166	15	14	284	270	202	43	232	39	38
45–54	106	100	82	19	96	5	4	215	207	160	24	177	31	29
55–64	39	38	36	2	37	1	1	121	120	98	6	103	17	17
65+	8	8	6	–	6	2	2	30	30	25	3	28	2	2
VPS1–6 Grades	510	492	413	51	451	46	42	886	854	659	84	719	143	134
Grade 1	–	–	–	–	–	–	–	2	2	1	–	1	1	1
Grade 2	32	28	21	1	22	10	6	68	60	35	4	37	29	22
Grade 3	34	33	29	2	30	3	3	90	88	68	9	75	13	13
Grade 4	110	109	97	5	101	8	8	168	164	140	13	150	15	14
Grade 5	155	151	124	16	136	15	15	265	258	203	20	217	42	41
Grade 6 ^(b)	179	171	142	27	162	10	10	293	282	212	38	239	43	43

	June 2023						June 2022 ^(a)							
	All employees		Ongoing		Fixed term and casual		All employees		Ongoing		Fixed term and casual			
	Number	FTE	Full-time	Part-time	Number	FTE	Number	FTE	Full-time	Part-time	Number	FTE		
	(headcount)		(headcount)	(headcount)	(headcount)		(headcount)		(headcount)	(headcount)	(headcount)			
Senior employees	92	88	82	7	86	3	2	119	116	108	5	111	6	5
STS	9	8	6	–	6	3	2	13	12	8	–	8	5	4
Executives	82	79	75	7	79	–	–	105	103	99	5	102	1	1
Secretary	1	1	1	–	1	–	–	1	1	1	–	1	–	–
Other ^(c)	–	–	–	–	–	–	–	1	1	1	–	1	–	–
Total employees ^(d)	602	581	495	58	537	49	44	1 006	970	768	89	831	149	139

Table includes Office of Projects Victoria which is staffed by Department employees.

Table excludes State Revenue Office (SRO) which is presented separately in this report.

Notes:

(a) DTF's ongoing and fixed-term and casual employment levels decreased over the reporting period due to machinery of government changes. Machinery of government changes include:

- Invest Victoria transferred to the Department of Jobs, Skills, Industry and Regions (DJSIR)
- Most of the Department's Corporate and Government Services Division transferred to the new Department of Government Services
- The Department's government land sales and owned property management team transferred to the Department of Transport and Planning
- The Department received FTE from the Department of Justice and Community Safety for providing oversight of the WorkSafe portfolio.

(b) There were five VPS-6 employees acting as senior employees under long-term acting arrangements at the end of June 2023.

(c) One Legal Officer is disclosed in the 'other' category in 2022.

(d) Some FTE figures may not total due to rounding.

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.

Annualised total salary, by \$20 000 bands, for executives and other senior non-executive staff – DTF

Income band (salary)	Executives ^(a)	STS ^(b)	PS	SMA	SRA	Other
<\$160 000						
\$160 000–\$179 999		1				
\$180 000–\$199 999	18	6				
\$200 000–\$219 999	26	1				
\$220 000–\$239 999	9	1				
\$240 000–\$259 999	9					
\$260 000–\$279 999	6					
\$280 000–\$299 999	5					
\$300 000–\$319 999	3					
\$320 000–\$339 999	2					
\$340 000–\$359 999	1					
\$360 000–\$379 999						
\$380 000–\$399 999	1					
\$400 000–\$419 999	1					
\$420 000–\$439 999	1					
\$440 000–\$459 999						
\$460 000–\$479 999						
\$480 000–\$499 999						
>\$500 000	1					
Total	83	9				

The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation.

Notes:

(a) There is one employee employed on a part-time basis at a 0.2 FTE rate, three at a 0.6 FTE rate, one at a 0.7 FTE rate and two at a 0.8 FTE rate.

(b) There is one employee employed on a part-time basis at a 0.1 FTE rate.

Profile of State Revenue Office's workforce: June 2023

	June 2023 ^(a)							June 2022						
	All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender														
Male	350	346	327	15	338	8	8	337	332	304	15	314	18	18
Female	431	401	327	97	395	7	6	406	379	295	83	353	28	26
Self-described	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Age														
15-24	25	25	24	-	24	1	1	32	31	22	2	23	8	8
25-34	177	169	149	21	163	7	6	163	160	139	11	147	13	13
35-44	222	210	184	35	207	3	3	216	204	170	33	192	13	12
45-54	198	190	167	29	188	2	2	175	167	143	26	161	6	6
55-64	118	112	94	22	110	2	2	122	116	96	21	112	5	5
65+	41	40	36	5	40	-	-	35	34	29	5	33	1	1
VPS1-6 Grades ^(b)	750	717	628	107	702	15	14	713	683	574	93	639	46	44
Grade 1	1	-	-	-	-	1	-	-	-	-	-	-	-	-
Grade 2	48	43	26	16	37	6	6	74	68	30	14	40	30	28
Grade 3	283	271	237	39	264	7	7	234	225	197	29	217	8	8
Grade 4	158	150	135	23	150	-	-	161	154	141	20	154	-	-
Grade 5	188	183	166	22	183	-	-	175	169	147	24	165	4	4
Grade 6	72	70	64	7	69	1	1	69	67	59	6	63	4	4
Senior employees	10	10	8	2	10	-	-	10	10	8	2	10	-	-
STS	2	2	2	-	2	-	-	2	2	2	-	2	-	-
Executives	8	8	6	2	8	-	-	8	8	6	2	8	-	-
Other	21	20	18	3	20	-	-	20	19	17	3	19	-	-
Total employees	781	747	654	112	732	15	14	743	711	599	98	668	46	44

Notes:

(a) State Revenue Office's (SRO) fixed-term employment level decreased due to ongoing conversions and additional recruitment to support:

- administration of the casino tax which transferred to SRO from the Victorian Gambling and Casino Commission
- management of the land tax principal place of residence (PPR) exemption for homes under construction or renovation
- HomeBuyer Fund administration
- administration of the WindFall Gains Tax introduced from 1 July 2023
- changes to the Point of Consumption Tax effective 1 July 2024
- improvements to SRO operations, including modernisation of revenue management software, improved cyber-security and data management.

(b) Due to competitive labour market conditions, VPSG2 call centre operator positions were replaced with VPSG3 positions, resulting in a decrease in VPSG2 employment levels and a corresponding increase in VPSG3 employment levels.

(c) Some figures may not total due to rounding.

Annualised total salary, by \$20 000 bands, for executives and other senior non-executive staff – State Revenue Office

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
<\$160 000						
\$160 000–\$179 999						
\$180 000–\$199 999		2				
\$200 000–\$219 999						
\$220 000–\$239 999						
\$240 000–\$259 999						
\$260 000–\$279 999	5 ^(a)					
\$280 000–\$299 999	2					
\$300 000–\$319 999						
\$320 000–\$339 999						
\$340 000–\$359 999						
\$360 000–\$379 999						
\$380 000–\$399 999						
\$400 000–\$419 999						
\$420 000–\$439 999	1					
\$440 000–\$459 999						
\$460 000–\$479 999						
\$480 000–\$499 999						
Total	8	2				

The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation.

Note:

(a) There are two employees employed on a part-time basis, one at a 0.8 FTE rate and one at a 0.9 FTE rate

Workforce inclusion policy

The Department is working towards creating a balanced working environment where equal opportunity and diversity are valued. As part of our Gender Equality Action Plan, DTF has a 50/50 target for the executive gender profile. The following table outlines the Department's progress against this target for 2022-23.

Workforce inclusion policy initiative	Target	Actual progress in 2022-23	Actual progress in 2021-22
Gender diversity at executive levels	Executives: 50 per cent male 50 per cent female	Executives: 56 per cent male 44 per cent female	Executives: 56 per cent male 44 per cent female

The actual gender diversity reported excludes the Departmental Secretary (one male) and includes the CEO of Office of Projects Victoria.

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 an SES and public entity executive does not include a statutory office holder or an Accountable Officer.

The following tables disclose executive employment levels of the Department and its portfolio agencies as at the last full pay period in June for stated reporting periods:

- Tables 1 and 2 disclose the total numbers of SES staff for the Department and SRO respectively, broken down by gender
- Table 3 provides a reconciliation of executive numbers presented between the report of operations and note 9.4 Remuneration of executives in the financial statements
- Table 4 provides the total executive numbers for all of the Department's portfolio agencies
- Tables 1 to 4 also disclose the variations, denoted by 'var', between the current and previous reporting periods.

Table 1 – Total number of executives for the Department, broken down into gender

Class	All		Male		Female		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-3	2	-2	2	-1	0	-1	0	0
SES-2	26	-1	13	-1	13	0	0	0
SES-1	53	-19	31	-11	22	-8	0	0
Total	81	-22	46	-13	35	-9	0	0

Table excludes the Secretary (Accountable Officer).

Table excludes the Chief Executive Officer, Office of Projects Victoria (Accountable Officer).

Table includes Office of Projects Victoria executives employed by the DTF Secretary.

Var column indicates the variation between the current and previous reporting periods.

Table includes the VPS departmental Chief Financial Officers who are employed by the DTF Secretary.

Female headcount for SES-3 in the previous reporting period has been revised down by two to exclude the Office of Projects Victoria and Invest Victoria CEO positions who are Accountable Officers employed by the Premier as Administrative Office Heads.

Table 2 – Total number of executives for SRO, broken down into gender

Class	All		Male		Female		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-3	1	0	1	0	0	0	0	0
SES-2	7	1	4	0	3	1	0	0
SES-1	0	-1	0	0	0	-1	0	0
Total	8	0	5	0	3	0	0	0

SES-3 headcount for the previous reporting period has been revised up by one to include the CEO and Commissioner of the State Revenue Office who is not an Accountable Officer.

Reconciliation of executive numbers

The number of executives shown in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.4 in the financial statements lists the actual number of SES staff and the total remuneration paid to SES staff over the course of the reporting period.

Note 9.4 in the financial statements excludes the Accountable Officer and does not:

- distinguish between executive levels
- distinguish between executives employed by the State Revenue Office and executives employed by the Department
- disclose the number of separations for the financial year
- disclose inactive executives as at the end of June.

Separations include executives disclosed in note 9.4 in the financial statements who were no longer employed by the Department as an executive at the end of the reporting period.

Inactive executives are executives who were on leave without pay or absent on secondment at the end of the reporting period.

To assist readers, these two disclosures are reconciled below.

Table 3 – Reconciliation of DTF executive members: June 2023

	2023	2022
Executives (financial note 9.4)	132	137
Accountable Officers (Secretary)	1	1
SRO executives	-8	-8
Inactive DTF executives	-4	-3
Separations ^(a)	-38	-21
Total executive numbers at 30 June	83	106

Note:

(a) Separations for 2023 include executives who transferred to other departments from 1 January 2023 as a result of machinery of government change.

DTF Portfolio Executives

Portfolio agencies	Total		Male		Female		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Accident Compensation Conciliation Service	6	1	4	-2	2	-1	0	0
Emergency Services Superannuation Board	8	3	4	0	4	3	0	0
Essential Services Commission	6	2	4	-1	2	1	0	0
Infrastructure Victoria	5	0	2	0	3	0	0	0
Old Treasury Building Reserve Committee of Management	0	0	0	0	0	0	0	0
State Revenue Office	8	0	5	0	3	0	0	0
State Trustees Limited	4	1	2	0	2	1	0	0
Transport Accident Commission	41	-8	18	3	23	-5	0	0
Treasury Corporation of Victoria	7	0	6	0	1	0	0	0
Victorian Asbestos Eradication Agency	0	0	0	0	0	0	0	0
Victorian Funds Management Corporation	14	7	9	-7	5	0	0	0
Victorian Managed Insurance Authority	5	-1	1	1	4	0	0	0
Victorian WorkCover Authority	60	1	37	2	23	3	0	0
Total	164	6	92	-4	72	2	0	0

Table excludes Accountable Officers who are excluded from the definition of Executive Officers in Financial Reporting Direction 15.

Advancing self-determination in DTF

DTF's commitment to Aboriginal self-determination is reflected in our *Advancing Self Determination in DTF* plan, which is available on DTF's website. Recent work contributing to DTF's efforts to promote self-determination include:

- Working with Aboriginal Housing Victoria to identify opportunities to support more Aboriginal Victorians into home ownership through the \$1.6 billion Victorian Homebuyer Fund. The Victorian Homebuyer Fund supports Aboriginal Victorians to purchase a home with a deposit as low as 3.5 per cent, by providing a shared equity contribution of up to 35 per cent of the acquisition price in exchange for an equivalent share in the property that participants buy back over time.
- Working with Homes Victoria on the Social Housing Growth Fund's Homes for Aboriginal Victorians Round (HfAVR), which supports Aboriginal Community Controlled Organisation (ACCO) ownership of social housing by enabling organisations to become Registered Housing Agencies in order to build and own new social housing dwellings. A Request for Proposals was released in December 2021, with more than \$150 million in grants available for new ACCO-led and partnered social housing projects for Aboriginal Victorians.
- Collaborating with the Housing Registrar and Homes Victoria to improve cultural safety in providing housing to Aboriginal Victorians and to support the registration of new housing providers including ACCOs. For example, the Social Housing Growth Fund's HfAVR included measures to help build the community housing sector's capability and capacity to provide culturally safe and responsive services to Aboriginal Victorians.
- Supporting delivery of the Side by Side Partnership Addressing Disadvantage, an outcomes-based funding arrangement and partnership between Berry Street Victoria, the Victorian Aboriginal Child Care Agency, Social Ventures Australia, DE and DTF that aims to improve educational outcomes and embed cultural safety for disadvantaged children, with at least 25 per cent of these children being Aboriginal.
- Developing guidance material and embedding processes to encourage the delivery of culturally safe initiatives, and strengthening Aboriginal self-determination, through the Early Intervention Investment Framework.
- Ongoing delivery of Aboriginal cultural awareness training to increase awareness and improve understanding to better support a culturally safe workplace.
- Offering annual internships and graduate places for the Aboriginal Pathway Stream through the Victorian graduate program.
- Consideration of long-term reforms to the budget development process to promote self-determination.
- Contributing to inter-departmental work to advance Treaty and the Yoorrook Justice Commission.
- Building awareness of Treaty and promoting principles of self-determination through education and presentations.

Appendix 2 DTF occupational health and safety report 30 June 2023

The Department continues its commitment to occupational health and safety (OHS) by supporting the workforce in a flexible hybrid working environment. The health, safety and wellbeing of staff continues to be the Department's highest priority.

The Department's OHS program and health and wellbeing initiatives are aimed at enhancing safety performance and ensuring safe systems of work. The strong leadership and commitment to OHS matters are integrated into the program with a proactive approach and regular review of health, safety and wellbeing across the Department.

Key achievements

- In 2022-23, the Department implemented a Cold, Flu and COVID-19 policy which is aligned with the latest public health recommendations.
- DTF is continuing to progress the initiatives of the OHS Action Plan 2022-24, which aligns with the Department's Wellbeing and Resilience Framework. This plan outlines DTF's plan to prevent mental injury and ensure a safe return to the office.
- Developing ongoing hybrid and flexible work strategies such as workshops to establish hybrid practices, an Experience Centre to provide a prototype space based on staff requirements and an e-learning module designed to help staff consider their individual hybrid working needs.
- Initiating the redesign of Chief Warden positions in collaboration with the on-site security and facilities management.
- Holding a Safety Month program during October (in alignment with Safe Work month). This program focused on the value of Health and Safety representatives, managing psychological hazards in the workplace, mental and physical health and preventing work-related violence such as sexual harassment.
- Providing mental health and wellbeing training, which 90 per cent of DTF staff had completed as of 30 June 2023.
- DTF's Health and Safety Committee met six times during 2022-23.
- The 2023 annual flu vaccination program was delivered in person at 1 Macarthur Street and through an online voucher system. There were two site visits facilitated by a nurse and the vouchers were provided by a third party and could be redeemed at selected pharmacies. As at 30 June 2023, 246 employees received a flu vaccination on site and 175 employees redeemed a flu vaccination voucher.
- Workstation ergonomic support and assessments continued to be a focus to ensure a safe working environment. 28 comprehensive assessments were completed as well as group site assessments as part of a program to reach all employees returning to the office. 212 employees completed an online training module and additional support was provided during the site Experience Centre.
- Provision of DTF's eye testing procedure, with 19 eyewear reimbursements claimed.
- Commenced a Departmental wide review of Psychosocial hazards as part of a consultation project.
- Providing *Managing Psychological Conditions in the Workplace* training to 165 executives and managers.
- The Department's Employee Assistance Program (EAP) provider, Acacia Connection, provides confidential professional counselling services for employees. This includes tailored support for Aboriginal and Torres Strait Islanders, employees with disability, LGBTIQ+ employees and employees experiencing family violence. A specific hotline is also available for managers who require assistance with complex employee issues and a supportive check in service where there is concern for their psychological safety and/or wellbeing. There was a total of 107 cases, of which 72 were new referrals raised during 2022-23.
- Providing 11 DTF Safe People with specialist 'Accidental Counsellor' training.

- Implementing new wellbeing related initiatives that address specific focus areas for the Department including:
 - Continue to roll out Quarterly Wellbeing and Workload Management Indicators Board report, along with identifying ways to optimise reporting metrics and interventions
 - Continuing to develop Workload Management tools and guidance for employees and managers
 - focusing on financial wellbeing topics such as superannuation and planning for retirement
 - Introducing a new gym program Fitness Passport to assist staff with prioritising their physical and mental wellbeing
 - mental health and wellbeing training with a specific focus on building resilience to workplace stress for people leaders and all staff.

DTF's performance against OHS management measures

Measure	KPI	2020-21	2021-22	2022-23
Incidents	Number of incidents	11	9	13
	Rate per 100 FTE	1.35 (FTE 812.00)	0.93 (FTE 970.36)	2.24 (FTE 580.50)
	No. of incidents requiring first aid and/or further medical treatment	3	3	11
Claims	Number of standardised claims ^(a)	0	0	1
	Rate per 100 FTE	0	0	0.17 (FTE 580.50)
	Number of lost time claims ^(b)	2	0	0
	Rate per 100 FTE	0.25 (FTE 812.00)	0	0
	Number of claims at 13 weeks ^(c)	0	0	0
	Percentage of claims at 13 weeks against total number of claims	0 per cent	0	0
	Number of claims exceeding 13 weeks	0	0	0
	Rate per 100 FTE	0	0	0
	No. of claims at 26 weeks	0	0	0
	Percentage of claims at 26 weeks against total number of claims	0	0	0
	Fatalities	Fatality claims	0	0
Claim costs	Average cost per standard claim ^(c)	\$0.00	\$0.00	\$300
Absenteeism	No. of days absent due to sickness	2 468	4 177	2 126
	Rate per 100 FTE	303.93 (based on FTE 812.00)	430.49 (based on FTE 970.36)	366.37 (based on FTE 580.50)
Return to work	Percentage of claims with return-to-work plan <30 days	n/a	n/a	1
Legislative compliance	No. of WorkSafe Victoria Notices issued	nil	nil	nil
	Rate of notices issued per inspector visit	nil (no inspector visits)	nil (no inspector visits)	nil (no inspector visits)
	No. of prosecutions	nil	nil	nil
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management on OHS, and OHS plans (signed by CEO or equivalent)	Statement of Commitment signed by the Secretary. Manager People and Culture chaired Quarterly Health and Safety (HSC) meetings. DTF continued its participation in the Whole of Victorian Government inter-departmental Mental Health and Wellbeing Charter Committee, Subcommittee and working groups.	Statement of Commitment signed by the Secretary. Manager People and Culture chaired Quarterly Health and Safety (HSC) meetings. DTF continued its participation in the Whole of Victorian Government inter-departmental Mental Health and Wellbeing Charter Committee, Subcommittee and working groups.	Statement of Commitment signed by the Secretary. Manager People and Culture chaired Quarterly Health and Safety (HSC) meetings. DTF continued its participation in the Whole of Victorian Government inter-departmental Mental Health and Wellbeing Charter Committee, Subcommittee and working groups.

Measure	KPI	2020-21	2021-22	2022-23
Consultation and participation	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	<p>OHS Advisory continues to be involved in the procurement of portable sit-stand desks and other ergonomic equipment as required.</p> <p>Services and personnel engaged to support OHS program (i.e. flu vaccination program, training, etc.) have been implemented to provide evidence of competency and insurance information.</p> <p>OHS Advisory involved in recommending and ordering personal protective equipment associated with COVID-19 management.</p>	<p>OHS Advisory continues to be involved in the procurement of portable sit-stand desks and other ergonomic equipment as required.</p> <p>Services and personnel engaged to support OHS program (i.e. flu vaccination program, training etc.) have been implemented to provide evidence of competency and insurance information.</p> <p>OHS Advisory involved in recommending and ordering personal protective equipment associated with COVID-19 management</p>	<p>OHS Advisory continues to be involved in the procurement of portable sit-stand desks and other ergonomic equipment as required.</p> <p>Services and personnel engaged to support OHS program (i.e. flu vaccination program, training, etc.) have been implemented to provide evidence of competency and insurance information.</p> <p>OHS Advisory involved in recommending and ordering personal protective equipment associated with coronavirus (COVID-19) management</p>
	Evidence of agreed structure of Designated Work Groups (DWGs), Health and Safety Representatives (HSRs), and Issue Resolution Procedures (IRPs)	<p>Four Health and Safety Committee meetings were held covering this period on 18/08/2020, 20/01/2021, 14/04/2021 and 30/06/2021. Designated Work Group structures were reviewed and continue to reflect DTF's distribution of employees across multiple workplace locations and floors.</p>	<p>Four Health and Safety Committee meetings were held covering this period on 08/07/2021, 07/10/2021, 11/01/2022 and 05/04/2022.</p>	<p>Six Health and Safety Committee meetings were held covering this period on 50/07/2022, 04/10/2022, 17/11/2022, 21/02/2023, 20/05/2023, 15/06/2023</p>
	Compliance with agreed structure on DWGs, HSRs, and IRPs	<p>All HSR positions were filled for the full year.</p>	<p>As of 30 June 2022, five HSR positions were filled. There were two vacant HSR positions. Both of these positions were advertised and expressions of interest were circulated.</p> <p>Training has been scheduled for one newly appointed HSR.</p>	<p>As of 30 June 2023, there were seven vacant HSR positions. Positions were advertised, and expression of interest circulated.</p> <p>Training scheduled for three newly-appointed HSRs</p>
	Number of quarterly OHS Committee meetings	The committee met in each quarter in 2020-21.	The committee met in each quarter in 2021-22.	The committee met in each quarter in 2022-23

Measure	KPI	2020-21	2021-22	2022-23
Risk management	Percentage of internal audits/inspections conducted as planned	Not all regularly scheduled workplace inspections were completed because of the COVID-19 lockdown response. However, workplace inspections and risk assessments were conducted by respective stakeholders as part of the Department's return to the office program.	Not all regularly scheduled workplace inspections were completed because of the COVID-19 lockdown response. However, workplace inspections and risk assessments were conducted by respective stakeholders as part of the Department's return to the office program. This included a review of the following government hubs: <ul style="list-style-type: none"> • Morwell • Bendigo • Ballarat Site visits re-commenced once COVID-19 restrictions eased and return to workplace strategies were implemented. Locations included: <ul style="list-style-type: none"> • 1 Macarthur Street • 1 Treasury Place • 55 Collins Street • Werribee Library An on-site visit was unable to be conducted at 121 Exhibition Street. An on-site visit for this site and any other sites that were not inspected in this financial year, will be performed in 2022-23.	Quarterly site inspections completed by HSRs and DTF OHS Advisory Locations included: <ul style="list-style-type: none"> • 1 Macarthur Street • 1 Treasury Place • 55 Collins Street • Werribee Library This included a review of the furniture for the government hubs: <ul style="list-style-type: none"> • Bendigo
	Percentage of reported incidents investigated	Of the 11 incidents reported, 100 per cent of these incidents were investigated.	Of the 10 incidents reported, 100 per cent of these incidents were investigated.	Of the 13 incidents reported, 100 per cent of these incidents were investigated.
	No. of Improvement Notices issued across the Department by WorkSafe Inspector	None	None	None
OHSMS development and improvement	Percentage of issues identified actioned arising from: <ul style="list-style-type: none"> • internal audits 	Zero corrective actions were identified for DTF Policy and Procedures review	Zero corrective actions were identified for DTF Policy and Procedures review	Zero corrective actions were identified for DTF Policy and Procedures review
	<ul style="list-style-type: none"> • HSR provisional improvement notices • WorkSafe notices 	<ul style="list-style-type: none"> • nil issued • nil issued 	<ul style="list-style-type: none"> • nil issued • nil issued 	<ul style="list-style-type: none"> • nil issued • nil issued
	No. of procedures developed and/or approved	Six new DTF procedures were developed and approved.	Ongoing COVID-19 response included risk assessments, COVID-19 safe plan updates and COVID-19 vaccination policy. Reviewed and updated employee 'return to office' action plan.	One new DTF procedure was developed

Measure	KPI	2020-21	2021-22	2022-23
	No. of procedures reviewed and refined	47 DTF policies and procedures were reviewed.	Online compliance induction training procedures reviewed. Commenced review of all policies and procedures.	19 DTF policies and procedures were reviewed. Working from home risk assessment, review of Vaccination policy risk assessment, cold and flu policy consultation, emergency management plans for 1 Treasury and 1 Macarthur were reviewed.
Training	<p>Percentage of managers and staff that have received OHS training:</p> <ul style="list-style-type: none"> induction management training contractors, temps, and visitors 	<p>118 DTF employees have attended mental health and wellbeing training for people leaders.</p> <p>267 DTF employees and contractors have successfully completed OHS online learning modules through Wisetech Global. This reflects 33 per cent of DTF's FTE.</p> <p>75 (20 per cent) executive and senior DTF staff have completed Online Mental Health Training through Wisetech Global.</p> <p>COVID-19 issues have resulted in delays to training for First Aid Officers. As of 30 June 2021, one (1) newly appointed First Aid Officer (FAO) was to undergo FAO Induction and one FAO was scheduled for training in August 2021.</p> <p>Six FAOs had received training on HLT AID003 'Provide First Aid'. Four First Aid Officers had received training on HLT AID001 'Provide cardiopulmonary resuscitation'. DTF currently has four mental health trained First Aid Officers.</p>	<p>104 DTF employees have attended mental health and wellbeing training for people leaders.</p> <p>432 DTF employees and contractors have successfully completed OHS online learning modules through Wisetech Global until February, and the recently implemented Learning Management System (Kando Central) thereafter. This reflects 44 per cent of DTF's FTE.</p> <p>126 (30 per cent) executive and senior DTF staff have completed Online Mental Health Training through Wisetech Global until February, and then the recently implemented Learning Management System (Kando Central) thereafter.</p> <p>COVID-19 issues have resulted in delays to training for First Aid Officers. As of 30 June 2022, 11 newly appointed First Aid Officers (FAO) are to undergo FAO training and induction scheduled for August 2022 and two FAOs are scheduled for refresher training.</p> <p>Five FAOs had received training on HLT AID003 'Provide First Aid'. Four First Aid Officers had received training on HLT AID001 'Provide cardiopulmonary resuscitation'. DTF currently has four Mental Health trained First Aid Officers.</p>	<p>96 DTF employees have attended mental health and wellbeing training for people leaders.</p> <p>371 DTF employees and contractors have successfully completed OHS online learning modules through DTF's Learning Management System (Kando Central). This reflects 64 per cent of DTF's FTE.</p> <p>165 (28 per cent) executive and senior DTF staff have completed Online Mental Health Training through DTF's Learning Management System (Kando Central).</p> <p>As of 30 June 2023, seven newly appointed First Aid Officers (FAO) are to undergo FAO training and induction and one FAO is scheduled for refresher training.</p> <p>Sixteen FAOs had received training on HLT AID003 'Provide First Aid'. One First Aid Officers had received training on HLT AID001 'Provide cardiopulmonary resuscitation'. DTF currently has six Mental Health trained First Aid Officers.</p>
	<ul style="list-style-type: none"> executive officers training 	31 per cent of DTF executives have completed relevant training aligned with the VPS' Mental Health and Wellbeing Charter Framework.	24 per cent of DTF executives have completed relevant training aligned with the VPS' Mental Health and Wellbeing Charter Framework.	25 per cent of DTF executives have completed relevant training aligned with the VPS' Mental Health and Wellbeing Charter Framework.

Measure	KPI	2020-21	2021-22	2022-23
	<ul style="list-style-type: none"> management training 	38 per cent of DTF management staff have completed relevant training aligned with the VPS' Mental Health and Wellbeing Charter Framework.	35 per cent of DTF management staff have completed relevant training aligned with the VPS' Mental Health and Wellbeing Charter Framework.	41 per cent of DTF management staff have completed relevant training aligned with the VPS' Mental Health and Wellbeing Charter Framework.
	<ul style="list-style-type: none"> contractors, temps, and visitors 	n/a	n/a	n/a
	Percentage of HSRs trained:	On 30 June 2021, 100 per cent of DTF's HSRs have been provided with the opportunity to complete the WorkSafe Approved HSR Initial OHS Training as per DTF's legislative duties.	On 30 June 2022, 100 per cent of DTF's HSRs have been provided with the opportunity to complete the WorkSafe Approved HSR Initial OHS Training as per DTF's legislative duties.	On 30 June 2023, 100 per cent of DTF's HSRs have been provided with the opportunity to complete the WorkSafe Approved HSR Initial OHS Training as per DTF's legislative duties.
	<ul style="list-style-type: none"> upon acceptance of role (initial training) re-training (annual refresher) 	<ul style="list-style-type: none"> no vacancies currently exist <p>100 per cent WorkSafe Approved HSR Initial OHS Training was offered and is either scheduled or has been rejected by HSRs after being offered.</p>	<ul style="list-style-type: none"> expressions of interest open <p>100 per cent WorkSafe Approved HSR Initial OHS Training was offered and scheduled where required for HSRs, as this training is not mandatory.</p>	<ul style="list-style-type: none"> expressions of interest open <p>100 per cent WorkSafe Approved HSR Initial OHS Training was offered and scheduled where required for HSRs, as this training is not mandatory.</p>
	<ul style="list-style-type: none"> reporting of incidents and injuries 	<p>Investigations are led by OHS Advisory in consultation with the HSRs and relevant manager as appropriate.</p> <p>Zero per cent of HSR's were directly trained in reporting of incidents and injuries. Incident and injury management is however a standing agenda item of HSC.</p>	<p>Investigations are led by OHS Advisory in consultation with the HSRs and relevant manager as appropriate.</p> <p>All reported incidents have been investigated. Incident trends are reported on a quarterly basis including to the HSC.</p>	<p>Investigations are led by OHS Advisory in consultation with the HSRs and relevant manager as appropriate.</p> <p>All reported incidents have been investigated. Incident trends are reported on a quarterly basis including to the HSC.</p>
Hazards	No. of hazards reported	0	0	11
	Rate per 100 FTE	0	0	1.89 (FTE 580.50)
Corrective actions	No. of corrective actions	7	0	15
	Percentage of corrective actions completed	57 per cent.	0 per cent	100 per cent
		Three corrective actions were unable to be completed due to COVID-19 and the difficulties associated with access to the DTF buildings. These will be addressed once COVID-19 restrictions allow.		
OHSMS audits	No. of OHSMS audits conducted	0	0	0
	Percentage of workplaces audited	0	0	0
OHSMS implementation	Percentage of an averaged OHSMS audit score	0	0	0
Management participation in audits	Percentage of managers that have participated in the total no. of workplace audits conducted	0	0	0

Measure	KPI	2020-21	2021-22	2022-23
Mental health and wellbeing training	No. of senior management participating in departmental OHSMS review and evaluation per two-year cycle	0	0	0
	No. of mental health and wellbeing training initiatives/activities delivered	24	32	40
	Percentage of senior leaders, people leaders and staff that have completed mental health and wellbeing training: ^(d)	84 per cent	87 per cent	90 per cent
	<ul style="list-style-type: none"> senior leaders training people leaders training staff training 	31 per cent 38 per cent 83 per cent	24 per cent 35 per cent 21 per cent	21 per cent 26 per cent 32 per cent
	Evidence of staff having participated in at least two wellbeing initiatives/activities	<p>DTF currently does not have a system with the capability to track individual employees' training records to the extent required by this measure.</p> <p>The Department has opted into the Whole of Victorian Government implementation of the Human Capital Management (HCM) project. This includes a learning management system which allows for accurate tracking of training requirements moving forward.</p>	<p>Until February 2022 DTF did not have a system with the capability to track individual employees' training records to the extent required by this measure. However, with the implementation of a new Learning Management System (Kando Central), DTF will have the capability to report on this measure from the 2022-23 financial year.</p> <p>The Department has opted into the whole of Victorian Government implementation of the Human Capital Management (HCM) project. This includes a learning management system which allows for accurate tracking of training requirements moving forward.</p>	<p>Evidence of participation in at least two wellbeing initiatives/activities is available via DTF's Learning Management System (Kando Central).</p> <p>96 DTF employees have attended mental health and wellbeing training for people leaders.</p> <p>165 executive and senior DTF staff have completed Online Mental Health Training through DTF's Learning Management System (Kando Central).</p>
	Total percentage of staff participation at mental health and wellbeing initiatives/activities	<p>DTF currently does not have a system with the capability to track individual employees' training records to the extent required by this measure.</p> <p>The Department has opted into the whole of Victorian Government implementation of the Human Capital Management (HCM) project. This includes a learning management system which allows for accurate tracking of training requirements moving forward.</p>	<p>DTF currently does not have a system with the capability to track individual employees' training records to the extent required by this measure.</p> <p>The Department has opted into the whole of Victorian Government implementation of the Human Capital Management (HCM) project. This includes a learning management system which allows for accurate tracking of training requirements moving forward.</p>	60 per cent
Mental health and wellbeing audit	Mental injury 13-week claims as a percentage of total claims	0	0	0

Measure	KPI	2020-21	2021-22	2022-23
	Mental injury 26-week claims as a percentage of total claims	0	0	0
	Averaged fully developed costs – mental injury claims	\$0	\$0	\$0
	Average no. of days/shifts lost per workers' compensation claim for mental injury	0	0	0
	No. of workers' compensation claims for mental injury by industry groups	0	0	0
	Evidence of department completing the mental health self-assessment tool	Completed	Completed	Completed
	Staff appointed as peer support officers who have attended relevant training:			
	No. of staff appointed as peer support officers	12	3	4
	Percentage of staff appointed as peer support officers (or equivalent)	12	12	11
		2 per cent	1 per cent	2 per cent

Notes:

(a) Victorian WorkCover Authority (VWA) supplied data. Data for standardised claims, time lost claims and death claims is as of 30 June 2023. Standardised claims are those that have exceeded the employer excess or are registered as a standard claim and are open with no payments at the time of extraction.

(b) VWA supplied data. A time lost claim is one with one or more days compensated by the VWA (after employer excess) at the time of extraction. They are a subset of standardised claims.

(c) VWA supplied data based on claims reported between 1 July 2022 and 30 June 2023. Claims include payments to date plus an estimate of outstanding claims costs (further costs as calculated by the VWA's statistical case estimate model).

(d) Figures reflect the percentage of staff who have completed training within the financial year 2022-23.

Appendix 3 Environmental reporting

Office-based environmental impacts

DTF monitored the environmental impacts of its operations during 2022-23. This was undertaken via DTF's office-based environmental management system (EMS), which is based on international standard AS/NZS ISO14001, Environmental Management Systems Requirements.

The office-based EMS controls all operational activities within DTF's offices and aims to minimise the generation of waste and the use of energy, water, paper, travel, vehicle fleet and greenhouse gas emissions during operations.

Changes in DTF's 2022-23 energy, water, paper, travel, vehicle fleet and greenhouse gas emissions have been influenced by the normalisation of hybrid working practices post COVID19. Historical data from 2019-20 through 2021-22 were influenced by the impacts of COVID-19, in particular 2020-21 and 2021-22.

The suite of environmental indicators presented below is based on the Financial Reporting Direction 24.

This report includes DTF functions that moved to other departments due to machinery of government changes that came into effect 1 January 2023. Most of these functions remain within DTF premises, providing comparable outputs to previous years data.

Relevant functions will be captured by their new home departments in 2023-34 reporting.

Glossary

FTE	full time equivalent employee
kg	kilograms
kL	kilolitres
km	kilometres
L	Litres
LPG	liquefied petroleum gas
m ²	metres squared
MJ	megajoules
Ream	500 sheets of A4 paper
t CO ₂ -e	tonnes of CO ₂ equivalent

Energy use

The Department's energy consumption comprises its main CBD office facilities. Core DTF staff were located at 1 Treasury Place, 1 Macarthur Street and 55 Collins Street.

Indicator	2022-23 ^(a)	2021-22 ^(b)	2020-21
Total energy usage segmented by primary source (MJ)	8 526 509	8 223 107	8 262 478
Electricity (MJ) – excluding green power	6 091 452	5 818 371	5 884 030
Natural gas (MJ)	2 435 057	2 404 736	2 397 445
Green power (MJ)	–	–	–
LPG (MJ)	–	–	–
Total greenhouse gas emissions from energy consumption (t CO₂-e)	1 402.5	1 872	1 893
Electricity (t CO ₂ -e) – excluding green power	1 277	1 751	1 760
Natural gas (t CO ₂ -e)	125.5	122	130
LPG (t CO ₂ -e)	–	–	–
Percentage of electricity purchased as green power	–	–	–
Units of office energy used per FTE (MJ/FTE) ^(c)	9 846	9 059 ^(d)	10 175
Units of office energy used per office area (MJ/m²) ^(c)	720	687	698

Notes:

(a) The 2022-23 figures in this Annual Report contains accrued values for Natural Gas.

(b) The figures for the year 2021-22 in the 2021-22 Annual Report contained accrued values. The values for 2021-22 in this annual report have been updated to actual invoiced values.

(c) Figure excludes Invest Victoria's total FTE and office area m² as energy use for 121 Exhibition Street space is reported by the Department of Jobs, Skills, Industries and Regions.

(d) The 1 Macarthur Street building was closed to staff for six months (November 2021–May 2022) due to building works. Energy use from the temporary accommodation at a co-working facility is not included.

Actions undertaken

- Prior to machinery of government changes which came into effect on 1 January 2023, DTF delivered the Greener Government Buildings program, funding \$93.8 million in energy efficiency and renewable energy projects. This program was moved to Department of Transport and Planning and there are currently no DTF projects under the program.

Targets

- Implement government policy initiatives to embed Environmentally Sustainable Design processes to new plant and equipment projects, and office fit out projects delivered by the Shared Service Provider. From 2021 onward, all new government office buildings and tenancy fit outs require a minimum 5-Star NABERS energy rating and 5star Green Star ratings from 2021. Government leases will also preference 5-star NABERS or higher-rated buildings and those where a landlord signs a Green Lease Schedule to manage the ongoing environmental impact of the building, including achieving and maintaining NABERS ratings during the term of the lease.

- Reduce electricity consumption through better use of IT.
- Energy efficiency improvements to Treasury Reserve infrastructure including heating ventilation and air conditioning as well as building management system upgrades.

Result

- Total energy consumption increased by less than 5 per cent in 2022-23 compared with 2021-22. The lower consumption recorded across the previous two financial years is largely reflective of the sustained reduction in office attendance due to COVID-19.

Paper use

Paper use covered staff located in 1 Treasury Place, 1 Macarthur Street, 121 Exhibition Street, 35 Collins Street, 570 Bourke Street, and 533 Little Lonsdale Street.

Indicator	2022-23	2021-22 ^(a)	2020-21 ^(b)
Total units of A4 equivalent copy paper used (reams)	869	349	577
Units of A4 equivalent copy paper used per FTE (reams/FTE)	1.00	0.36	0.71
Percentage of 75-100 per cent recycled content	46	53	81
Percentage of 50-74 per cent recycled content	–	–	–
Percentage of 0-49 per cent recycled content	54	47	19
Optional indicators			
Total units of A4 equivalent paper used in publications (reams)	1 851	1 768	3 625 ^(a)

Notes:

(a) The 1 Macarthur Street building was closed to staff for six months (November 2021–May 2022) due to building works. There were no printing facilities available to staff at the temporary co-working accommodation facility.

(b) The 2020-21 value reflects the delayed publication of the 2020-21 state budget to later in 2020.

Actions undertaken

- Continued digital practices for reviewing and collaborating on documents, reducing the requirement to print hard copies.
- DTF continues to direct stakeholders to online versions as an alternative.
- Following an audit revealing a decrease in office-based printing and copying activities, over 25 per cent of printers were removed from 1 Macarthur, 1 Treasury and 55 Collins Street in December 2022.

Targets

- A reduction in the units of A4 equivalent copy paper used per FTE in 2023–24.
- Continued use of paperless alternatives for document review and collaboration.

Result

- Paper use has increased from the previous two financial years in line with a return to office-based activities and reduced COVID-19 restrictions but remains significantly lower than pre-COVID use.

Explanatory notes

- Increase in paper use from 2022-23 is indicative of the rise in office attendance and hybrid working practices.
- Paper use for 2022-23 represents approximately 17 per cent of pre-COVID paper use when considering total units of copy paper in 2019-20 (not outlined in this report).
- The overall decline in paper use in 2020-21 and 2021-22 is due to an increase in IT collaboration solutions, digital signatures and working from home because of COVID-19.
- The higher 2020-21 results for paper used in publications is reflective of two budgets being delivered in the same financial year.
- Invest Victoria (121 Exhibition Street), Essential Services Commission (570 Bourke Street), and Housing Registrar (533 Little Lonsdale Street) procure under DTF's state purchase contract.

Water consumption

Water data covered staff located in 1 Treasury Place and 1 Macarthur Street.

Indicator	2022-23 ^(a)	2021-22 ^(b)	2020-21 ^(c)
Total water consumption (kilolitres)	3 158	2 618 ^(d)	2 242
Units of office water used per FTE (kilolitres/FTE) ^(e)	4	2.92	2.76
Units of office water used per office area (kilolitres/m ²) ^(e)	0.28	0.20	0.189

Notes:

(a) The 2022-23 figures in this annual report contain accrued values.

(b) The figures for the year 2021-22 in the *2021-22 Annual Report* contained accrued values. The values for 2021-22 in this annual report have been updated to actual invoiced values.

(c) The figures for the year 2020-21 in the *2020-21 Annual Report* contained accrued values. The values for 2020-21 in this annual report have been updated to actual invoiced values.

(d) The figures for the year 2021-22 for total water consumption have been restated from 1 537 to 2 618 to correct a calculation error.

(e) Figure excludes Invest Victoria's total FTE and office area m² as water use for 121 Exhibition Street space is reported by the Department of Jobs, Precincts and Regions. Figure also excludes 55 Collins Street total FTE and office area m² as water usage for this building is not separately metered.

Actions undertaken

- Upgrades to plumbing infrastructure at 1 Macarthur Street and 1 Treasury Place occurred in 2019-20. Additional further infrastructure upgrades have not been required.
- Promotion of hybrid working, allowing staff to attend the office part time.

Result

- Water consumption increased by 17 per cent from the previous year in line with return to office activities post COVID-19 and the introduction of hybrid working in 2022-23.
- Water consumption has decreased by 60 per cent in comparison to 2019-20 (not outlined in this report), indicating that DTF has not returned to its pre-COVID consumption rates. This is due to hybrid working practices and a reduction in the number of staff attending the office regularly, creating less demand on resources.

Explanatory notes

- Water consumption data for 55 Collins Street is not available as the floors are not separately metered. Apportionment for this office space is difficult to determine as the water data covers the entire Collins Place precinct, including office towers, a hotel and a public food court and retail offer.
- Water consumption data for 121 Exhibition Street is captured by Department of Jobs, Precincts and Regions.
- 1 Macarthur Street building was closed to staff for six months (November 2021 to May 2022) due to building works. Water use from the temporary accommodation at a co-working facility is not included.

Travel and transport

The Department utilises vehicles from SSP Car Pool Services and VicFleet for its operational car travel.

Indicator	2022-23	2021-22	2020-21
Total energy consumption by fleet vehicles (MJ)	67 478	79 942	43 866
Diesel	4 078	27 445	23 458
LPG	–	–	–
Unleaded	33 435	29 754	9 027
Hybrid	29 947	22 743	11 381
Total distance travelled by fleet vehicles (km)	36 507	24 293	18 007
Diesel	2 071	9 625	8 484
LPG	–	–	–
Unleaded	14 792	6 718	3 572
Hybrid	19 429	7 950	5 951
Total greenhouse gas emissions from fleet vehicles (t CO₂-e)	4.57	5.59	3.08
Diesel	0.29	1.93	1.65
LPG	–	–	–
Unleaded	2.26	2.07	0.63
Hybrid	2.03	1.59	0.79
Greenhouse gas emissions from fleet vehicles per 1000km (t CO₂-e)	0.13	0.23	0.17
Diesel	0.14	0.20	0.19
LPG	–	–	–
Unleaded	0.15	0.31	0.18
Hybrid	0.10	0.20	0.13
Total distance travelled by air (km)	523 849	136 999	5 933

Notes:

(a) Total energy consumption by fleet vehicles for Hybrid and Unleaded is calculated based on proportion of vehicle kilometres travelled.

(b) Greenhouse gas emissions from fleet vehicles per 1000km Hybrid and Unleaded is calculated based on proportion of vehicle kilometres travelled.

Number and proportion of vehicles in the organisational boundary segmented by vehicle category and engine/fuel type (number and percentage)

Indicator	Number	%
Road vehicles	64	100.00
Passenger vehicles	60	93.75
Internal combustion engines	31	48.44
Petrol	28	43.75
Diesel/biodiesel	3	4.69
LPG	0	0
Hybrid	28	43.75
Electric propulsion	1	0.76
Buses	4	3.03
Internal combustion engines	4	3.03
Petrol	2	1.52
Diesel/biodiesel	2	1.52

Actions undertaken

- DTF continues to encourage staff to use video conferencing.
- Corporate Travel Management (CTM) offset their carbon footprint through the CTM Climate+ program. CTM Climate+ enables businesses to offset the carbon emissions created by their air, hotel, car rental and rail travel by supporting a range of environmental sustainability initiatives including rainforest conservation, sustainable livelihood programs, wildlife protection and renewable energy.

Result

- Total energy consumption by fleet vehicles decreased by 15 per cent in 2022-23. Despite an increase in Carpool trips in line with a return to in-person work post COVID restrictions, only one fleet vehicle was active in the 2022-23 period, compared to three vehicles in 2021-22.
- The increase in carpool trips also reflects fewer or shorter trips with diesel vehicles with a shift towards hybrid and petrol vehicles, which also had a positive impact on the greenhouse gas emissions.
- No state and international border entry restrictions were in place during 2022-23, seeing some resumption of domestic and international air travel.
- Electricity used to charge vehicles at DTF sites is not metered separately and is included in the total electricity consumption.

Explanatory notes

- Air travel data was provided by the State Government booking agency CTM.
- Vehicle travel data includes DTF hire car usage from SSP car pool services as provided by the Shared Service Provider and VicFleet data.
- Vehicle travel does not include executive vehicles including salary packaged and chauffeur driven vehicles (but not novated lease vehicles), taxis, rideshare and short-term rentals.

Waste and recycling

The waste data in the indicators below includes data from the three kitchen waste streams (landfill, recycling, and compost) as well as data from paper and cardboard bins. Ad-hoc office clean-up activities where increased collection rates and extra bins were employed are also included in the output.

Printer cartridges at 1 Treasury Place and 1 Macarthur Street are collected and deposited of separate to general waste. DTF does not currently have dedicated collection for batteries or soft plastics.

Indicator	2022-23	2021-22 ^(a)	2020-21 ^(a)
Total units of waste disposed of by destination (kg)	32 433	–	–
Landfill (kg)	20 915	–	–
Co-mingled recycling (kg)	840	–	–
Paper and card (kg)	4 455	–	–
Secure documents (kg)	–	–	–
Organics (kg)	6 224	–	–
Total units of waste disposed of by destination (%)	100	–	–
Landfill (%)	64.49	–	–
Co-mingled recycling (%)	2.59	–	–
Paper and card (%)	13.74	–	–
Secure documents (%)	–	–	–
Organics (%)	19.19	–	–
Total units of waste disposed of per FTE by destination (kg/FTE)	41.85	–	–
Landfill (kg/FTE)	26.99	–	–
Co-mingled recycling (kg/FTE)	1.08	–	–
Paper and card (kg/FTE)	5.75	–	–
Secure documents (kg/FTE)	–	–	–
Organics (kg/FTE)	8.03	–	–
Recycling rate (per cent)	35.52	–	–
Greenhouse gas emissions associated with waste (t CO₂-e)	27.19	–	–

Notes:

(a) Due to the impact of COVID-19 work from home directives, a waste audit for 2021-22 was not undertaken in line with actions undertaken in 2020-21. DTF considers applying an adjustment based on FTE using the 2018-19 waste audit (the method undertaken for 2019-20) would not be an accurate reflection of DTF's waste and recycling over the 2021-22 year, as most staff did not attend the office for significant portions of 2021-22 and 2020-21.

Actions undertaken

- Signage in kitchens has been maintained to encourage staff to place waste in the correct waste stream.
- In line with the introduction of hybrid working practices, staff moved to a neighbourhood model within the office which included a clear desk policy, extensive clear-out activities and removal of erroneous office items/furniture.
- Damaged office furniture was removed during an office-clear out in 2022-23.
- Continued use of Teams and SharePoint to provide a paperless alternative to document sharing and collaboration.

Targets

- Continued increase in the uptake of paperless alternatives (Teams, SharePoint) for project collaboration and document sharing to further reduce excess paper waste.
- A decline in the total units of landfill waste disposed of per FTE in 2023-24.

Result

- Comparative data is not available as waste audits were not undertaken in 2021-22 or 2020-21. Extrapolating the pre-COVID data from would not provide accurate comparison as most staff did not attend the office for significant portions of these years.
- Progress towards achieving a reduction in the total units of landfill waste disposed of per FTE will be reported in future years.

Explanatory notes

- An extensive office clear-out activity occurred during October 2022 to facilitate intra office moves. Additional landfill and recycling bins were provided to staff during this time and were emptied at an increased frequency.
- The 2022-23 waste data was collected from waste audits conducted at 1 Treasury Place and 1 Macarthur Street, which accounts for 90 per cent of staff. This waste audit did not include Invest Victoria staff located at 121 Exhibition Street or SSP staff located at 55 Collins Street. Waste data is not available for 55 Collins Street. The FTE employee figure used to estimate 2022-23 results excludes those teams.

Greenhouse gas emissions

The emissions disclosed in this section are taken from the previous sections and brought together here to show the Department's greenhouse footprint.

Indicator	2022-23	2021-22	2020-21
Total greenhouse gas emissions associated with energy use (t CO ₂ -e)	1 277	1 872 ^(a)	1 893
Total greenhouse gas emissions associated with vehicle fleet (t CO ₂ -e)	4.57	5.59	3.08
Total greenhouse gas emissions associated with air travel (t CO ₂ -e)	112	39.07	1.18
Total greenhouse gas emissions associated with waste disposal (t CO ₂ -e)	27	–	–
Greenhouse gas emissions offsets purchased (t CO ₂ -e)	112.28	39.07	1.18

The values in this Annual Report have been updated to their actual invoiced values.

Note:

(a) These figures previously contained accrued values from prior annual reports.

Sustainable procurement

DTF has undertaken procurement activities that are environmentally responsible and support the objectives of DTF and the whole of government. These activities were formally transferred to the Department of Government Services from 1 January 2023 due to machinery of government changes and will be reported by DGS in the future.

In 2022, DTF's sustainable procurement activities included:

- incorporating environmental requirements in tender specifications and contractual commitments, on relevant projects over \$20 million
- monitoring supplier compliance with environmental sustainability commitments
- managing two electricity state purchase contracts (SPCs) which include renewable (green) energy options for government buyers of up to 100 per cent. Between 2021-22 and 2022-23, the uptake of green power increased by approximately 67 per cent
- implementing government policy initiatives towards achieving net-zero emissions by transitioning 400 vehicles in the government fleet to zero emission vehicles, including the procurement of associated electric vehicle charging infrastructure. DTF has delivered 394 charging stations and procurement of electric vehicles continues
- the DTF Social Procurement Assurance team providing specialised support and advice across government on high-value projects during procurement planning, development of tender documentation and participating in evaluation and contract negotiation to ensure that social outcomes, including sustainability objectives under the Social Procurement Framework, are effectively embedded into government projects
- reviews of selected projects under contract have also been undertaken as part of the compliance activities
- managing the current extension to the stationery and workplace consumables SPC, which has expanded environmentally sustainable objectives to achieving net zero emissions in 2023 and 100 per cent renewable energy in 2023. This includes engaging an offset program to offset any carbon that is unable to be eliminated and the removal of all single use plastic items from its catalogue.

Sustainable buildings and infrastructure

No DTF owned buildings have a NABERS Rating. Where NABERS Ratings exist for leased premises, this is listed below.

Site	Base building rating		Tenancy rating
	Energy	Water	Energy
1 Treasury Place	–	–	–
1 Macarthur Street	–	–	–
121 Exhibition Street	5	5.5	5
55 Collins Street	–	–	–

No NABERS Ratings have been conducted as part of incremental fit out works conducted in 2022-23. Any improvement works conducted would not significantly change the building’s interior or energy consumption to the extent which would translate into materially different NABERS performance.

Leases negotiated on behalf of the Entity by SSP and JLL are done so with a Green Lease Schedule incorporated into the Standard Government Lease. During each lease negotiation the Green Lease Schedule is put forward to the landlord or managing agent including where lease option periods are being executed. The Green Lease Schedule outlines obligations on both the landlord and tenant to maintain the property and or premises to a minimum required NABERS Rating for energy, water, waste and/or indoor environment.

There are no entity owned assets that SSP manage with a current NABERS Rating.

Currently, 55 Collins Street is exempt from a NABERS rating due to its metering limitation. The Collins Street precinct is currently undergoing metering upgrades to enable its towers to have independent NABERS rating. Previously the complex (including the food court, retail stores, hotel, office towers and cinema) was covered by one supply, however this is progressively being teased apart and should allow NABERS ratings to be measured in the future.

No new buildings were commissioned by DTF during 2022-23.

There are no newly completed DTF-owned non-office building or infrastructure projects or upgrades with a value over \$1 million.

Appendix 4 Statutory compliance and other information

Legislation administered by DTF portfolios

During the 2022-23 financial year, the General Order dated 27 June 2022 (in place at 1 July 2022) was supplemented by the Supplement to the General Order dated 22 July 2022. The Supplement altered arrangements for the joint administration of the *Planning and Environment Act 1987* to include the Minister for Environment and Climate Action. The *Planning and Environment Act 1987* was previously jointly administered by only the Treasurer and the Minister for Planning.

The General Order dated 27 June 2022 (as supplemented) was replaced by the General Order dated 20 October 2022, under which specific sections of the *Interpretation of Legislation Act 1984* were added to the Assistant Treasurer's responsibilities (jointly with the Attorney-General). The Assistant Treasurer also assumed additional responsibility for Part 7C and section 59 of the *Financial Management Act 1994* (jointly with the Treasurer).

The General Order dated 20 October 2022 was replaced by the General Order dated 5 December 2022. Under this, Acts for which the Minister for Regulatory Reform was responsible became the responsibility of the Assistant Treasurer and Treasurer, specifically: sections of the *Constitution Act 1975* became the Assistant Treasurer's responsibility (jointly with the Attorney-General, Minister for Government Services and the Premier), and the *Mutual Recognition (Victoria) Act 1998* became the Treasurer's sole responsibility. The Minister for Economic Development's responsibility for the *Agent-General and Commissioners for Victoria Act 2007* became the Minister for Trade and Investment's responsibility. The Assistant Treasurer and Treasurer's joint responsibility for Part 7A of the *Financial Management Act 1994* was further jointly shared with the Minister for Government Services.

The General Order dated 5 December 2022 was supplemented by the Supplement to the General Order effective 13 December 2022, under which the Assistant Treasurer's responsibility for the *Transport Accident Act 1986* became the responsibility of the Minister for Roads and Road Safety and Minister for WorkSafe and the TAC. The General Order dated 5 December 2022 was further supplemented by Supplement to the General Order effective 31 January 2023, under which the Treasurer and Assistant Treasurer's joint responsibility for Part 7A of the *Financial Management Act 1994* became the sole responsibility of the Minister for Government Services.

On 1 January 2023, machinery of government changes announced by the Premier took effect to restructure the Victorian Public Service. In addition to its existing role supporting the Treasurer and Assistant Treasurer, the Department of Treasury and Finance became responsible for supporting the Minister for WorkSafe and the TAC. The changes in responsibility for the Treasurer and Assistant Treasurer are as noted above. There were no changes in responsibility for the Minister for WorkSafe and the TAC under the General Order dated 5 December (as supplemented on 13 December 2022 and 31 January 2023).

For reporting purposes, the legislation administered by DTF's Ministers under the General Order dated 5 December 2022 (as supplemented on 13 December 2022 and 31 January 2023) has been included in the 2022-23 Annual Report. References to responsibilities of other Ministers are, for convenience, provided under their current titles.

1 July 2022 – 30 June 2023

Treasurer

Alcoa (Portland Aluminium Smelter) Act 1980

Appropriation Acts (passed annually)

Audit Act 1994 – except:

- Sections 10-13, 19, 22-28 and 57 (these sections are administered by the Assistant Treasurer)
- Sections 15, 78 and 84 (these sections are jointly and severally administered with the Assistant Treasurer)

Back to Work Act 2015

Bank Integration Act 1992

Borrowing and Investment Powers Act 1987

Business Franchise (Petroleum Products) Act 1979

Commonwealth Places (Mirror Taxes Administration) Act 1999

Competition Policy Reform (Victoria) Act 1995

Congestion Levy Act 2005

Co-operative Housing Societies Act 1958

Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Act 2016

Duties Act 2000

Educational Institutions (Guarantees) Act 1976

Electricity Industry (Residual Provisions) Act 1993

Financial Agreement Act 1994

Financial Management Act 1994 – except:

- Sections 1-3 and 7 (these provisions are jointly administered with the Assistant Treasurer)
- Parts 7, 7B, 8, sections 5, 6, 8, 13-16, 18-23(1), 27A-27C and 62-63 (these provisions are administered by the Assistant Treasurer)
- Part 7A (these provisions are administered by the Minister for Government Services)
- Part 7C and section 59 in so far as it relates to the prescription of a matter for the purposes of Part 7C (these provisions are jointly administered with the Assistant Treasurer)

Financial Sector Reform (Victoria) Act 1999

Fire Services Property Levy Act 2012

First Home Owner Grant Act 2000

Gambling Regulation Act 2003 –

- Section 3.4.33
- Section 4.3.12
- Section 6A.4.2
- Division 1 of Part 3 of Chapter 10
- Part 6A of Chapter 4

(The Act is otherwise administered by the Minister for Casino, Gaming and Liquor Regulation and the Minister for Racing)

Gas and Fuel Corporation (Heatane Gas) Act 1993

Gas Industry (Residual Provisions) Act 1994

Grain Handling and Storage Act 1995 – except:

- Part 3 (this Part is administered by the Minister for Agriculture)

Infrastructure Victoria Act 2015

Land Tax Act 2005

Loy Yang B Act 1992

Melbourne Cricket Club Act 1974

Monetary Units Act 2004

Mutual Recognition (Victoria) Act 1998

National Taxation Reform (Consequential Provisions) Act 2000

New Tax System Price Exploitation Code (Victoria) Act 1999

North East Link Act 2020 –

- Section 13(4) (this provision is jointly administered with the Minister for Transport and Infrastructure)

(The Act is otherwise administered by the Minister for Transport and Infrastructure)

Occupational Licensing National Law Repeal Act 2016

Parliamentary Budget Officer Act 2017

Payroll Tax Act 2007

Planning and Environment Act 1987 –

- Part 9B (this Part is jointly and severally administered with the Minister for Planning)

(The Act is otherwise administered by the Minister for Planning)

Port Management Act 1995 –

- Sections 160, 171 and 173
(The Act is otherwise administered by the Assistant Treasurer and the Minister for Ports and Freight)

Public Authorities (Dividends) Act 1983

Snowy Hydro Corporatisation Act 1997

State Bank (Succession of Commonwealth Bank) Act 1990

State Electricity Commission Act 1958 – except:

- Section 107 (this section is administered by the Minister for Energy and Resources)
(The Act is otherwise jointly and severally administered with the Minister for the State Electricity Commission)

State Owned Enterprises Act 1992 – except:

- Division 2 of Part 2 in so far as it relates to the CenITex (in so far as they relate to that matter, these provisions are administered by the Minister for Government Services)
- Division 2 of Part 2 in so far as it relates to the Victorian Plantations Corporation (in so far as they relate to that matter, these provisions are administered by the Minister for Environment)
- Division 2 of Part 2 in so far as it relates to the Water Training Centre (in so far as they relate to that matter, these provisions are administered by the Minister for Water)
- Division 2 of Part 2 and Part 3 in so far as they relate to the Victorian Interpreting and Translating Service (in so far as they relate to that matter, these provisions are administered by the Minister for Multicultural Affairs)

State Trustees (State Owned Company) Act 1994 – except:

- Part 4 (this Part is jointly and severally administered by the Minister for Child Protection and Family Services and the Minister for Disability, Ageing and Carers)

Taxation Administration Act 1997

Taxation (Interest on Overpayments) Act 1986

Trans-Tasman Mutual Recognition (Victoria) Act 1998

Treasury Corporation of Victoria Act 1992

Trustee Companies Act 1984 –

- The Act is jointly administered with the Attorney-General

Victorian Funds Management Corporation Act 1994

Windfall Gains Tax and State Taxation and Other Acts Further Amendment Act 2021

Workers Compensation Act 1958 –

- Division 8 of Part 1
(The Act is otherwise administered by the Minister for WorkSafe and the TAC)

Assistant Treasurer

Audit Act 1994 –

- Sections 10-13, 19, 22-28 and 57
- Sections 15, 78 and 84 (these sections are jointly and severally administered with the Treasurer)

(The Act is otherwise administered by the Treasurer)

Casino Control Act 1991 –

- Section 128K(2)
(The Act is otherwise administered by the Minister for Casino, Gaming and Liquor Regulation and the Minister for Planning)

Coal Mines (Pensions) Act 1958

Constitution Act 1975 –

- Section 88 in so far as it relates to the appointment of the Commissioner for Better Regulation
(The Act is otherwise administered by the Attorney-General, the Minister for Government Services and the Premier)

Crown Land (Reserves) Act 1978 –

- In so far as it relates to the land shown as:
 - Crown Allotments 2A, 3 and 4 of Section 5, City of Melbourne, Parish of Melbourne North (Parish Plan No. 5514C) and known as the Treasury Reserve
 - Crown Allotments 4A and 4B on Certified Plan 111284 lodged with the Central Plan Office and to be known as the Old Treasury Building Reserve

(The Act is otherwise administered by the, the Minister for Corrections, the Minister for Environment, the Minister for Health, the Minister for Planning, the Minister for Ports and Freight, the Minister for Tourism, Sport and Major Events and the Premier)

Emergency Services Superannuation Act 1986

Essential Services Commission Act 2001

Financial Management Act 1994 –

- Sections 1-3 and 7 (these provisions are jointly administered with the Treasurer)
- Parts 7, 7B and 8, sections 5, 6, 8, 13-16, 18-23(1), 27A-27C and 62-63
- Part 7C and section 59 in so far as it relates to the prescription of a matter for the purposes of Part 7C (these provisions are jointly administered with the Treasurer)

(The Act is otherwise administered by the Minister for Government Services and the Treasurer)

Government Superannuation Act 1999

Housing Act 1983 –

- Divisions 1-5, 7-9 of Part VIII, Schedules 7 and 8
- Sections 143(1), 143(2)(d), 143(2)(e), 143(2)(f), 143(2)(i) and 143(3) (these provisions are jointly and severally administered with the Minister for Housing)
(The Act is otherwise administered by the Minister for Housing)

Interpretation of Legislation Act 1984 –

- Sections 38M to 38P (these sections are jointly and severally administered with the Attorney-General)
- Section 65 in so far as it relates to the prescription of a matter for the purposes of sections 38M-to 38P (in so far as it relates to those matters, this section is jointly and severally administered with the Attorney-General)

Land Act 1958 –

- In so far as it relates to the exercise of powers relating to leases and licences under Subdivisions 1 and 2 of Division 9 of Part I in respect of:
 - land in the Melbourne Casino area within the meaning of Part 9A of the Casino Control Act 1991
 - Crown land coloured brown on Plans numbered LEGL./93-211, LEGL./93-212, LEGL./93-213, LEGL./93-214 and LEGL./93-215 lodged in the Central Plan Office
 - land shown as Crown Allotment 32E, Section 7 on Certified Plan No. 108871 lodged in the Central Plan Office
 - land shown as Crown Allotment 4A, Section 1A on Certified Plan No. 75050 lodged in the Central Plan Office

- land shown as Crown Allotment 4D, Section 1A on Certified Plan No. 112128 lodged in the Central Plan Office
- the area of 3643 square metres of land in the city of Port Melbourne as shown on Plan LEGL./96-216 lodged in the Central Plan Office
- land shown as Crown Allotment 4, Section 1A on Certified Plan No. 109991 lodged in the Central Plan Office
- Division 6 of Part I, Subdivision 3 of Division 9 of Part I, section 209 and the remainder of the Act where it relates to the sale and alienation of Crown Lands as set out in Administrative Arrangements Order No. 58
- Sections 201, 201A and 399 except in so far as they relate to the land described as Crown Allotment 16 of Section 5, Elwood, Parish of Prahran being the site of the former Elwood Police Station (except in so far as they relate to that land, these provisions are jointly administered with the Minister for Environment)
- Sections 201, 201A and 399 in so far as they relate to the land described as Crown Allotment 16 of Section 5, Elwood, Parish of Prahran being the site of the former Elwood Police Station (in so far as they relate to that land, these provisions are jointly administered with the Attorney-General)

(The Act is otherwise administered by the Attorney-General, the Minister for Corrections, the Minister for Creative Industries, the Minister for Environment, the Minister for Government Services, the Minister for Health, the Minister for Health Infrastructure, the Minister for Ports and Freight and the Minister for Roads and Road Safety)

Parliamentary Salaries, Allowances and Superannuation Act 1968 –

- Sections 6(6), 9K(3), 9K(5) and 9L
 - Part 3
- (The Act is otherwise administered by the Minister for Government Services and the Premier)

Petroleum Products Subsidy Act 1965

Police Regulation (Pensions) Act 1958 –

- Part III
- (The Act is otherwise administered by the Minister for Police)

Port Management Act 1995 –

- Sections 63A-63J
- (The Act is otherwise administered by the Minister for Ports and Freight and the Treasurer)

Project Development and Construction Management Act 1994 –

- Part 4
- (The Act is otherwise administered by the Minister for Planning, the Minister for Transport and Infrastructure and the Premier)

State Employees Retirement Benefits Act 1979

State Superannuation Act 1988

Superannuation (Portability) Act 1989

Transport Superannuation Act 1988

Unclaimed Money Act 2008

Victorian Managed Insurance Authority Act 1996

Workplace Injury Rehabilitation and Compensation Act 2013 –

- Sections 492-495 in so far as they relate to WorkSafe's budget, financial reporting and management of the WorkCover Authority Fund (in so far as they relate to those matters, these sections are jointly administered with the Minister for WorkSafe and the TAC)
 - Sections 515-518 (these sections are jointly administered with the Minister for WorkSafe and the TAC)
- (The Act is otherwise administered by the Attorney-General and the Minister for WorkSafe and the TAC)

Minister for WorkSafe and the TAC

Accident Compensation Act 1985

Accident Compensation (Occupational Health and Safety) Act 1996

Asbestos Diseases Compensation Act 2008

Dangerous Goods Act 1985

Equipment (Public Safety) Act 1994

Occupational Health and Safety Act 2004

Transport Accident Act 1986 – except:

- Sections 11-14 in so far as they relate to the Transport Accident Commission's budget, financial reporting and management of the Transport Accident Fund (in so far as they relate to those matters, these sections are jointly administered with the Minister for Roads and Road Safety)
- Sections 29, 29A and 29B (these sections are jointly administered with the Minister for Roads and Road Safety)

(The Act is otherwise administered jointly and severally with the Minister for Roads and Road Safety)

Workers Compensation Act 1958 – except:

- Division 8 of Part 1 (this Division is administered by the Treasurer)

Workplace Injury Rehabilitation and Compensation Act 2013 – except:

- Division 1 of Part 6 (this Division is administered by the Attorney-General)
- Sections 492-495 in so far as they relate to WorkSafe's budget, financial reporting and management of the WorkCover Authority Fund (in so far as they relate to those matters, these sections are jointly administered with the Assistant Treasurer)
- Sections 515-518 (these sections are jointly administered with the Assistant Treasurer)

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

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

During 2022-23, the Department of Treasury and Finance commenced one Local Jobs First Standard Project with a value of \$9.9 million and a commitment of 79.9 per cent local content. No regional or statewide projects commenced. The commitments to outcome from the implementation of the Local Jobs First policy for this project is as follows:

- 79.9 per cent of local content
- the retention of 0.87 standard employees in Victoria and 0.22 across Australia/New Zealand.

During 2022-23, DTF completed two Local Jobs First Standard Projects with a combined value of \$7 million. One project was statewide and one project was located in metropolitan Melbourne. The commitments to outcomes from the implementation of the Local Jobs First policy to these projects are as follows:

- 100 per cent local content
- the creation of 2.4 annual employee equivalent new jobs and the retention of 11 local jobs
- the engagement of 16 small to medium-sized businesses through the supply chain.

There were no strategic projects commenced or completed and the MPSG did not apply to any of DTF's Local Jobs First projects.

Implementation of the Social Procurement Framework

Victoria is committed to social procurement and has established the Social Procurement Framework.

The Framework enables buyers and suppliers to use government buying power to deliver social, economic and environmental outcomes that benefit the Victorian community, the economy and the environment.

DTF has a social procurement strategy that outlines its approach to implementing the Framework, which was implemented late 2018.

In 2022-23, DTF continued to prioritise the following Social Procurement Framework objectives:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with disability
- women's equality and safety
- opportunities for disadvantaged Victorians
- supporting safe and fair workplaces
- sustainable Victorian social enterprises and Aboriginal business sectors.

In its strategy, DTF has also identified a number of opportunities for increasing its direct social procurement. These included:

- identifying social benefit suppliers through the print state purchase contract
- identifying social benefit suppliers for use in strategic communications work
- continuing to use social enterprises for group training.

The previously published strategies of ensuring that at least 50 per cent of any catering be procured through social benefit suppliers and increasing the use of social benefit suppliers for venue hire, have continued to be challenging to implement in a hybrid work from home environment.

Education and advice for procuring teams continued during 2022-23, supporting key decision makers to understand the important principles and requirements of the Framework. This resulted in social procurement priorities being included in supplier selection and contract awarding procedures. In turn this has contributed to driving supplier commitment to social procurement objectives through indirect procurement for both state purchase contracts managed by the Department as well as in individual business procurement engagements.

Social procurement metric	Expenditure \$000	No. of businesses engaged
Total spend with Victorian Aboriginal businesses	9 605	5
Total spend with Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises	22 201	2
Total spend with Victorian social enterprises led by a mission for the disadvantaged	68 468	6
Total spend with social enterprises	90 944	12

Disclosure of Emergency Procurement

Under the Governance Policy of the Victorian Government Purchasing Board, the Department is required develop an Emergency Procurement Plan and disclose information regarding and emergency procurements.

During 2022-23 the Department did not activate its Emergency Procurement Plan and there was no expenditure on emergency procurement.

Disclosure of government advertising expenditure

In 2022-23, there was one government advertising campaign with a total media spend of \$100 000 or greater (exclusive of GST). Advertising for the Victorian Homebuyer Fund totalled \$902 113 ex GST.

Name of campaign	Victorian Homebuyer Fund
Campaign Summary	An integrated campaign which aimed to drive demand and conversion of the Victorian Homebuyer Fund. Advertising activity included TV, radio, outdoor billboard, social media, print and digital. The Victorian Government launched the Victorian Homebuyer Fund in October 2021 to accelerate Victorians into home ownership.
Start/end date	Q1 2022-23 to Q2 2022-23
Advertising media expenditure	\$798 000
Creative development	\$104 113
Research and evaluation expenditure	
Print and collateral expenditure	–
Other campaign expenditure	
Total	\$902 113

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

In 2022-23, there were 115 consultancies where the total fees payable to the consultants were \$10 000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies is \$26 285 000 (excluding GST). Details of individual consultancies can be viewed at www.dtf.vic.gov.au.

Details of consultancies under \$10 000

In 2022-23, there were 4 consultancies during the year, where the total fees payable to the individual consultancies was less than \$10 000. The total expenditure incurred during 2022-23 in relation to these consultancies was \$16 926 (excluding GST).

Information and communication technology expenditure

Details of information and communication technology expenditure

ICT expenditure refers to the Department's costs in providing business-enabling ICT services within the current reporting period. It comprises business as usual (BAU) ICT expenditure and non-business as usual (non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the Department's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

For the 2022-23 reporting period, the Department had a total ICT expenditure of \$70 638 with the details shown below.

	\$'000
Business as usual (BAU) ICT expenditure	41 927
Non-business as usual (non-BAU) ICT expenditure consisting of:	28 710
Operational expenditure	11 188
Capital expenditure	17 522

Disclosure of major contracts

The Department has disclosed, in accordance with the requirements of Government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the financial year ended 30 June 2023. Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at: www.buyingfor.vic.gov.au.

Contractual details have not been disclosed for contracts where disclosure is exempted under the *Freedom of Information Act 1982* and/or government guidelines.

Freedom of Information

The *Freedom of Information Act 1982* (Vic) 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, photographs, 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 Part II Information Statement.

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.

If an applicant is not satisfied by a decision made by the Department, 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

Section 17 of the Act sets out the formal requirements for making a request. In summary, a request should:

- be in writing
- identify as clearly as possible what document is being requested
- be accompanied by an application fee (which may be waived in certain circumstances).

To lodge an online FOI request, visit the Freedom of information website at online.foi.vic.gov.au.

The Department is also able to accept FOI requests directly. Requests for documents in the possession of the Department should be addressed to:

Freedom of Information Officer
Department of Treasury and Finance
GPO Box 4379
Melbourne VIC 3001

Access charges may be applicable, and could include charges for search time, supervision, and/or photocopying.

Further information can be obtained from www.ovic.vic.gov.au.

FOI statistics/timeliness

During 2022-23, the Department received 49 FOI applications. Of these requests, 23 were from Members of Parliament, 5 from the media, and 21 from the general public.

The Department made 44 FOI decisions during the 12 months ended 30 June 2023. Nine requests were yet to be finalised and will carry over into the following financial year. Of the requests finalised, 73 per cent were granted in full or in part. There were 18 decisions made within the statutory time period; 24 decisions were made between 1 to 45 days after, and 2 decisions were made 46 or more days after the statutory time period to decide the request. The average days to process requests above or below due date was nine days over.

Fifteen decisions were subject to review by the Office of the Victorian Information Commissioner and three appeals were made to the Victorian Civil and Administrative Tribunal.

Further information

Further information regarding the operation of FOI can be found at www.ovic.vic.gov.au.

Community Support Fund

The Community Support Fund (CSF) is a trust fund that directs a portion of gaming revenue back into the community. It was established in 1991 and is governed by the *Gambling Regulation Act 2003*.

As prescribed by the legislation, the CSF receives 8.33 per cent of the revenue generated from electronic gaming machines in hotels. Any interest earned on the balance of the trust fund is retained by the CSF.

The Government can allocate funding from the CSF to a range of initiatives, which are administered by departments. Funded initiatives must be consistent with the purposes of the legislation.

Programs that tackle problem gambling are the first call on funds from the CSF. The *Victorian Responsible Gambling Foundation Act 2011* gives effect to the Government's problem gambling policy. This legislation provides the basis on which funds will be transferred from the CSF to the Responsible Gambling Fund to reduce the prevalence and severity of gambling related harm and foster responsible gambling behaviour.

The CSF can also fund:

- drug education, treatment, and rehabilitation
- financial counselling services or support and assistance for families in crisis
- youth programs
- sport and recreation
- arts and tourism
- community support or advancement
- costs associated with administering the CSF.

The funds are provided to departments for making grants to a wide range of community-based organisations and councils, supporting them to build strong and sustainable communities.

The legislation also provides for the payment of one day's revenue from the CSF to the Victorian Veterans Fund.

In 2022-23, the CSF received \$166.97 million in revenue.

A total of \$96.33 million in expenditure was incurred in 2022-23 for projects approved within the current and the previous financial years.

There have been new grant approvals made for 22 community projects during 2022-23 (as tabled on the following page).

For more information in relation to the CSF please refer to <https://www.dtf.vic.gov.au/funds-programs-and-policies/community-support-fund>.

Projects approved from 1 July 2022 to 30 June 2023

Project name	Responsible area	\$
Department of Energy, Environment and Climate Action		
Delivering Better Parks and Playgrounds	Open Space Programs	7 400 000
Department of Families, Fairness and Housing		
Delivering Commitments to Victoria's Multicultural Communities	Fairer Victoria	58 076 000
Diamond Valley Community Support	Disability and Communities	40 000
Foodbank Hubs	Concessions and Contract Management	4 640 513
Hispanic Latin American Festival 2023	Multicultural Affairs, Youth and Equality	30 000
Investing Early Where It Matters	Fairer Victoria	2 000 000
Mount Evelyn Community House and Reading Room	Disability and Communities	15 000
The Big Issue	Homes Victoria	250 000
Department of Health		
Supporting Workers through Alcohol and Other Drug Issues	Mental Health	12 000 000
Department of Jobs, Skills, Industry and Regions		
Bendigo Art Gallery Redevelopment	Regional and Suburban Development	21 000 000
Business Chambers and Traders Group	Industry and Regions	1 000 000
Community Sport and Active Recreation Participation Programs	Sport, Tourism and Events	10 337 000
Community Sport Emergency Flood Assistance Program	Sport and Recreation Victoria	5 200 000
Investment into Community Sport and Active Recreation Infrastructure	Sport, Tourism and Events	162 400 000
Get Active Kids Voucher Program	Sport and Recreation Victoria	12 335 000
Victorian Music and Community Broadcasting	Creative Victoria	27 600 000
Department of Justice and Community Safety		
Preventing and Addressing Gambling Harm	Victorian Responsible Gambling Foundation	37 035 000
Animal Law Institute	Integrity, Legal and Law Reform	300 000
Fitzroy Legal Service	Courts Civil and Criminal Law	82 630
Victorian State Emergency Services	Emergency Management Victoria	206 400
Department of Premier and Cabinet		
Major Aboriginal Cultural Events and Awards	Community Capability	686 000
Multiple departments involved		
Doing What Matters for Local Communities	DFFH, DJSIR and DPC	52 000 000
Total grant approvals		414 633 543

Note:

The list shows the CSF grants approved in the 2022-23 financial year. Expenditure for these projects will continue from 2023-24 up to the 2026-27 financial year.

Compliance with the *Building Act 1993*

Standards for publicly-owned buildings

For the first half of 2022-23, the Department employed Jones Lang LaSalle (JLL) as an external service provider to manage the government-owned office accommodation portfolio and provide facilities management services to ensure compliance with standards for publicly-owned buildings, while providing essential safety measures reporting.

Both JLL and Turner and Townsend, on behalf of the Shared Service Provider (SSP) within DTF, coordinated building projects by engaging registered building consultants and contractors. The conditions of engagement required compliance with the standards for publicly-owned buildings.

At 30 December 2022, DTF was responsible for 18 department-owned office buildings. As part of the machinery of government changes, ownership transferred to the Department of Transport and Planning and responsibility for asset management services was transferred to the new Department of Government Services.

Mechanisms to ensure buildings conform with the building standards

DTF complies with the *Building Act 1993*, the Building Regulations 2006 and associated statutory requirements and amendments. An occupancy permit or a certificate of final inspection endorsed by a Registered Building Surveyor is obtained for all upgrades to existing facilities requiring a building permit.

DTF ensures design consultants and building contractors engaged for building works are registered building practitioners, and that registrations are maintained during the course of the work.

Works projects (greater than \$50 000)

Treasury Reserve, Melbourne	BMS upgrade
Treasury Reserve, Melbourne	Paint and restoration
1 Macarthur Street and 1 Treasury Place	Sprinkler head replacements
1 Treasury Place, Melbourne	Security upgrade project
1 Treasury Place, Melbourne	Office refit project
2 Treasury Place, Melbourne	Emergency and exit lighting upgrade
1 Macarthur Street, Melbourne	Lockers and desks
20 Spring Street, Melbourne	Roof inspection
20 Spring Street, Melbourne	Down pipe works
20 Spring Street, Melbourne	DDA toilet redesign
20 Spring Street, Melbourne	Dilapidation project
717 Flinders Street, Melbourne	Mission to Seafarers
570 Bourke Street, Melbourne	ESC fitout
402-406 Mair Street, Ballarat	HVAC upgrade
402-406 Mair Street, Ballarat	Façade rectifications
101 Armstrong Street North, Ballarat	GovHub security works
101 Armstrong Street North, Ballarat	Installation of flagpoles
30-38 Little Malop Street, Geelong	Facade upgrades
30-38 Little Malop Street, Geelong	HVAC review and upgrade
70 Smith Street, Warragul	Roof replacement

Major works (greater than \$50 000) not subject to certification of plans, mandatory inspections of the works and issue of occupancy permits or certification of final inspection

All works are undertaken by registered building practitioners with certification that the work either complies with the existing occupancy permit, a revised permit, or a certificate of final inspection.

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

Thirteen building permits and related Certificates of Final Inspections were received for project works on Treasury Reserve and DTF-owned buildings, including tenant projects.

There are five main mechanisms established for inspecting, reporting, scheduling and performing rectification and maintenance works on the existing buildings.

1. Provision and management of maintenance service contracts for all owned buildings.
2. Six-monthly property inspection reports, liaison with tenants and responses to identified issues.
3. Ensuring there is an annual essential safety measures report for each building.
4. Commissioning independent formal condition, maintenance and compliance audits on buildings every five years.
5. Commissioning engineering/consultant reports.

For the first half of 2022-23, JLL managed the service maintenance contracts for the DTF-owned government office buildings. The outsourced provider was responsible for:

- undertaking breakdown, preventative and cyclical maintenance (point 1 above)
- identifying and prioritising works required in consultation with DTF (point 1 above)
- managing rectification works (point 1 above)
- conducting regular inspections to ensure works are performed to standard (point 2 above)
- managing maintenance to support the issue of the annual essential safety measures reports (point 1 above).

Quality assurance, performance measures and governance are included in the JLL contract.

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

No orders were issued against any DTF buildings, but the Department is working closely with the Metropolitan Fire and Emergency Services Board and municipal surveyor in relation to the finalised Fire Engineering Brief and completion of the Fire Engineering Report for 436 Lonsdale Street.

Number of buildings conforming with the building standards

With a total of 20 SSP managed LPG Portfolio buildings, 19 are LPG-owned with one building managed under Crown Administration responsibilities.

Of these, 16 buildings comply with the Annual Essential Safety Measures Report (AESMR) requirements, as stipulated in the Victorian Building Regulations 2018, nine of which are fully compliant and seven of which are fully compliant but await formal issuance of the AESMR Compliance Report.

One building is currently undergoing compliance works. One building has completed compliance works and SSP have submitted documentation to Australian Essential Services Compliance (AESC). One building will be due for the annual AESMR compliance in or around May 2024, following practical completion in May 2023. One building is in the process of being decommissioned.

SSP also continuously monitor compliance under the *Building Act 1993* and has in place processes and programs to ensure ongoing compliance.

Number of buildings that have been brought into conformity during the reporting period

Nine buildings have been brought into compliance since the previous reporting period.

National Competition Policy – Reporting against competitive neutrality principles

The Department continues to comply with the requirements of the National Competition Policy. Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned and thus be fully cost reflective.

Competitive neutrality policy 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 Commissioner for Better Regulation is responsible for considering competitive neutrality complaints by individuals and businesses against government entities and reporting to the Government on compliance with the policy. No competitive neutrality complaints were lodged against business activities operated by DTF.

Application of Public Interest Disclosures Act

The following information is required to be included in the Annual Report pursuant to section 70 of the *Public Interest Disclosures Act 2012* (the Act).

Message from the Secretary

The Department of Treasury and Finance is committed to the aims and objectives of the Act. It does not tolerate improper conduct by its employees, officers or members. Nor does the Department tolerate reprisals against those who come forward to disclose such conduct, and it is dedicated to protecting the welfare of such persons.



David Martine
Secretary

10 October 2023

Compliance with 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 and rectifying action to be taken.

The Department does not tolerate improper conduct by employees, nor the taking of 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 that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Department 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 the Department or any of its employees may be made to any of the following Department personnel:

- Secretary of the Department
- Public Interest Disclosure Coordinator or Protected Disclosure Officer
- manager or supervisor of the disclosure
- manager or supervisor of the person who is the subject of the disclosure.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower, 459 Collins Street
Melbourne VIC 3000

Phone: 1300 735 135

Internet: ibac.vic.gov.au

Email: [see the website above for the secure email disclosure process, which also provides for anonymous disclosures.]

Further information

The Public Interest Disclosures Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Department or any of its employees and/or officers, are available on the Department's website.

Disclosures under the *Public Interest Disclosures Act 2012*

The number of disclosures made by an individual to the Department and notified to the Independent Broad-based Anti-corruption Commission

2022-23 (number)	2021-22 (number)
nil	nil

Information available on request

Financial Reporting Direction 22 provides for the information listed below to be retained by the Accountable Officer and to be made available on request subject to the provisions of the *Freedom of Information Act 1982*.

Information available on request:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of any major external reviews carried out on the entity
- details of major research and development activities undertaken by the entity
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed to for each engagement.

To ensure the Department is meeting its accountability and compliance requirements, some of the additional information has been included in this annual report where relevant.

This information is available on request from:

Freedom of Information Officer
Department of Treasury and Finance
GPO Box 4379
Melbourne, Victoria, 3001
Email foidtf@dtf.vic.gov.au the attention of the
FOI Officer.

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

I, David Martine, certify that the Department of Treasury and Finance has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



David Martine
Secretary

10 October 2023

Compliance with DataVic Access Policy

In August 2012, the Victorian Government released the DataVic Access Policy, which enables the sharing of government data at no, or minimal, cost to users. Government data from all agencies will be progressively supplied in an electronic readable format that will minimise access costs and maximise use and reuse.

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the Department of Treasury and Finance made 12 data sets available on the DataVic website in 2022-23.

Information included in this Annual Report will be available at www.data.vic.gov.au in electronic readable format.

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Ministerial Directions and Financial Reporting Directions

Report of operations

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